

WHY THEY DON'T FAIL.

It was a generally received impression, up to within a very short time, that any great fall in gold in the United States must inevitably produce a panic, and cause a crash among the business men of that country. Visions of an unprecedented crisis, of disastrous failures, and a general collapse, have all along been freely indulged in as the certain result of a violent movement in gold toward a par value. It was argued, and with apparent force, that as values fluctuated with gold, a man who held a stock of goods worth \$100,000 to-day, might the day after to-morrow find it worth only \$75,000, and the day following \$50,000. How was it possible he could experience a loss of such a magnitude, and not fail? Must not the whole mercantile community, subject to a depreciation of from fifty to one hundred per cent. in its assets, be equally subject to embarrassment and certain failure? These were questions frequently put, and as frequently answered in the affirmative. Accordingly there was a general expectation that in the event of peace the prosperity which prevailed throughout the United States, would be replaced by a general depression and a succession of commercial disasters such as the world never before witnessed.

It is perhaps, too soon to judge of the full effects of peace upon the mercantile interests by the events of the past few weeks; for notwithstanding a universal belief in the early close of the war, the nation has been so much absorbed in mourning for its dead President, that business has been more or less neglected. But there are some indications in the immediate past and present by which the future may be judged. The first of these is, that even before the capture of Richmond a very great decline had taken place in gold, and that the present rate, say 150, has been about the average figure for a full month past. The average rate for March was over 200, so that within the space of thirty days there has been a decline of fifty per cent. With few exceptions the values of all assets have participated in this decline, and the holders of goods everywhere throughout the United States could not now realize \$75 for what a month ago was worth \$100.—and every acre of land, every bushel of grain, every stick of timber, every bale of cotton, every hoghead of sugar, and every box of tobacco is worth to-day fifty per cent. less than it was a month ago. Under ordinary circumstances a decline of this character in every asset throughout the country would have produced most serious derangements; a great crisis would have seemed inevitable, and failures disastrous and numerous only could have been expected. And yet what do we find to be the case? What is the result of this tremendous tumble in prices, this sudden disappearance of value, this evaporation of wealth? If the crisis, so long expected, and so confidently predicted, ever was to come, it would certainly come now. But there has been no crisis; on the contrary, business matters in New York have gone on as before, there has been no collapse, no great crash, nor does there seem any immediate probability of any. As to failures it would seem almost incredible, but it is a fact, that there have been during the month fewer failures in the United States, among twenty millions of people, suddenly bereft of one-fourth their apparent wealth, than in Canada, among two and a-half millions of people, with no change in values whatever. And it must be borne in mind that the past month has been a most trying one to the commercial fabric of our neighbours. Events of the most stupendous importance have crowded rapidly into that short space of time. The fall of Richmond, the capitulation of Lee, the capture of Mobile, the surrender of Johnston, and the flight of the Confederate cabinet, all point to immediate and permanent peace, and an equally permanent depreciation of values. The foul murder of their President, the sudden change in rulers, were, at this juncture, events that could hardly be surpassed in political importance, testing most severely the institutions of the country, and the peculiarities of their constitutional system. Yet this crisis, which in any other country in the world would have seriously affected commercial interests, passed without apparent effect, and the very day of the President's assassination, the subscriptions to the Government loan were several millions of dollars. If following upon a decline of fifty per cent. in gold, a sure certainty of peace, and a great constitutional trial, no financial crisis occurred, it may well be asked when will it come, and what will produce it? We don't aspire to utter predictions, but we think it not unreasonable to infer that if the events of the past month produced no collapse, the ordinary

events to follow in the train of peace can hardly produce any great financial revolution.

It would be most interesting and instructive to ascertain why it is that the general expectation of a crisis has been disappointed. How is it that failures have been prevented, and a general crash avoided under circumstances so peculiarly adapted for producing both the one and the other? Beyond all doubt, the main reason for an absence of a crisis is found in the almost universal absence of debt among the people. A merchant cannot fail unless he owes something. Whatever his losses may be, if he has no debts to pay, the world outside is not affected; the loss is confined to himself, and no one else suffers. In New York, and throughout the United States, a very great change has taken place in business. The long-credit system has been almost universally dispensed with, and, except an occasional transaction on thirty days' paper, the vast bulk of business transactions for the past three years has been on a cash basis. A variety of causes has produced this result, which we have only space to enumerate such as the constant fluctuation in currency, so that a merchant dealing in goods on credit, not only speculated in the article itself,—subject to the laws of its supply and demand,—but also speculated in currency; for if he either bought or sold on credit, his payments or receipts at a future time could never be deemed. He might just as well speculate in gold at once. He therefore was wise in paying for his goods as he bought them, and getting paid for them as he sold them. This great change in the trade could never have taken place but for the enormous increase of the currency, the plenitude of which was another reason for cash transactions. The uncertainty of values, the supply of currency, were both incentives to a cash basis, but the success of the Federal armies for the past three or four months gave warning that very soon the war must draw to a close, and accordingly the people—with that shrewdness and adaptability for which the American nation is noted—prepared for what would take place, in the certain decline of gold and the depreciation of values. Accordingly when the storm broke, we find the sails reefed and the anchors set, and so far the wrecks have been few and far between.

FARMING IN LOWER CANADA.

