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A BRIGHTENING PROSPECT IN LUMBER, &c.

A gradual revival of the lumber trade, coincident with a good harvest and fair prices, opens a better prospect for the future. The foundation of a country's prosperity is what it annually produces and can find a remunerative market for. With a good harvest, we have more to sell, and when to this increase is added the difference between fair and poor prices, a great increase in the annual wealth of the country is insured. In England, the greatest wheat importing country, and in Russia, a great wheat exporting country, the crop is deficient, while France, Germany and Italy are importing wheat to a considerable extent. The facts go far to guarantee fair prices. Fortunately, the supply is equal to the demand; the American surplus being exceptionally large. While excessive prices will be avoided, fair remunerative rates seem to be assured.

The revival of the lumber trade, according to the reports that come from one of the great lumbering centres, seems to have fairly commenced. From the Ottawa region come accounts of the rapid sale of lumber for some weeks past. The immense piles that recently encumbered the yards in the neighborhood of the Chaudiere have, the *Gazette D'Ottawa* assures us, been nearly cleared off by the action of American buyers; steamers, batteaux and barges have been busy in shipping this lumber for the American market. Many mills are running without interruption day and night. Every day gangs of lumbermen have been sent to the Upper Ottawa and its tributaries; the movement, which ordinarily commences in September, having set in considerably earlier this year. The active demand for labor has already had the effect of raising the wages of the shantymen. Several American capitalists have joined Canadian lumbermen in their enterprise. The extensive saw mill of the Gilmour's at Hull, which has been closed for some years,

will, it is reported, be again in motion next spring. The prospect for square timber is not much improved.

The impetus which the lumber trade has received appears to be due to the revived prosperity of the United States, and a consequent demand arising in that country. So long as this demand continues, the activity which the facts related attest is likely to continue. The capital of the lumbermen, as a body, has been greatly impaired during the bad years, and we are glad to see that it is being timely recruited by American enterprise. In the past, the risks of the trade have been too much thrown on the banks; and it is desirable that the capital of the traders should reduce this risk to a minimum; for, to get rid of it altogether is impossible. That the supply will keep pace with the increased demand, there is no reason to doubt. The power of elasticity and the capacity of expansion in this branch of production, are very great. When an era of real prosperity in the lumber trade sets in, the danger of over-production is not immediate: it results from a cumulative force which is carried too far, acquires too great vigor, and continues too long. The danger, therefore, is somewhat remote. Let the demand for lumber be increased, in any one year one-third, and the production will probably double the next year. Every year thereafter there is a considerable surplus over the demand; and when the ebb tide comes and the demand again slackens, the supply is at its maximum. Then comes the glut; and the cycle which began with a realizing hope ends in depression. This is the law that has regulated the lumber trade, in the past, and we have no doubt it will equally control it in the future. There is no reason to expect that even the late severe depression will teach any new lesson of wisdom that will be remembered long enough to be ready to be applied five or six years hence; for we all know that the pressure of the greatest depression was not sufficient to restrain injurious production in the presence of the accumulations which there was no prospect of clearing off. But at the commencement of a period of prosperity for this industry, such as appears to be now opening, the possibility of making remunerative sales prevents anxiety and removes embarrassment.

The American duties on lumber are high; but experience shows that they do not prevent importation when the demand is active. The periods of activity in that demand are coincident with the eras of general of prosperity, and they generally

last for some years. If we could promise ourselves four or five years of prosperity for the lumber trade, the effect would be beneficially felt throughout every department of trade. The wheat crop may be good one year and bad the next; prices may be good one year and low the next; but in the lumber trade the changes are not so sudden, several years of activity usually follow in succession. If the experience of the past may be taken as a guide to the future, a revival of the lumber trade should imply a full trade for some years in succession.

THE BONDING OF GRAINS.

When the Legislature resolved to lay a duty on wheat, Indian corn and other grains when imported for consumption, it became the business of the Government to see that the impost did not form an obstacle to our foreign trade in grain and flour. It was necessary to have recourse to the bonding system. Wheat, Indian corn or other grains imported in bond have the right to be exported free in the shape of flour and meal. In this way, all the miller has to do is to enter into a bond for the amount of the duty that would be payable on the grain if, when converted into flour, it went into domestic consumption, and to obtain a release of the bond on exporting an equivalent quantity of flour. An Order-in-Council, permitting this to be done, bears date July 10, 1879.

In the absence of a bonding system, it is obvious that the conversion of foreign grain into flour by our millers, with a view of its shipments abroad, would be impossible. They would be handicapped by the whole amount of the duty, and would be unable to compete with American millers, who have no duty to pay. It is no more than justice to the milling interest to give it this necessary facility, which we apprehend no Government would, under the circumstances, for a moment think of withholding. The burthen imposed by the bonding system is not very great; and whatever it is, it is one that it is necessary to bear. No one, so far as we are aware, has complained of the obligation to enter into bonds to pay the duty if the flour is not shipped out of the country within a year. Whether the grain be ground into flour or not, the bond must be given when it is imported. The effect is to secure the greatest freedom obtainable, under the circumstances, for the foreign grain and flour trade in Canada. The miller and the merchant stand on the same level; all unnecessary obstructions to their business are removed. Neither receives any protection; both receive fair play.