During 1861 about twenty cargoes of Canadian lumber were exported to the continent of Europe, and numerous enquiries continue to be made respecting the timber resources of the country. So rapidly is the price of timber increasing in France that standing timber worth 50 francs per 35 cubic feet in 1852 was worth 100 francs five years later.

The industry to which the manufacture of the different products of the forest gives rise, is very extensive. In 1851 there were 1,567 saw mills in Upper Canada, and 1,065 in Lower Canada. The number of feet manufactured during the year amounted to 391,051,820 and 381,560,950 respectively. Since 1851 the quantity manufactured has no doubt increased enormously, but no data are at present published from which satisfactory conclusions can be drawn, although some conception of the magnitude of the trade may be formed from the fact that planks and boards to the value of $1,507,546 were exported to the United States in 1861, being not far from half the total production of Upper Canada ten years previously; although the trade had suffered to a remarkable extent in consequence of the calamitous civil war which is now wasting the energies of our brethren across the international boundary.

The exportation of planks and boards to the United States is one of the most important sources of Canadian prosperity, as may be inferred from the following table:

Value of Exports of Planks and Boards to the United States from 1857 *to* 1861, *inclusive.*

1857.	1858.	1859.	1860.
$2,558,206	$2,890,318	$2,678,447	$3,027,730

1861.—$1,507,546.

The sudden diminution from more than $3,000,000 in 1860 to $1,500,000 in 1861, results from a temporary depression occasioned by the civil war in which the United States are unhappily engaged.

The year 1845 was a most prosperous one for the lumber trade. The quantity of square timber brought to market that season amounted to 27,704,344 feet, and the quantity exported was 24,223,000 feet. In 1846 the quantity brought to the Quebec market rose to 37,300,643 feet but only 24,242,680 feet were exported. Hence prices fell to a ruinous degree, and a great blow was given to the trade during that year. In 1847 there was a stock supply of more than 44,000,000 feet to meet the demand for 19,000,000 and in 1848 a total supply of 39,000,000 to meet a demand for 17,000,000. Under such circumstances it is not to be wondered at that the timber trade became exceedingly depressed. The excitement of high prices has fostered over production, and the diminished consumption of Canadian timber in Great Britain brought prices down to the lowest ebb. When the trade is in a prosperous condition the profits are sometimes excessive; speculation then ensues and ruin frequently follows. The character of the trade is changing as the timber groves become more remote, more capital being required to carry on lumbering operations on a profitable scale. Many lumberers now invest a considerable portion of their capital in clearing and cultivating farms in connection with their timber limits for the purpose of raising provender for their stock, and food for their hands.

A glance at forest industry would be incomplete if we were not to note a contingency to which the timber trade is becoming more and more liable each year. One of the most destructive agents in the vast pine forests north of the St. Lawrence, is fire. Thousands of square miles of the forest timber have been ruined by this ruthless destroyer. Fires in the woods do not generally extend so far as one at the first blush might suppose; they rarely go beyond thirty miles in length by ten in breadth; but it is the frequent occurrence of these fires which in the long run of years lays waste so much valuable property; and with the progress of the lumberers in the wilderness the chances of fresh conflagrations yearly become more imminent.

The produce of the forest of most importance next to lumber has always been pot and pearl ashes. Potashes are made from the crude ashes by dissolving the soluble salts with water, evaporating to dryness, and fusing at a red heat into a compact mass, which, although grey on the outside is pink colored within. Pearlash is made by calcining potashes upon a reverberatory hearth until the carbon and much of the sulphur is dissipated. Water is then added, and a lye formed, which, when evaporated to dryness, yields the pearlash of commerce. Canadian potashes contain on an average about 60 per cent. of carbonate of potassa. Pearlash contains generally about 50 per cent. of caustic potassa. The quantity of potashes obtained from the combustion of trees or vegetables on a given area of ground depends altogether upon the species. Thus, while the pine only yields 0.45 per mille, the oak gives 1.53, the willow 2.85, elm and maple 3.90 per mille, or .39 per cent. The value of ashes, both pot and pearl, exported from Canada during the years 1859 to 1861 inclusive, was as follows—three-fourths going to the United Kingdom:—

	1859.	1860.	1861.
Potashes	$769,612	$741,473	$705,228
Pearlashes	337,759	219,633	173,779
Total.....	$1,107,271	$961,106	$879,207