

THE HARVEST OF 1868.

THE Harvest throughout the Western part of the Dominion may now be said to be over. In some particular places, the crops are not yet all entirely housed, but there is very little grain now left standing. We are now, therefore, in a position to speak with some certainty of the yield which the farmers have obtained. The season will be known as one of extremes. It has been hotter and drier than any summer for nearly a score of years. The crops, too, manifest extremes. The fall wheat and hay are abundant; the former, in particular, is one of the largest yields which has been obtained for several years. We are convinced this will be found to be the case generally—but, it must be confessed, the quality will not equal the quantity. The intense heat in July ripened the grain altogether too fast, and although this did not prevent the hopes of a good yield from being realized, still the sample suffered considerably. The wheat and hay crops may be set down as above the average; barley, oats, rye and peas are considerably below it. In localities where these were sown early and had attained a luxuriant growth before the heat set in, the return is about an average, but those farmers who, through dilatoriness or other causes, sowed late in the spring, have but a sorry return. Many such fields have been almost a total failure, yielding very little more than the seed placed in them. Accounts regarding the spring wheat—which is one of our most valuable crops—differ considerably. But we feel warranted, after summing up the information received from different sources, in setting it down as an average crop. Many of those townships which grow spring wheat did not suffer so much from the drouth as those situated more inland. They enjoyed occasional showers, and although not what it would have been under a more moderate degree of heat, the crop is by no means a bad one, as many have hastily asserted. Root crops are, at present, not looking over well. Potatoes, turnips, carrots and mangolds, all require more rain. The yield will, we fear, be deficient. So far as potatoes are concerned, this result may now be considered certain. Taking the harvest of 1868 as a whole, we believe it will come up to the average. It has fallen short of the great expectations which were indulged in during the beginning of June, than which a finer promise never existed. The great heat and drouth of the summer, have taken millions of dollars out of the pockets of the farming community. But we have reaped a good harvest nevertheless, and have reason to be thankful it has turned out so well.

GOLD, BOND AND TRADE PROSPECTS IN THE STATES.

LOOKED at from any point of view, the recent rapid rise in the price of gold in New York—the financial capital of the Republic—is a circumstance of unusual importance. It is of the highest moment to the thousands who hold American bonds, and not less so to the commercial men of the Union, whose long anticipations of a financial crisis seem now more likely to be realized than ever. The gravity of the present upward movement in gold is, that it appears to arise from causes which are likely to be permanent, and to still further augment the difficulty. There have been many rises in the value of the precious metal which have been produced by the bulls and their speculations. It was at first supposed this was a case of the kind. If it had been, a few weeks would have witnessed the usual fall, the bulls would have pocketed their profit, and all danger would have passed away. But there seems to be only too much reason to fear that far graver causes than speculation have caused gold to run up to 150, as it did a short time ago. Primarily—the great cause is, the scarcity of gold on this continent. And this scarcity at present has been produced by the almost total suspension of European purchases of the 5-20 bonds. For at least four years the sale of American bonds in England, Germany, and other foreign countries, has presented the collapse of their financial fabric. The large annual balances of trade against the Republic, had to be adjusted in specie, and the latter was obtained by the proceeds of the bonds sold abroad. So long as the latter continued to be purchased by Englishmen and Germans, no serious difficulty was likely to arise; but it was evident that the day must ultimately come when the demand for such securities would cease. This period, so often referred to, has at last arrived, and the great importing houses of New York, Boston, Philadelphia and other cities, find themselves called

