

of a new mercantile marine—formerly a great source of wealth to the country." Very good. But the corollary which appeared to be in the minds of the authors was that the Government at Ottawa should come down handsomely to start the thing on a large scale. Our friends in the Lower Provinces are too much disposed to rely on governmental assistance. Governments cannot subsidize every industry—it would not be healthy if they should. And there is too much subsidizing of one kind and another as it is. The resolution itself speaks of the profitable field offered by ship-building for our steel products and skilled labor: this being the case, what more is needed than public spirit, enterprise and capital? We often call to memory the words of J. M. Carmichael, of New Glasgow, uttered five years ago on this very subject: "Not a ship can be built so long as our people are content to allow even their own timber to be carried by English and Norwegian vessels." Let a start be made, even on a small scale, to show what can be done. The provinces on our eastern border are extraordinarily rich in those necessities of ship-building: they have designers, shipwrights, sail-makers, fitters and riggers; they have skilled navigators and mariners; they have stores of wood and iron; and they have a glorious history of world-encircling commerce in their own wooden ships, when some twenty years ago Yarmouth herself owned 260,000 tons of shipping out of 855,758 tons owned in the two Provinces of Nova Scotia and New Brunswick. Let it not be said that by reason of timidity no effort shall be made to utilize these valuable factors.

THE WESTERN GRAIN CROP.

It is a great satisfaction to learn that the joyous reports current for weeks of a bountiful harvest this year in Manitoba and the Territories are confirmed by actual observation of conditions at the close of August. The yield is remarkable of both wheat and oats. Wheat north of Brandon, we are told, runs thirty-five bushels to the acre and oats eighty to eighty-five bushels. Practically the whole crop is ripe in Manitoba. Farther west, the famous Robertson fields in High River district are declared to average fifty bushels to the acre of hard wheat as far south as Red Deer, Alberta, the grain harvest is ripening, and the yield is very heavy. This intelligence had all come in before receipt of our special wire of yesterday noon from Winnipeg. The apprehensions that much wheat would be lost because of a lack of farm laborers to harvest it have been in part removed by the fact that rain came this week, which postponed harvesting operations in parts of Manitoba, and allowed time for harvesters from Ontario or elsewhere to reach the wheat fields.

Summarizing all the latest reports throughout Western Canada up to noon on 31st August our Winnipeg correspondent concludes that they "indicate the cutting of oats and barley to be nearly completed. The wheat harvest is now general, about forty per cent. being already cut, and threshers will be at work next week. Weather conditions continue favorable, and indications are that the grain will be garnered safely. Farmers report the wheat to be of a fine sample and heavy yield. Careful estimates by best-informed parties place probable yield of wheat in Western Canada at ninety million bushels." This

is the figure given us on Tuesday by a well-informed Winnipeg merchant, and, although it is lower than the estimate made a week ago by the Premier of Manitoba, we are disposed to think it is a reasonable figure. And a very handsome figure it is.

THE STATE OF TRADE.

Satisfactory reports of the state of trade, both retail and wholesale, continue to arrive. In Montreal there has been an extraordinary attendance at the millinery openings, and the feeling in the metals trade is promising. In Toronto a marked improvement has been manifest in the local trade, and with the steady arrival of visitors by every train and boat for the Exhibition the retail trade next week ought to be phenomenal. Prices in all lines of merchandise are steady, and their tendency upward, except with perishable stuff, like vegetables and fruit; with these, prices are unsettled, as supplies are larger each day. The wholesale houses generally in both cities are busy filling orders for immediate delivery, and also in preparing for an unusually large fall trade.

The volume of summer trade in dry goods in particular has been greater as a rule, merchants say, than they had calculated upon. Not only are orders good from country dealers who have come into Toronto for Exhibition week, but the reports sent in by travelling salesmen, both in this city and Montreal, are cheerful. Whether from the East or from the West, but especially from the far West, the demand is brisk and prospects are considered good.

Money is plentiful nearly everywhere, and paper is being well met. In almost every quarter a feeling of quiet confidence is expressed, a feeling which is in itself half the battle of success. The present prosperity in Canada is not regarded by business men as a temporary boom, but as a result in due course of national development, leading to wealth and comfort.

PEACE BETWEEN RUSSIA AND JAPAN.

An agreement has been reached between Russia and Japan by the Peace Conference at Portsmouth, New Hampshire, which is so unexpected as to be almost startling. For Japan has made concessions from her demands that three days ago could not have been looked for. Russia, it is true, has conceded to Japan practically the control of Korea, and has also relinquished her rights in Manchuria, with the exception of the common right of all nations to the "open door" as affects commerce. But the Mikado's Government has withdrawn its demand for an indemnity for the cost of the war, for possession of interned Russian warships, and for the limiting of Russia's naval power in the East. With respect to the Island of Sakhalin, Japan has secured one-half the island, which was a thing yielded by M. Witte when he learned that Japan's demand for indemnity for the cost of the war was abandoned. The Russian plenipotentiaries claim the result of the peace agreement as a victory for them, but opinions in Russia itself are not so sanguine. And the war party is not pleased. For instance, Prince Oukhtomsky, writing on Wednesday in the "Viedomosti," declares that in spite of "the advantageous terms wrested out of defeat," the moral advantage rests with Japan, who will be regarded in the eyes of the East and of Europe as the victor. Russia's prestige, he asserts,

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