the reduction of wages, the high rates of which have, for five years been the basis of our industries. With a reduced cost of the main staple of subsistence, we are apt to have lower prices for the other articles of food, and with a general contraction of the costs of subsistence, consumers have the more to expend upon other commodities. An abundant harvest thus favours at the same time an increased and a cheaper production, and an enlarged demand, which is but another phrase for a profitable and active trade.

This prospect bodes good for the country generally and the agricultural sections especially. There is, however, some uncertainty overhanging the great staple upon which the South is directly dependent, and in which all sections are indirectly concerned. It is now universally conceded that a crop of 3 000,000 bales of cotton is not to be thought of. Present accounts from some sections of the cotton region represent the crop as suffering from rains and the worm, and it is feared that one-half the crop of Alabama may be lost from this cause. It also remains to be seen how far the election excitement, acting upon the sensational propensity of the negroes, may divert labor from picking operations, the planters profess considerable apprehensions on this ground. The South is likely to realize a handsome aggregate value for the crop, whatever may prove to be the yield; for with a light yield the price will correspondingly advance. It is hardly to be hoped, however, that the country is about to be benefitted by a cheapening of the chief staple of clothing, contemporaneously with a decline in the price of food. We have a stock of but 75,000 bales of all qualities of [co]tton in the country to serve us until the new crop c[om]es into the market, a condition of things by no m[eans] favourable to the season opening with low prices. The prospects of the cotton crop, therefore, cannot be reckoned among the causes helping to produce a general healthier condit[io]n of trade, except so far as it promises to improve the trading position of the South. The sugar and rice crops of that section, however, give promise of a large increase, which again will have the important advantage to the whole Union of helping to cheapen food products.

There are certain fiscal considerations tending to impart confidence and steadiness to trade. Congress has declined to enact any farther modifications of importance in the tariff, tending, as all such changes do, to embarrass our foreign trade. The pressure of political opinion has induced Congress to curtail the expenditures of the Government, and the internal taxes have been removed from all manufactures, a relief which, whether it may prove permanent or not, must have a material influence in encouraging trade. To this extent, we may congratulate ourselves upon having recovered from the derangements and extravagances incident to the late war. Although these changes are very far from amounting to the recovery of a normal condition of things, yet they indicate progress; they are a concession to a popular desire for a sounder condition of things, and they are the commencement of a course of recuperation which, though propelled rather by the popular instinct than statesmanship, must ultimately place affairs in a healthy condition. Thus much the commercial mind of the country will conclude; and trade will take courage accordingly.

In order, however, to arrive at a well balanced estimate of the future, it is necessary to take into the account certain facts and tendencies of a less favourable character. The political condition of the South is not such as to encourage enterprise in that section. Although a system of reconstruction has been established in most of the States, yet it remains to be seen how far political opposition may defeat its success, at least temporarily. The action of the Tennessee Legislature in passing a law providing for a militia force to meet a present political emergency is not assuring, and is the less so from the fact that other States may deem the same course necessary in view of election contingencies. The presidential canvass is being conducted with more than ordinary acrimony and passion, and during the latter stages may be attended with developments calculated to disturb confidence. These excitements are always attended with a diversion of attention from trade during the busiest period of the fall season; and, this year, the interruption is likely to be greater than usual.

Again, the course of our foreign trade is not at present wholly satisfactory. While it may be reasonably presumed that we have now reached a period when the remittance of bonds can be no longer available to any material extent in settlement for our imports, we see our exports of produce declining, and our imports increasing: a course of affairs which has called for an unprecedented export of specie this year, and which, with the remittance of the Alaska purchase money, has reduced the supply of gold in the country to an unusually low point. This course of affairs is inducing an active rise in the gold premium, and is likely to result in a great deal of speculation for the next few weeks; which would not only embarrass our foreign trade, but produce a good deal of financial uneasiness.