It is a fact notorious to every one, that the farmers of Lower Canada are almost completely exhausted, and the farmers occupying the longest settled districts are in the same condition,—over head and ears in debt to men from whom they have borrowed money at exorbitant rates of interest. These facts are of immense importance to this country. A few years ago the Lower Canada lands were capable of producing fair or large crops of any sort of grain; now a large proportion of them are unfit to grow sufficient to maintain the ill-fed families who occupy them, and the half-starved cattle which belong to them, and which, instead of being a source of profit to the owners, scarce produce enough of milk and butter to supply the wants of the family, without in any way adding to the capital of the household or country.

Now, this is a state of things which is anything but creditable to this country, and which surely admits of a remedy. Some of the finest land in America is to be found in Lower Canada, but which with too frequent cropping, and from the want of manure, has become exhausted. Land cannot go on for ever yielding much and receiving little. It is like a bank: when we have drawn out all its capital, we can draw no more until some of it is replaced; but this is what we have been attempting to do in Lower Canada for the last hundred years or more (and we fear that the same has been going on in some sections of Upper Canada); and yet the poor, ignorant *habitants* have not been taught the reason that they cannot get as large crops now out of the old lands as they know can be got out of new.

Surely some person is to blame for this. We take a great deal of trouble about separate schools, and are dreadfully alarmed in both sections of the Province to hear that children are being taught their alphabet at a school, the teacher of which is of a different religious persuasion from the parents. Yet we go on from year to year perfectly satisfied that one million of our farming population should not understand the rudiments of farming. We take no measures to instruct them. It would be entirely within the power and prerogative of Government to adopt some system of teaching them either by lecturers going about the country, or by establishing model farms in each county,

or township, at which the *habitants*, by working in them, would learn to work their own farms to advantage. There is no lack of means of teaching, if there was the determination.

The people of Upper Canada say that they pay per head much more of taxes than the people of Lower Canada, but there would be no better means of making Lower Canada pay her share than by putting her population in a way of earning sufficient to be able; and they will be willing to pay them. And let the Upper Canadians beware that a great many of them are not running, or have not already run the same course, or farmers in sections of that Province may come to be in the same position as our farmers are at present.

A great many people will be inclined to account for the great falling off in the yield of land by charging the farmers with laziness; but no person acquainted with the French Canadian character, will for a moment listen to such an assertion. The French Canadians are at least as industrious as any other class of our population. They are also economical, and desirous of learning. That they are behind the rest of the population in agricultural knowledge is no fault of theirs. The circumstances under which they have been brought up are entirely different from those of any other part of our population. Brought up in this country, which, until within a very few years, did not establish schools amongst them, and, therefore, innocent of the least education, and those few amongst them who have been taught to read, being almost without books or papers in their own language, have had no opportunity of progressing in knowledge, even if they were the most progressively inclined in the world. Whereas, those with whom we have been in the habit of comparing them have been brought up in countries in which, on account of the dearth of land, the soil has had to be cultivated by the most scientific systems, or at least have learned from men brought up in those countries.

Again, the proper farming of the land in this country is a matter of no small importance to the revenue. The tax-paying power of farmers who, by a proper rotation of crops, the raising of roots, and the feeding of cattle, and using the manure to good advantage, can raise double or treble the crops which can be raised by the present *habitant*-farmers, is not alone equal to the multiple of the original crop raised, but is much greater. The farmer who may not be able to afford a decent living when he raises forty bushels of oats from an acre of land, may have a large profit by raising fifty bushels, and every bushel over that he entirely gains. The continual decrease in the produce of the country is, therefore, a subject of which the Government may take cognizance, and means to remedy—not as a matter of charity to the farmers, but as a benefit to the country at large. The Government of Great Britain did not think they were stepping beyond the limits to which a responsible ministry might go when in 1846 they passed an act by which they lent the public money on mortgage to farmers for the improvement of their land, more especially for the purposes of drainage. That Government has done every thing in its power to promote the diffusion of agricultural knowledge, and it is a matter of much more concern to us, who are almost entirely dependent on agriculture, that our farmers should have such knowledge.

Montreal Stock Market.

	Closing Prices.	Last Week's Prices.	Corresponding Week, 1864.
Bank of Montreal....	108	107½	113½
Ontario Bank.....	99	97½	103½
Bank of B.N.A.....	90	91	Par.
City Bank.....	—	88	99½
Commercial Bank....	80½	80	92
Bank of Up. Canada..	33	33½	66
Banque du Peuple..	97	97	105½
Molson's Bank.....	—	109	111½
Bank of Toronto....	—	95½	104½
Bank Jacques Cartier	102	102	106
Merchants Bank.....	—	Par	00
Gore Bank.....	90	90	99
East Townships Bank	—	—	90
Montreal Twp Co.....	—	115½	13
Richelieu Nav. Co....	—	123½	125
City Pass. R. R. Co. Par.	—	Par.	123½
Montl. Har. Bds, 7 p.c.	—	—	104
Do. 6½ p.c.	—	—	102½
Mont. Corp. Bonds, 90	—	90	96½

There has been more business doing this week at improved rates, for those Banks paying their half yearly Dividends on the 1st prox. A considerable amount of Bank of Montreal and Ontario Bank, having been placed at our quotations, Bonds and Debentures, Government and Montreal City Bonds are dull of sale, except at reduced rates.