"wonderful growth and prosperity" of the country since 1854 are, in the writer's opinion, "traceable chiefly to two causes: the operation of the Reciprocity Treaty, and the American Civil War." These were un auestionably elements in the prosperity of this country; but the fact is useless as a guide for the future. We have no present prospect of getting a new Reciprocity Treaty, and the American Civil War is, happily, not likely to be revived. It must be remembered that if we received war prices for what we produced, we paid something like war prices for much of what we purchased. Still there was a balance on the right side.

The circular quotes from Sir Alex. Galt the opinion that "pig iron should not pay as high a duty as a pen-knife;" in other words, that raw material should be favored in a tariff discrimination. The distinction is full of practical wisdom, and it is one that Huskinson and Peel and other notable English statesmen acted upon. But it carries us a trifle further than some may imagine, because coal and grain are both raw materials essential to the production of many manufactures.

The statement that the United States has "become one of the great manufacturing nations of the world" is somewhat too sweeping. A nation which is enabled to send abroad in manufactures only a little more than eleven per cent of her exports can hardly be regarded as one of the great manufacturing nations. Of the whole value of the exports of the United States last year, \$522,-000,000, only \$58,000,000 consisted of manufactured goods. It is obvious that a nation which requires high protective duties to enable her to keep command of the home market cannot compete, in the protected manufactures, on equal terms with other nations in the markets of the world. The exception will be in things which she has a special facility for producing, but the general rule must always and everywhere remain true. When specific exceptions are pointed to, it is always a sufficient reply to refer to the general fact. We agree with the writer of the circular that a wise discrimination should be observed in the framing of the tariff.

LUMBER AND TIMBER.

It is not at all certain that there will be any revival in the sawn lumber trade this vear. So far as the Ottawa Valley is concerned, our advices go to show that the quantity manufactured during the season will certainly equal, and in all probability exceed the quantity shipped during the same period last year; and this notwithstanding

or two of the larger mills are entirely idle, and that those now in operation will shut down early, in most cases, by the end of

From statistics, in the collection of which some pains were taken, and which we think can be relied upon, we find that the amount of sawn lumber wintered from Sandpoint to Hawkesbury, which in this connection may be said to be the whole Ottawa Valley, was a little over 200,000,000 feet, board measure. At \$8.00 per thousand feet, which, according to very good authorities, is a fair average estimate, this would represent \$1,600,000, one million six ly be accepted by the banks interested in hundred thousand, a sum which would scarcefull of all demands. On the Ottawa River and its tributaries, above and below the Chaudiere, there were over a million of sawlogs made last year, and there were at least half a million laid over from the previous year. Large as these figures may seem, they do not amount to half the usual stock of sawlogs four or five years ago. Still, to all appearance, fewer logs would have answer. ed the purpose. Up to date probably about seventy million feet of lumber have been shipped, one third of which may possibly have gone forward on consignment. The prices realised show no improvement on those of last year. So far as deals are concerned, there is nothing doing in the way of selling. Some contracts were made last fall, but most of those engaged in manufacturing deals are piling them up. The competition of Michigan deals in the British market, and the depressing effect on that market of the war-cloud in the East -the facts we have collected showare doing the Canadian deal trade no good.

In the United States the low freights still prevalent are exposing our manufacturers of sawn lumber to the competition, in the Eastern States of Michigan and its enormous production. We are handicapped with a duty, and although the theory may be correct in certain aspects of the market, and at certain points, that it is the consumer who pays the duty, we think at present the Canadian manufacturer may be pardoned the suspicion that some of it comes out of his pocket. How largely dependent our sawn lumber trade is, on the prosperity of our neighbours and on their prudent management of their affairs is shown by a comparison of the enormous figures of the lumber production of the Western States, not to speak of Maine, Pennsylvania and one or two other states, with the figures we have given for the Ottawa Valley. At a lumber congress in Chicago, in 1875, there were representatives of an annual production, of the fact that many of the smaller, and one 5,700,000,000 feet, and the average pro- trade in a healthy condition.

duction of Michigan, Wisconsin, and Minnesota for several years past has been about 4,000,000,000 feet. It is quite clear that when the sawn lumber world gets out of joint, it is beyond the effort of the Ottawa Valley alone to make matters right. But there is always left to it the influence of good example. The slashing pace of these western men cannot last. Time will cure Under the circumstances, the best policy for Canadian manufacturers would appear to be, carefully to preserve their limits (and here we would say, by way of parenthesis, that some of the time devoted by our local legislators to personalities and politics might be more beneficially employed in considering some plan or policy to assist in this), to economise in personal and family expenditure, to persist in contracting operations, and quietly to keep the wheels moving till the whirligig of time bring around a better state of things. A total stoppage is not practicable, and would not be desirable.

In square timber, the outlook would have been better, had there been less timber to look upon. Notwithstanding the dull times we have had, this industry has been on the whole fairly remunerative in competent hands. There have been instances of loss and instances of ruin, but they have almost invariably resulted from a lack of capital; from inadequate judgment and knowledge; from untrustworthy character; or from all combined. Of the square timber wintered in Quebec, we are given to understand that not more than three and a half millions of cubic feet were in manufacturers' hands; and at the present moment, perhaps, not over a million and a half is in that position. This would not be an unhealthy state of affairs had the production this year been moderate. But somewhere about sixteen millions of feet will reach Quebec from the Ottawa Valley this season, the amount "stuck" being insignificant. There can be no doubt this is five or six millions too much. It is too early to say much about financial results, but the probability is that for good timber they will be fairly good although they would have been better had there been less of it. As for medium timber and poor timber, it is to be feared that most of it will turn out financially pretty much as classified. Taking the whole quantity at an average of sixteen cents a foot, which we would hope is not too high, considering that there is a great deal of good timber among it, its yield in money would be nearly two millions and three quarters of dollars. It is only necessary to mention this sum to show the vast importance to the Ottawa Valley of keeping this