

greatness, material prosperity, or the higher enjoyments of an advanced civilization, the presence of manufacturing industry and the mechanic arts, is alike indispensable.

Manufactures naturally develop themselves in the following order:—

*First.* In the production of articles most nearly connected with agricultural pursuits. Next, in such manufactures as require but a small amount of capital or machinery, and which can be engaged in by the settler in his own home; and *lastly*, in rearing those stately buildings and adjusting that complicated machinery by which the products of human labour are so vastly increased, and many articles brought within the reach of all, which otherwise could only have been enjoyed by the few.

The success of any branch of manufacture depends upon the skill and judgment of the manufacturer, and the facilities the country affords for the successful prosecution of his business. If the former is wanting, the latter will not avail him; and if the latter are wanting, the former will generally deter him engaging in the pursuit.

The conditions necessary to the success of manufactures may be thus stated:

*Skill, enterprise and commercial education.*—*Adequate Capital.*—*Raw Material.*—*Motive Power.*—*Manual Labour.*—*Means of Transportation,* and *Steady, Profitable Markets.*

Of the above, Canada lacks two things, viz.: adequate capital and commercial education. There are many exceptions, but, as a general rule, our manufacturers have neither sufficient capital nor that commercial training necessary to success in manufacturing pursuits. Their success is more the result of indomitable energy and mechanical skill, than of that systematic method of doing business by which older nations are characterized. We need but the capital of England to assist, and the experience of England to direct our skillful and enterprising manufacturers to ensure success. Even where financial talent has not been wanting, the want of capital alone has in many cases destroyed promising branches of manufacture. Unlike the general trader who rents a shop and buys his goods on credit, the struggling manufacturer must in general spend a large amount in buildings and machinery, pay cash for his raw material and also to his workmen—buy that raw material at one season of the year and sell his manufactures at another season, and then generally on credit. An adequate capital is therefore of the first importance to the manufacturer, and the failure of many promising enterprises in Canada has resulted from this cause, and not from any want of skill on the part of the proprietor, or of a profitable market for the products of his labour.

In Canada there is little cash capital outside the Banks. The tendency of capital in a new country is to resolve itself into land, buildings and machinery. Hence even in times of prosperity there is a constant deficiency in the circulating medium, which, so soon as it appears, is applied to forward some improvement, becomes *fixed property*, and thus permits the money to leave the country. This absorbing process must continue for years to come, and the manufacturer must therefore depend mainly upon his own resources. If careful and trustworthy, he will generally obtain a limited amount of accommodation from our banking institutions, but if he relies upon that source for the necessary means to insure success, he will find himself sadly disappointed.