

THE MONETARY TIMES, AND TRADE REVIEW.

With which has been incorporated the "Intercolonial Journal of Commerce" of Montreal, the "Trade Review" of the same city (in 1870), and "The Toronto Journal of Commerce."

ISSUED EVERY FRIDAY MORNING.

SUBSCRIPTION PRICE—POSTAGE PREPAID.

Canadian Subscribers.....\$8 a year.
British " ".....10s. sterling a year.
American " ".....\$2.50 U.S. Currency

BOOK AND JOB PRINTING A SPECIALTY

Office—No. 54 & 56 Church St. Toronto, Ontario.

EDWD. TROUT, *Manager.*

TORONTO CAN.. FRIDAY, DEC. 12 1879

WILL THE PRESENT PROSPERITY CONTINUE?

That a wave of new-found prosperity is passing over Canada is too palpable a fact to admit of doubt by the most skeptical, but whether this wave is to continue to flow and to become a constant and increasing tide, is a matter of the greatest interest to all connected with business. It is quite possible that the abundance produced by a harvest of extraordinary richness, may produce a temporary prosperity which time will prove to have been only fitful and evanescent. If this be the case, its effects will pass away just as quickly as they developed, and we shall find ourselves, before another year has rolled round, in a deeper valley of depression than ever. Such things have been, and they may recur.

During the long period of depression which passed over Western Canada after 1857, one or two years were considerably brighter than the rest, and notably that of 1861. The harvest of that year was an exceptionally good one, and men's spirits were raised to a hopefulness that they had not known for many previous years. It was surmised by many at that time that the tide had turned, and that the long period of depression had come to an end. But this proved to be a delusion. The events of several succeeding years dissipated it. Several bad harvests succeeded the good one of 1861, and Canada as a whole, certainly Western Canada, was rarely poorer than in the year 1864. There were many at that time who almost despaired of the future. Real estate of all kinds was so much depressed as to be almost unsaleable. Capitalists scarcely knew what to advance upon farm properties, for no matter how small a sum was lent upon these, if a sale were forced not one-third or one-quarter of the nominal value of the property could be recovered from it. The fact was really this—that many of the entanglements caused by the land specula-

tions of 1855 and 1856 had not entirely exhausted themselves. Men were carrying, even after five years had passed away, loads of indebtedness that had been contracted during the period of inflation; and it was evident to many that not until the great mass of indebtedness had run out could a period of abiding prosperity be looked for.

However, as the darkest hour precedes the dawn, so the year 1864, which was one of the darkest and most dreary during the period of depression, was succeeded by a year of unexampled bounty and prosperity. The harvest of 1865, it was calculated, produced at the very least three times as much money, if not four times as much, as any harvest for several years back. There is, therefore, to a certain extent, a parallel between our present position and that of Canada in the fall of 1865. The darkest of many years of depression came to an end with the third quarter of this present year. We have had a harvest of very great productiveness. There has been an immense outflow of money from the banks, estimated at seven or eight millions of dollars, to move the great crop of the country to market. This has set all the wheels of commerce in active motion. Notes and bills, and debts in general, have been discharged in a manner unknown for several years past, and a general spirit of hopefulness pervades the community.

Now the question arises, is our experience to be a repetition of the year 1861, or of the year 1865? The latter was a real turning point in the history of the country. The recovery was not a partial and temporary one, but complete and lasting. It was continued in succeeding years, and its effects gradually became manifest in every part of the country, in increased production, immensely developed trade, rise in the value of properties, largely extended banking, and every other sign of prosperous business. Have we such a period of prosperity before us now?

In endeavouring to estimate the position, several important factors need to be taken into consideration. One of the principal is the volume of indebtedness. Have the effects of years of inflation spent themselves in this respect? Is the volume of debt reduced within reasonable proportions, or are there still masses of liabilities, unreasonably large, and far beyond the means of debtors to discharge? Our answer to this question is, that in our judgment there are no such masses of liabilities hanging over the mercantile community of Canada. That there are individuals still left who owe more than they will ever pay, is an un-

doubted fact. But there always are these, even in the best of times. Were we asked whether there are so many of such people as to give a character to the general business of the country, our reply would be, that by the severe processes of insolvency and composition with creditors, which have been only too painfully apparent for some years back, a large part of the superincumbent burden of indebtedness has been got rid of. The probability is, we think, that the greater part of the men now in business in Canada are in a solvent position and can pay their debts. This is one of the primary elements of a return to a permanently improved state of things.

Then, secondly, what is the condition of the various industries that depend upon the soil? That farming has been greatly improved of late years is indisputable. We are not now wholly dependent upon our crop of wheat. Our farmers have a greater variety of products. A bad harvest does not produce the dread effects that it used to do. We are developing more and more the capacity of the soil in the direction of animals and their products; and this is likely to be the case more in future. Then we must undoubtedly take into consideration the great North-West, which is beginning to be an important element in every calculation. That territory may advance, not as the forest regions of Ontario did, slowly and quietly, but rather like the great prairie States, by leaps and bounds. It is within the bounds of probability, that before ten years are over, Manitoba and the North-West may grow as much wheat as all Ontario, and have nearly as large a population. All this would give an immense impetus to the trade of the cities, to the importing trade, and to all our branches of manufacture. With a million people in Manitoba, one may imagine what an increased commerce would fall to the lot of Toronto, Montreal, Hamilton and London. The trade already has assumed considerable proportions, and our merchants and bankers are feeling the benefit of it. But what we have seen is probably nothing in comparison with what we shall see.

Then, and as a further element in the consideration of the matter, we come to the vexed question of National Policy. Whatever theory may be held with regard to the bearings of a protective system, there can be no doubt that thus far a considerable stimulus has been given to many lines of manufacturing industry. Even if there is not much increase of profit to manufacturers as yet, the increased volume of business must produce very sensible advantages in various directions. A larger demand for labour, and for all the fruits of