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THE MONETARY TIMES,  
AND TRADE REVIEW.

TORONTO, CAN. FRIDAY, FEB. 13, 1874

OUR EXPORT TRADE.—HOW TO  
MANAGE THE GRAIN BUSINESS.

According to the official returns lately published, the imports of Toronto for last year were some \$14,000,000, and the exports only \$2,000,000. This enormous disproportion might perplex those who consider the matter from the ordinary trade standpoint, and lead to enquiry how a place could possibly prosper under these singular conditions. But on enquiry it it would be found that while the port of Toronto is a place of entry inwards for the goods consumed in a large tract of country, the products of the same region find their way outwards by a variety of channels. There are many ports on Lake Ontario from which a large export trade is done, whose imports come in by way of Toronto. There is, too, a large shipment of products by rail, of which no statistics are kept. The last remark applies to Hamilton, and also to London. It would be well worth the attention of the Boards of Trade of these three cities to endeavour to ascertain what amount of products of all kinds is shipped by rail and water, not only from their own ports, but from the towns lying within their own region.

There might, we think, be a better classification of exports in the statistical returns of the Dominion. The method of presenting those returns at present does not give, as it should, the product of our various industries at a glance. The following, we submit, is the correct mode of classification:—

1. Products of the forest.
  - (1) Square timber.
  - (2) Sawed lumber.
2. Products of the farm.
  - (1) Grains and their products.
  - (2) Animals and their products.
3. Products of the Sea.
4. Products of the Mine.
5. Manufactures.

Under the present classification animals and their products are separated from the products of the farm, instead of being, as they should be, a sub-division of such products. Canada has four leading sources of primitive wealth, on which all her prosperity depends, viz.: her forests, her cultivated lands, her fisheries, and her mines. In addition to these, she is now slowly developing a manufacturing interest. On the wise use of these resources she must depend for her future. The more she can produce the more she will prosper.

When we look at the profit arising from the branches of export trade above enumerated, we cannot but be struck with this fact, that while the trade in timber and lumber has been on the whole remunerative to those engaged in it, the trade in grain and flour has been eminently unsatisfactory. Of the enormous volume of the business that has been done from this port, and from other ports in Canada for some thirty years back, what has been the result? There ought to have been many a comfortable competence realized; indeed, many a handsome fortune. Yet if we look round, whether here in Western Ontario or lower down the St. Lawrence, or include the city of Montreal itself, what a melancholy catalogue of wreck and failure meets the eye. Of all the flour mills that have been erected and worked, where are there any that have yielded a profit to the original owners? Of the crowds of men engaged in the produce and export of grain and flour for twenty years back, and whose business aggregated many millions annually, can we not count on our fingers all that have been successful? It has not been so with the import trade, nor with manufactures, nor with the export of the products of the forest. These have had their years of adversity, doubtless, and many a man who has been engaged in one or other of these branches has failed; but on the whole there has been a steady average of success. But in grain and flour, that leading business of a country like this, failure has been the rule, success the exception.

That there are reasons for this cannot be doubted, and we propose very briefly to indicate the causes which seem to us sufficient to account for the misfortunes

—so called—that have overtaken those engaged in these branches of business:—

1. There have been engaged in the grain and flour business an unusual number of men that were not brought up to it. It seems so easy to buy and sell grain that scores of men have been tempted to try it who would never have dreamed of trying to sell dry goods or hardware. Of the first owners of all our flour mills—and their number is legion—how many had been bred and trained to the business?

2. This business, beyond all others, has in it an element of speculation. This, which is its greatest danger, has a charm and fascination to many men which is irresistible. We are entirely controlled by foreign markets, and these fluctuate every hour of the day. Formerly, all grain business was mere groping in the dark, for a merchant bought on the intelligence of what the state of the market was a month before, and could only sell during winter, especially long after he had bought, a thousand changes which he could not control having taken place in the meantime. The business at that time was little better than gambling. Now the whole aspect has been changed by the Atlantic Cable. A merchant knows his controlling market every day; and not only so, but can operate by cable both in buying and selling. For those who do not wish to speculate, there is now no need to speculate. We may be asked: What is the difference? What is speculation, and what is legitimate trading? We answer: trading is the buying of articles to supply the regular wants of known customers; speculation is buying articles either beyond the legitimate demand of known customers, or when the precise outlet for them is entirely unknown. The importer has a regular round of customers, whose wants he knows, and for whom he buys his goods. The manufacturer of lumber has his correspondents in the States, who know his make and quality, and to whom he sends his article. The merchant in timber has his correspondent in Britain, with whose wants he is perfectly acquainted, and to whom he ships specific quantities of certain descriptions of wood. Now, when the grain and flour trade are conducted on the same basis, they are carried on legitimately. There is no speculative element, and no danger. There is also no chance, or a very remote one, of great profits. But there is every prospect of small, steady, regular gains, like the gains of other branches of business.

It is, however, extremely difficult for a person in the trade to confine himself to these limits. It requires a cool head and a firm resolution. It is rare for a person to