(ANNUAL CIRCULAR.)

QUEBEC, 3rd December, 1868.

Having made up the returns of the Supply, Export and Stock of Timber and Deals for the past season, we forward them for your perusal, together with a comparative statement for the past five years, and an average of five years preceding, with Prices Current annexed. The season just closed has been one of great activity in the timber trade, and our staple of White Pine has maintained a higher price throughout the season than we have ever known. Notwithstanding an over-abundance of money, and bountiful harvests both here and in the United Kingdom, capitalists have again shewn an unwillingness to employ their means in the ordinary channels of trade, and until this general distrust gives place to confidence, and our Dominion Government is thoroughly established, we need not look for a marked improvememt.

WHITE PINE.—The stock on hand of this article is of square 7,647,598 feet, against 13,000,843 last year, and of Waney 1,715,185, against 1,905,422. The demand in the first part of the season was without marked activity, owing to the lateness of the Spring fleet, but an improvement took place in July, when, from a scanty arrival of Rafts caused by scarcity of water, together with low stocks, holders were enabled to realize full prices, which they maintained, for good timber, during the remainder of the season. The stock wintering is of good fair average quality, one-third of which is only a medium article, the remainder is, with little exception, timber of only moderate averages, but of good, healthy character. It is also worthy of note that we remember no season to have closed with such a small proportion of White Pine Timber wintering in first hands, nearly all being in the hands of the shippers. It is a subject for general satisfaction that the stock of this article has at length been reduced to within a a manageable compass, and that arrangements entered into for another year's manufacture are on such a scale as to preclude the danger of an over-stock next year; we may also remark that timber of superior quality and average is now procured only by receding into districts where a few years ago it would have been thought impracticable to make the attempt; and Lumbermen, at great sacrifices and expense, have been obliged to improve creeks and streams heretofore unnavigable for lumbering purposes, in removing natural obstacles, and constructing artificial "Slides," in order to get out their manufactured lumber to the main streams. These causes will have the effect of reducing our future supply, and experience will we think corroborate this view.

RED PINE.—The stock on hand of this article is 1,650,749 feet, against 3,333,331 last year. Although it has been very much decreased, still the market has not improved except for very large girth and average, which