upon to procure gold to pay their foreign purchases without the usual supply of that precious article having been obtained from the sale of their 5-20's in Europe. If this be the exact state of the case—and New York advices affirm it to be so—gold gambling and excitement are likely to have another lively time of it across the lines. The question naturally arises: Where are the Americans to get gold sufficient to adjust the "balance of trade" constantly against them? Their purchases of foreign merchandise have declined very little during the past three or four years. This very season—1868—their foreign imports are only about ten millions less than last year, whilst their exports have fallen off to a far larger degree. The difficulty can no longer be bridged over by the sale of bonds—fully \$700,000,000 of which are now held in Europe—and it is difficult to see not only how gold can be kept down to a reasonable limit, but how the most serious financial troubles can be prevented. There are many in New York who are looking forward to the approaching fall with serious misgivings. Not a few declare a crisis to be inevitable, contending that the inflated and unsound system of business carried on during and since the war must now topple over with a crash. Whilst we are not prepared to say that the long-expected American crisis is inevitable before the New Year comes round, we must confess that the sky at present looks exceedingly threatening. This arises not simply from the continued heavy importations of the Republic and the threatened gold famine, but also from another circumstance of the gravest importance to our neighbours: we refer to the rude shock which has been given to American credit by the threatened partial repudiation of their national debt. So long as this sort of swindling was only advocated by obscure stump-orators, it attracted little attention. But when members of Congress advocate and support such a scheme, when the Democratic party adopts a plank in its party platform directly pointing to repudiation, and when thousands applaud the nefarious design, the case becomes entirely different. The danger is felt to be more or less great, and with a very unsavoury remembrance of the action of Mississippi and other States in days gone by, the American people have no cause to be surprised if their foreign bondholders become alarmed and suspicious of the securities which they hold. We have no hesitation in expressing our faith that the American Government will never consent to the ruin of their national credit and to their country's dishonor, by refusing to pay their bonds in gold; but we do say the popularity of such opinions during the present Presidential Election, is giving a dangerous blow to American credit, and may produce consequences of overwhelming gravity. If, in addition to the present scarcity in the gold market to meet foreign balances accruing from their ordinary trade their European creditors—alarmed by the unblushing advocacy of repudiation—were to send over even \$100,000,000 worth of bonds to be realised upon, what figures might not gold touch then? And with a sudden rise of gold to 200 or 250, how many out of the tens of thousands doing business throughout the Union would be solvent in six months thereafter? We do not intend to search for an answer to these queries, for we hope such a frightful calamity may be averted; but we warn our American neighbors that the course of some of their leading statesmen would land the United States in ruin and dishonor, and has already assisted to run up the price of gold to a higher figure than it has touched for many a day. In the interests of Canadian trade, as well as that of our neighbours themselves, we hope to see a speedy fall in the rates of gold again. But we fear the tide tends the other way, and that there is reason to fear an unsettled market until the Presidential contest is over. Should the circumstance falsify our anticipations, none will be better pleased than ourselves.

GEORGIA CROPS.—A gentleman just returned from Houston and Crawford counties reports he never saw better prospects for corn and cotton in his life, than the farmers have in those counties. They have had an abundance of rain lately, and the crops are blooming. The reports that the corn crop was a failure and the cotton a long ways behind, are all a pack of stuff and nonsense. The greatest plenty of corn will be made, and as much cotton, according to the area planted, as any year since the war. The fields are all clear of grass, and otherwise in excellent condition. Of course there is the usual apprehension of rust, rot, worm, blight, shedding, earthquakes, pestilence, famine, and the moon turning to green cheese, but in spite of all these, the fields were beautifully green with corn, and cotton is "as thick as autumn leaves in the vale of Valambrosa." Such is his report.—*Macon Journal*.

GRAND TRUNK RAILWAY OF CANADA.—
RECIPROCITY.

[LETTER NO. III.]

