

THE LUMBER TRADE.

No department of our commerce has been so disastrously affected by the American war as the lumber trade. Following upon an unfortunate season throughout 1861, the last year has been the most unsuccessful ever experienced by manufacturers and dealers. There is hardly a favourable aspect in which the trade can be viewed, and as many localities are dependent upon its prosperity, the consequences of depression and loss are most important. The depression which affects other branches of trade, and especially the great stringency in money, are more or less caused by the want of success in this business, and forming as it does the second largest export of the Province, the present position and future prospects of the trade are subjects of great anxiety.

The unfortunate results which attended even the restricted operations in 1861, it was presumed would largely decrease the production in the past year, but, contrary to all expectation, the amount manufactured and shipped from the whole Province exceeded that of the year previous, and very nearly equalled that of 1860, in which the exportation was unusually large. The fact of this largely increased supply had a most important influence, for it must be understood that of the immense quantities of lumber which reach the great markets of Troy and Albany, at least one-half if not two-thirds are from Canada. The depression caused by the American troubles before the expansion of currency gave a false value to everything, which was nowhere more evinced than in the almost total cessation of building operations, and considering that this was plainly the case, and caused such great loss in the preceding year, it is difficult to understand how manufacturers calculated to make a profit out of a largely increased production. Fortunately the demand was better than there was reason to hope, judging by the indications in the early part of the year. The demand for Government purposes was unexpectedly large, and the expansion which the creation of millions of paper money induced, soon found its way to a renewal of building operations, though on a somewhat restricted scale. This increase, however, in the demand was neither sufficiently rapid nor extensive to have saved an important decline, and had it not been for the rapidly enhancing value caused by the depreciated currency, a very important fall must have taken place in lumber. The effect of the depreciation in the lumber market was of a purely negative character—it merely saved a decline, and while almost everything else advanced, lumber only remained stationary. The effect, however, to Canadians was all the same as if the decline had really taken place. They could do no good with the depreciated currency of our neighbours—as compared with the value of gold, they got only seventy-five cents for their lumber where they should have got a dollar. From the opening of navigation to within a week or two of its close the lumber market re-

mained steady, notwithstanding a constant depreciation in the currency with which it was bought, and as rapidly as that currency declined just as rapidly did Canadian lumberers lose money. Throughout the year to realize was to sacrifice.

But in addition to this drawback our dealers laboured under quite as serious a disadvantage in the increased cost of getting their product to market. In former years freights on Lake Ontario usually ranged from \$1 to \$1 25 per thousand feet to Oswego, and canal freight from that port \$2 to \$2 50 to Albany or Troy. This year Lake freights were seldom less than \$2 00, while Canal freights advanced to \$3 50 to \$4 00. Thus from \$2 to \$2 50 increase in freight was demanded in addition to a decline of twenty-five per cent, or say a total drawback of \$5 on an article that originally cost \$10 to \$15 for all grades. It would be difficult for an interest to thrive under such adverse circumstances. The result could be little else than disastrous, and the wonder is that any solvency whatever survived the season.

The season closed with a slight revival in prices, but of too limited a character to do our dealers any good. For instance, in December, even in the face of a low stock, purchases were made in Albany at the following rates:—Clear, \$32; fourths, \$22; select, \$20; box, \$16. Taking fourths as the best criterion, it will be easily seen that the amount left to the Canadian manufacturer would be very small. After deducting \$7 for depreciation of currency, \$5 for freight, and \$1 for charges, in all \$13, only \$9 would be left which would not pay for the cost of manufacture by at least \$3. Prices may be somewhat better as the stock exhausts, but the decline in currency continues, and the prospects for the opening of the coming season are anything but cheering. It is made even less so by the knowledge that great activity pervades the lumbering districts of Michigan and other States, and that the home supply will be largely in excess of former years. The continuance of the war can do us no good, for with every advance in price will come an even greater decline in currency. The event of peace can hardly enhance the rates, at least for some time, as the stoppage of the issue of the Government promises must be sure to follow the redemption of the national debt, and one hardly knows what complications in finances may occur. At any rate the future is too full of most unusual contingencies to make ventures in lumber anything but of the most hazardous character. Notwithstanding these unfavourable aspects, it is said the amount now being manufactured in Canada will be large, much larger than most people suppose. It would be singular should it be so in the face of two very unfortunate years, a very open winter unfavourable for getting logs, and the poor prospect for the future, but we are assured that such is the fact. One reason, we presume, is that farmers, in many localities, having but little pro-