

Eastern people went up to Winnipeg with money, deposited it in the bank, and bought all they could lay their hands on, paying down money for the first instalment and giving mortgages for the balance. The great speculation was in town lots. At favorable points traders and storekeepers began to settle, and numbers of places were marked out as the towns of the future. Now, while there is a natural limit to the price to which farming lots might rise, who could tell what might be the value of lots, in the future town, or city? In Winnipeg itself and round about, and in little places of fifty or a hundred inhabitants, which people imagined might grow to towns, or cities, a perfect *furor* of demand set in for the possession of the lands round about, which were, by and by, to be covered with streets, stores and dwellings. The experience of Ontario in 1856 was repeated in even a more extravagant form. Thousands of people went on buying and borrowing with the utmost confidence, making payments down with their ready money, and entangling themselves with mortgage obligations, spread over long terms of years, selling when they could to others, at continually enhanced prices on the same long terms and never dreaming of the covenants on their mortgages which were to drag them down to ruin.

Meanwhile the business of our Winnipeg Branch was growing to enormous proportions. Deposits increased *tenfold*. The amount of transactions passing through the office was incredible. The counter was thronged from morning to night by such crowds as are found at the doors of an Opera House when some celebrated prima donna is performing. A stranger would have supposed that some heavy run was taking place; but it was just the opposite. Most of these people wanted to deposit money, or to put in drafts for collection on distant points, transferring money to Winnipeg. The president and myself visited Manitoba while this boom was at its height and saw all this with our own eyes.

During this inflation, as is always the case, a style of extravagant living prevailed which set all reason at defiance. Nothing was too good for people to eat, drink or wear. Champagne flowed like water. Plain and comfortable churches, such as were suitable to a moderate-sized town, were replaced by costly erections, fit for Montreal or New York. Houses were built of the best materials and style, of one of which it was said that every brick (they were imported from an immense distance) had cost a dollar. Yet the real business of the country was so small that its exports of wheat scarcely amounted to a million bushels a year. I remember answering to a query of a house in the grain trade in New York with whom we did business, that there was not grain enough in the whole of Manitoba at that time to make it worth their visiting it.

After two years, signs of reaction set in. Dreams and visions gave place to practical realities. Men that had settled on farm lands realized the difference between the cleared farms of Ontario and the prairie farms of a province in the interior of the continent. Ideas of value began to settle down. The twenty dollars an acre became ten; the ten five, the