M. R. EDITOR,—The stockholders of the Grand Trunk are deeply interested in the question of reciprocal trade, or rather free trade between Canada and the States. The latter offer the best market for more than half the products of Canada, for lumber, coal, bark, cattle, butter, eggs, poultry, oats, barley, peas, beans, and potatoes. While Canada requires the cotton, tobacco, maize, spirit, anthracite, coarse cottons, carriage, and implements of the United States. As the railways of the States move west across the open prairies, as fields are fenced, and log cabins give place to tasteful houses and stables of wood, immense quantities of lumber are required by the Western States. The annual productions of the Union are now rated at £1,400,000, of which three-sevenths are coarse manufactures. Probably in no part of the world is the income of artisans and farmers so great. The carpenter and bricklayer get 16s. per day. On the prairies one man replacing the hoe with the plough raises on 100 acres 5,000 bushels of maize year after year without fertilizers, while in California he pastures his 1,000 sheep, or substituting the reaper, drum, and thresher for the sickle, binders, and flail, dispensing with granaries, and ploughing but once in two years, he gathers his 5,000 bushels of wheat from the same area and can afford to deliver it on ship-board at the price of 1s. or 2s. per bushel. Within the Union 8,000,000 of families are computed to have an average income from investments, skill and labour of £270 per annum, equal to £200 in gold. Their ability to consume may be inferred, if we contrast their receipts with the miserable pittance of £10 to £20 a year, on which half the families of Italy subsist. We may deduce from these facts the value to Canada of such a market, from which it is debarred by duties averaging twenty per cent. It may be urged that the United States suffers from this interdict, and doubtless they do, but while all Canada suffers, a part only of the United States is affected, and while they have been paying their way to specie by reducing their interest and placing such imposts on tobacco and spirits as shall pay the interest on their debt, they have preferred to pay in goods and manufactures to the West for such food as the East requires, rather than send their specie into Canada, from which most of their manufactures are excluded. The Grand Trunk Railway was designed for a double purpose, not only to carry the products of Canada and the West to Montreal and Portland, on their way to Europe, but also to carry the freight of the Great Lakes to Buffalo, Toronto, Ogdensburg, Montreal, and other points, and thence send them eastward for distribution through the Union. The natural trade of Canada is with the Union. Its lumber is wanted not only at Boston but at Detroit, Goderich, and Sarnia, for shipment to Chicago. The products which reach its stations east of the St. Lawrence are wanted in the valleys of the Merrimack, Connecticut, Saco, and Androscoggin, in the ports of Boston, Salem, Providence and New London, and soon will be wanted for the new factories rising at the great waterfalls of the Kennebec. This, the most profitable trade of the Grand Trunk, depends on commercial treaties, and it is as clear as noon day that it is the policy of the Proprietors of the Grand Trunk to have all questions with the United States adjusted as soon as possible, amity restored, and commercial arrangements consummated. While America grieves for the loss of her fleets of merchantmen by the Alabama and Shenandoah, and while England, enriched by the losses of her offspring, refuses redress; while San Juan is jointly occupied, and a question now easily settled is becoming daily more serious and may spring at any hour from the ashes; while England plants cannon and builds fortresses at Halifax, Victoria and Quebec, and urges Canada to throw away millions on military roads which must impoverish the Dominion; while she suffers the great highway between Canada and the Union to go to ruin, the United States believe her insincere in her professions of amity, and anxious only to control her colonies and bridle our Republic. Every gun planted at Halifax or Quebec jars the capital at Washington. The policy of England is throwing the Republic into the arms of France and Russia. It devolves upon the three thousand British proprietors of the Grand Trunk to exert their powerful influence to change and liberalize the policy of England, to convince her that Canada should be governed in the interest of Canada. While the United States prefer unity to a monarchy with custom-houses and possibly smuggling stations on her borders, and would prefer the Arctic Sea for their northern frontier, they want no unhappy states or discontented subjects. Were they grasping and rapacious they would not have dispersed the Fenians, and the barriers which England interposes would be no insuperable obstacle to a nation that can put two millions of veterans into the field. As things stand at present it is not the policy of England to deter a little to the wishes and interest of the United States, and what ministers of peace can be more influential than the proprietors of the Grand Trunk Railway? First remove the impediments, then take up free trade. If it is still the policy of England to resist, her hold upon the Provinces, and to pay the four or five millions which her surveillance costs her yearly; if she does not choose to have them states of our Union, where they would be welcomed and cherished, the best plan I can suggest is, the adoption of the measures proposed a few years since by Ira Gould, Esq., Chairman of the Board of Trade of Montreal, which he set forth as follows:—

"To us she (England) has said in effect, 'Whatever be our political relations, commercially we must henceforth treat you as we would treat any other nation,' and knowing her necessities, and our own