

willing to risk money in new enterprises. Those who have been 'bitten' and have suffered loss are tired of a low rate of interest or inaction, and make up their minds to another period of activity, enterprise and venturing. The wheels of commerce and manufacturing move round more quickly, and gradually all interests partake of the active character of the new movement. Something of this kind may be expected to take place again as hitherto, and it may take place even before the close of the present year if the harvest should prove a good one, all over the world, as seems probable at present. But it is, on the whole, more likely to come next year, and perhaps not before the close of that.

BUSINESS POSITION AND PROSPECTS.

In discussing these it is necessary to draw a very sharp line of distinction between one part of our business and another. The prosperity of a large portion of Canada ultimately rests on two things, the products of the farm and the products of the forest. Other industries such as mines and fisheries, the latter especially, are rising into productive importance every year, but the main dependence, at least of Ontario and Quebec, is upon the two industries above named.

With regard to the first, everything looks as favorable as possible; but as to the second, matters were seldom in a worse condition. The farmers have about disposed of last year's crops, and their aggregate receipts must have been quite up to the average. And the prospects of the growing crop were never brighter on the whole, though fall wheat sustained some injury during the winter. But all reports agree in stating that our spring crops give most excellent promise. There is a large breadth sown, and there has been most genial weather to bring it forward. The wool crop is being marketed already, and the price though not high is remunerative. Hay cannot fail to be abundant. Spring wheat looks uncommonly fine; so does barley. Oats also looks well. Our cattle find a ready and good market, at fair prices. Many farmers are becoming regular importers of fine stock, which they sell principally in the United States. As the farmers prosper, so do all interests, trades, and places that depend on them. Towns whose business is dependent on an agricultural region are doing well. Merchants get well paid and make prompt remittances. Manufacturers of agricultural implements are busy,

and things generally are in a prosperous condition.

On the other hand, there are certain districts that are largely dependent on the lumber and timber manufactured in the adjacent country. Now, it is notorious that the lumber interest is entirely dependent on the market of the United States, and this has seldom been in a more thoroughly unsatisfactory condition than at present. Lower grades of lumber comprise three-fourths of our total production, and these grades cannot be sold to cover cost. The market is glutted with lumber, which has been sent forward on low freights, and there is no prospect of better prices for the remainder of the season. The saw-mill interest, therefore, and all that depends on it, is becoming depressed. Many of our towns are almost supported by the saw-mills of the adjacent country, and already feel the depression, though not seriously as yet. It is when mills begin to be closed up, hands discharged, time cut down, and demand for all kind of supplies shortened, that the towns will begin to feel the burden. Things have not come to this pass as yet; but another season such as we have had will render it inevitable. Production must be shortened. This is the only possible remedy and the only possible way to a better state of things. But shortened production means diminished trade to many of our towns, diminished demand for hay, pork, and houses, as well as for various iron products, such as machinery, &c. All this will react on the storekeepers, and compel them to curtail their business, which will again act on the value of the property in the towns.

All that we have said respecting the sawed lumber interest applies with equal force to the square timber business. This production finds a market in England and Scotland. But that market is flat. Labor strikes and over production have brought about a great reaction in the prosperity which England has been enjoying for some years back. Consequently the building interest is not buoyant. It has suffered a check. The demand for timber is slack. The timber merchants of Quebec have, therefore, large stocks on hand, and they are rather likely to lose money on them than otherwise. Quebec is full of timber that ought to have been in England by this time, and the money that should have been drawn against timber shipped is locked up in advances.

This must react generally on the interior districts, from whence supplies of timber are sent. The vast regions of the Ottawa, the Trent valley district, and its tributaries, the region bordering Lake

Simcoe, and also, to some extent, the western peninsula, where such large supplies of hardwood are still to be found, all are likely to pass through a period of depression.

For here also, nothing can bring matters round but largely diminished production. There has been no diminution as yet, and, consequently, no action upon trade. But diminution must come, and with it must come dullness and curtailment. This, then, is our outlook. On the one hand everything is most bright and cheerful. On the other, there is nothing but gloom and depression. It is for our bankers, merchants, and men of business to weigh these points, and act judiciously under the circumstances.

A PROSPECT OF PLENTY.

The reports from nearly all sections of Ontario are so favorable, that an abundant harvest may be considered certain. The season has been an exceedingly pleasant and favorable one, with frequent refreshing rains, the effect of which upon the growing crops has been most beneficial. Haying is pretty nearly finished in some districts, and the yield is generally abundant; but why specify hay, when the same may be said of almost everything which is planted? Fall wheat is the only exception, and that only in a few localities. On heavy clog soils it was too badly killed out in the early spring to recover sufficiently to be an average crop, and we have seen some fields along the leading railways from which there will not be half a crop reaped. But there is good reason to believe this description applies only to particular localities, and that, generally, the prospect is better than for many years past. A leading agriculturist informs us that the fall wheat, in such fine counties as Brant and Waterloo, has not looked so well in ten years! Barley, oats, peas, and all descriptions of spring crops, are unusually luxuriant and promising. The gardens and orchards also look well, and the season has now so far advanced that this Province may be said to be certain to contribute its share to make 1874 a year of plenty. Ontario is not, however, likely to be exceptional in this respect. If reports can be credited, an immense wheat crop has already been reaped in California, and recent intelligence from Europe brings anticipations of a large wheat harvest there. If these expectations are realized, the abundance of the wheat crop this season must have a cheapening influence upon breadstuffs. But a plentiful year is generally a good year, and an abundant harvest could