We would fain hope that no hindrance to trade may arise from banking sources, and yet we must confess to some misgivings on this point. For two successive seasons, last fall and this spring, we have seen merchants and manufacturers seriously embarrassed through the banks showing a preference for stock loans over discounts. Several failures arose from this cause, and much of the recent depression of trade is due to it. And the present condition of the banks tempt them strongly to a repetition of this reprehensible policy. It appears from the July quarterly statement of the National banks of the United States that the loans and discounts are $7,400,000 more than at the same period of 1867, and, considering the general quiet of trade and manufacture, it is reasonable to conclude that this expansion is due to an increase of loans upon securities. If then, the banks are resolved upon paying due deference to the claims of their mercantile customers, it must be at the risk of their call borrowers; a risk which it requires much courage in the banks to challenge. The deposits of the interior banks with their New York correspondents appear to be very unusually large. When the crop movements set in, these deposits will be withdrawn, large amounts of grain paper will be sent here for discount; and the country banks will, in addition, require advances of currency. It is impossible to contemplate these movements without some anxiety as to the policy the banks may adopt towards the commercial community.

RAILWAY ENTERPRISE.

THE WELLINGTON, GREY AND BRUCE AND GUELPH AND THE NORTH WESTERN LINES.

(From the Kingston News.)

WE find in the action of the Hamilton City Council another item of evidence going to show the great interest which is being taken by the city and township municipalities of Western Canada in the promotion of railway enterprise. The Hamilton City Council has just passed a by-law that will be submitted to the rate-payers for approval, which provides for the exchange of about $100,000 of Great Western Railway stock for stock of the Wellington, Grey and Bruce Railway, a new line which is projected as a feeder to the Great Western, and which when constructed will undoubtedly confer a material benefit on the City of Hamilton. This exchange of stock it is thought, will be sufficient to render certain the building of the first 13 or 14 miles, from Guelph to the Grand River, the only section in which the local bonuses fall short of the amount required. The Hamilton *Times* thus refers to the economy of the exchange, and indicates the existence of public spirit in the townships along the line of route, which have given bonuses of $5,000 per mile in order to have their county opened up by a railway. The *Times* says:—

"Compared with the benefit which the new railway will be to Hamilton, the dividend now received on the Great Western stock is but as a drop in the bucket, even were no dividend to be received from the stock which is to be taken in exchange. But happily there is no reason at all for contemplating that contingency, however strong the case would still be in favour of the proposed exchange. The important fact is to be remembered that the Great Western dividends are paid on the large capital cost of $70,000 per mile, whereas the Guelph and North Western will have to pay dividends only on about $10,000 or $11,000 at the outside. For the $5,000 per mile from the municipalities, this being a bonus, draws no dividends afterwards, the people being content to make it a free gift out and out, at once, for the sake of the benefit the railway will be to them. Offers are in hand from perfectly reliable parties to complete the road, including right of way, rails, and everything but the rolling stock—the latter not having to be provided by the company, as the Great Western will run the road—within Mr. Reid's estimate of $15,500 per mile. As will be seen by the resolution, the by-law is to be submitted to the rate-payers without delay, and will unquestionably be enthusiastically ratified by the rate payers."

It thus appears that two important lines of railways are likely to be constructed in the western peninsula without further loss of time. We refer to the line above mentioned and to the Toronto, Grey and Bruce Railway, which has been so enthusiastically voted a bonus by the township of Albion. The building of these railways will be an important local industry, while they are in progress, and the development of agricultural and commercial progress in the West will date a fresh impetus from their commencement. We should like to observe the beginnings of a similar spirit of enterprise in this locality, for it is undoubted that the progress of Kingston henceforth will be desparately slow unless we can make our magnificent harbor the outport for the produce of the vast unoccupied country that lies to the rear, a country which only a railway can open up, and which should be so opened up without further delay.

CLOSE OF THE CHICAGO WOOL EXPOSITION.

THE Exposition closed on Friday last with a sale at auction of the stock on exhibition. At a business meeting, Mr. McAllister on behalf of the committee of arrangements, said that they had done everything that lay in their power to make the exposition a success, and that if universal satisfaction had not been given, they were not to blame. It had been their desire to give each exhibitor the best place, but those goods which had come in late could not be accorded as good a position as those which had arrived earlier. He hoped that at the next exposition the goods would come in earlier, and the owners would accompany them, so that they could be properly catalogued. He would like to see every manufacturer come with his goods and make the next exposition a greater success than this one.

The Chicago *Tribune* says.—

The Wool Exposition has demonstrated that we are paying the factories at Lowell, a bounty of at least twenty-five per cent. upon all their cloth which we use. In other words, that we can make our own cloth here at home for twenty-five per cent. less than it can be made at Lowell and sold in Chicago. The revelation is timely.

