

duce to spare, and realizing a very low rate for even that which they sell, are offering logs at such tempting prices, that dealers who have here invested in mills and stock are induced to make another attempt to recover their losses. We fear there has been a good deal of speculation on the part of manufacturers in the mere hope of a favourable turn in affairs, with little or nothing of a definite character, except what was unfavourable to them. It is much better that the amount produced should be restricted, than that the dealers should lose money or that the country should be getting rid of one of its most important staples, one more valuable than any other, as it can be neither reproduced nor with profit replaced.

The following is a return of the receipts of lumber and timber by the Northern Railway during the year, showing the contribution of each station:—

	LINEAL FEET.
Richmondhill	270,000
Krug	3,240,000
Aurora	996,000
Newmarket	360,000
Holland Landing	55,000
Bratford	1,770,000
LeROY	3,834,000
Bell Ewart	9,555,000
Burke	5,424,000
Angus	5,979,000
Sarnia	2,649,000
Nottawassa	1,692,000
Collingwood	7,325,000
Total	42,550,000

The above might be classified as follows:—

Square timber, 17,988,000; rafting stuff, 1,374,000; cordwood, 5,562,000; sawed lumber, 29,626,000; total, 43,550,000.

THE DRY GOODS TRADE.

The trade of the past year in Dry Goods, though less in extent than usual, has yielded a larger gain than for several years past. The great feature of the year is the immense increase in the value of staples, resulting in large profits to all holders of stock. The continuance of the unhappy struggle among our neighbours on the other side of the lake has so completely destroyed the chances of a supply of raw cotton for some time to come, that prices have enormously increased, and the tendency is still upward. The effect of this rapid rise has been to lessen the extent of business, not only from the decline in consumption, but from the impossibility of controlling as large stocks as usual, with the same amount of capital or credit as before. But even in value the business has declined, as importers hesitated to purchase when the rise first commenced, in the hope that the American difficulty might be speedily settled, and that prices would revert again to their old level or near it.

The restriction of the trade, however, during the year has not been produced solely by enhanced values, but has been in a large measure due to the conservative policy which our dealers have adopted for the past few years, the wisdom of which has been so evident. This year, the many disturbing influences at work made this policy clearly the best, and the result has been that our trade has been retained; and, so far as can be at present seen, the year's business will be satisfactory.

It will be remembered that last winter, just as our buyers were leaving this country for Britain to make their spring purchases, the difficulty in relation to the "Trent" threatened to embroil England in a war with the United States. Accordingly not a little difficulty was experienced in securing goods, for not only did prices of staples advance ten to fifteen per cent, but there was no great anxiety to sell goods to Canada. Prior to the settlement of the question, only the best houses could secure stocks, while some orders were held over, and some were not filled at all. The effect was to materially lessen the importations into Canada, and though at first it seemed a hardship that much less than the usual amount of goods were to be had, the limited character of the importations was the best feature in the trade, as the season turned out. Notwithstanding a very large delivery of grain throughout the winter and early spring, an increased bank circulation and a generally prosperous condition of consumers, the trade of the spring did not nearly meet expectations. The low prices which had been realized for grain and pork, the depression in lumber, and the advancing rates asked for goods, lessened the demand, while the unusual lateness of the season, the continuance of winter to the verge of summer, diminished the necessity for spring goods. The purchases, therefore, were necessarily small, and limited as had been the importation, the extent of the demand was in keeping with it. The payments for the purchases of the previous fall were in the main satisfactory, and it is probable that the indebtedness in May, 1862, of retail to wholesale merchants, was considerably less than for a year or two previous. The increased profits on the goods sold compensated for the decreased extent of business, and the spring season closed on the whole satisfactorily.

After the settlement of the "Trent" difficulty, prices in Britain, though very firm, remained for some months without additional advances. In midsummer, however, just as our buyers had reached the English markets to procure the fall goods, a strong upward movement took place. The British manufacturers having begun to realize that the settlement of the American troubles was still very remote, decided to advance the price while they held stocks, and so rapid was the movement that it seemed to partake very much of the character of a panic. In fifteen days, from the 15th to the 30th of June, a rise took place of fully one-third in value, and in some leading staples, the advance in that time was equal to forty per cent. In one day,

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