There was a time when the steamers from Buffalo used to bring flour to Chicago. Subsequently it was found that flour could be produced in Illinois and sold at Chicago for twenty-five per cent. less than it could be brought from Buffalo—Buffalo flour selling at a profit in Chicago at $5 a barrel, and Chicago flour at $3.75. Had our millers added the difference to their profits and asked $5, Buffalo flour would have continued to be sold here; but they asked $3.75, and not a barrel of flour has come west from Buffalo since. Let our wool manufacturers take a lesson from the flour-makers. Lowell cloth sells in Chicago at $3 a yard, Western cloth of the same grade can be sold at the same profit for $2.25. Will our wool-manufacturers be content with their ordinary profits and drive out the Lowell competition, or will they invite Lowell and the rest of the world to send cloth here by raising the price of the Western article from $2.25 to $3.00? In other words, will they act with an intelligent or with a blind regard to their own interests?

A NEW EXPLOSIVE AGENT.—Dynamite is the name of a new explosive agent, consisting of porus silica, saturated with nitro-glycerine, which is just now attracting the attention of those who are interested in quarrying and mining operations. A series of experiments which took place the other day in Lanarkshire, is said to have proved that the explosive force of dynamite is about three times greater than that of guncotton, or some twelve times greater than that of gunpowder. A couple of tablespoonfuls laid quite loose on a thick beam proved sufficient, when fired, to break the timber right across, and project one of the fragments to a considerable distance. A charge of six pounds exploded in a horizontal bore, brought down about 4,000 cubic feet of whinstone rock. In another experiment a block of wrought iron, measuring nine inches by eight, was placed vertically in the ground, and a quantity of dynamite, covered only with loose rubbish, exploded on its upper surface. The result was to convert what had been a convex surface into a concave one, the mass of iron being at the same time split in several places. Although dynamite contains 75 per cent of nitro-glycerine, it is said to be as safe as gunpowder against explosion by concussion.—*Builder's Trade Circular.*

MONEY MARKET.

THE abundance of money previously noted still continues, and on good paper it is seeking investment at seven per cent. with exceptional offers on gilt edged as low as six.

STERLING Exchange is dull and lower, transactions for round amounts being at 109½ to 109¾ for Bank or Bank endorsed 60 day bills on London. In New York, best houses are drawing at 109¾. Gold drafts on New York are in fair demand, with both buyers and sellers at par.

GOLD in New York has been fluctuating, with a general downward tendency. On Wednesday it touched 144¼, but rallied from that point, closing at 145¾. Greenbacks are selling at 31 to 31½ per cent. discount, and are not offering in large amounts, transactions having been principally speculative or between brokers.

SILVER is very abundant, at 4¼ to 4½ per cent discount on large and 6 to 6½ on small.

The following are the latest quotations of Sterling Exchange, &c.—

Bank on London, 60 days sight	109½ to 109¾
" " sight	110¼
Private, " 60 days sight	None
Bank in New York, 60 days sight	109¾
Gold Drafts on New York	Par
Gold in New York	145¾
Silver, large	4¼ to 4½ dis.
" small	6 to 6½ "

THE GROCERY TRADE

Baldwin, C. H., & Co.	Mathewson, J. A.
Chapman, Fraser & Tylee.	Mitchell, James.
Chapman H., & Co.	Robertson & Beattie.
Childs, George, & Co.	Robertson, David.
Converse, Colson & Lamb.	Tiffin, Bros.
Frank, J. C., & Co.	Thompson, Murray & Co.
Gillespie, Moffatt & Co.	Torrance, David, & Co.
Jeffery, Brothers & Co.	West, Bros.
Kingan & Kinloch.	Winning, Hill & Ware.

OUR market during the past week has been very quiet, with only a demand for our local wants, a few Western merchants have visited us, but the season is too early for their fall orders. Generally speaking, prices are firm, and stocks with only a few exceptions, being low, holders are very decided in their views.

TEAS.—More especially low grade Young Hysons have met with attention, but together with medium samples have been held firmly for full rates. High grades Gunpowders, Young Hysons and Imperials also in demand for our local trade. Japans, medium and fine have had good enquiry, but most holders are withdrawing their samples from the market. Twankays very scarce and enquired for. Blacks are in fair demand.

COFFEE.—Unchanged since our last report.

SUGARS.—Continue in fair demand, though sales are principally for our local trade. No change can be made in our quotations, prices being entirely nominal.

MOLASSES.—Still in demand. Sales of cargo during the past week have amounted to about 6