

temporary character, the United States has been gaining on Great Britain.

### NATIONAL POLICY—THE DIVISION.

The amendments to the government resolutions have been at last finally disposed of, having been rejected by considerable majorities, the Province of Quebec alone having given a majority to the opposition. The debate on the whole has been unsatisfactory. We are still wholly at a loss to understand what is meant by a National Policy. As in the Dominion Board of Trade, the object seems to have been to catch votes by expressions which, when carefully sifted, may mean anything. We have been led to expect the announcement on the part of the opposition of a clear and defined policy, but we should have imagined that the proper time for making it would have been on the occasion of the adoption of the government propositions. The leaders of the House seem to have taken very little share in the discussion, and nothing new was elicited in the discussion, prior to the final vote, beyond a fresh attack by Mr. Domville on the late loan of the Finance Minister. A more inconvenient time for raising such a question could hardly have been found, and probably that was the very reason why it was chosen. It had no bearing whatever on the question before the House, and having been made near the close of a long protracted discussion, a reply was almost impossible. It seems strange that those who entertain a strong feeling on the subject should not have proposed a direct censure on the government, so that the Minister's conduct, and, moreover, that of the financial agents, may be fully discussed. We have more than once stated our views regarding the loan, and certainly nothing that fell from Mr. Domville has caused us to change them. Other opportunities, no doubt, will occur for discussing this question. With regard to the National Policy, the debate has clearly brought out the fact that there is a complete division of opinion among the advocates of protection to certain Canadian manufactures. Dr. Brouse, a Ministerialist, who voted against the amendments, spoke strongly against duties on agricultural products while avowing himself friendly to increased duties on manufactures. This is the line taken by the members for Montreal and Hamilton. The practical effect, as it seems to us, of including duties on coal and agricultural products in the National Policy will be to force into the ranks of the free traders all who are convinced that such a policy would be suicidal.

### THE LEATHER TRADE OF 1876.

It is not an original saying, but an old one and reverend from age, that "there is nothing like leather." We fear the last two years' experience may have done much to shake that full faith in it which ought to exist among our leather merchants and manufacturers. This is not as it should be. There is no trade which can, from natural causes, so soon recuperate as the leather trade. Its products in a climate like this cannot be dispensed with, and a slight reduction of the total

	1872.	1873.	1874.	1875.	1876.
Leather.....	\$327,494	\$323,176	\$325,487	\$148,717	\$112,682
Leather, Sheep, Calf, Goat and Chamois Skins, dressed.....	25,051	17,372	145,698	98,917	108,519
Leather, Sole and Upper, paying 10 per cent.....	296,077	188,535	195,316	81,676	82,474
Manufactures of Leather or Imitation of Leather.....	180,023	138,908	233,300	203,311	185,261
Boots and Shoes.....	51,475	25,473	49,306	28,441	31,113

Totals.....\$550,063 \$705,554 \$853,716 \$560,065 \$523,319

It will be observed that the decrease in value of last year's imports is very slight as compared with 1875, only about 6½ per cent. There has, however, been such a general decline in, prices during 1876 that these figures will, we believe, be found on closer examination to show an increase in the quantity of goods imported. The enormous decrease in imports in 1875, as compared with 1874—over 41 per cent. in value—may be accounted for to some extent by depreciation in values, and held to indicate no such excessive decrease in quantity. This accounts, however, only for a small portion of the difference. We take it as showing what will be readily admitted by the trade generally, that the leather trade during 1875 passed through that crisis which came upon other trades a year later. From the very nature of this trade, and the final form of manufactured articles it assumes, the effects of over-production and inflation are sooner felt, and we think, also sooner corrected, when over-production is put a stop to. That there had been both over-production and inflation of credit is fully proved by the many disastrous failures that occurred among the boot and shoe manufacturers here and elsewhere during 1875. These had the immediate effect of reducing production; the prompt and judicious curtailment of credit by the larger manufacturers and dealers aiding materially in bringing about that result. Still these failures, and the serious shrinkage in demand and values, had their reflex influence on the tanners and leather dealers,

production will be sooner followed by a demand than almost any other class of manufacture.

In reviewing this trade for last year we shall find amid much that is shaded with gloom and disappointment much also that gives good cause to hope we have seen the worst, and that a considerable improvement has already taken place and bids fair to continue.

We give below a comparative statement of the principal articles of leather and its manufactures imported at Montreal annually for the last five years:

	1872.	1873.	1874.	1875.	1876.
Leather.....	\$327,494	\$323,176	\$325,487	\$148,717	\$112,682
Leather, Sheep, Calf, Goat and Chamois Skins, dressed.....	25,051	17,372	145,698	98,917	108,519
Leather, Sole and Upper, paying 10 per cent.....	296,077	188,535	195,316	81,676	82,474
Manufactures of Leather or Imitation of Leather.....	180,023	138,908	233,300	203,311	185,261
Boots and Shoes.....	51,475	25,473	49,306	28,441	31,113

which came to light in the form of heavy failures last year:

We next draw attention to the following comparative statement of imports by the whole Dominion, of leather and its manufactures from the United States for the last three years. These figures are made up to June 30, 1876, the end of the fiscal year:

	1874.	1875.	1876.
Leather.....	\$154,273	\$179,431	\$147,089
Sole and Upper Leather paying 10 per cent.....	46,541	81,749	76,907
Manufactures of Leather, &c.....	250,521	326,124	365,117

Totals.....\$481,333 \$587,303 \$588,910

The amount purchased by Canada from the United States last year, it will be at once observed, is fully equal to the previous year; and both 1875 and 1876 are 20 per cent. in excess of 1874, showing a progress which has maintained itself in spite of the commercial depression. This in 1875 is undoubtedly attributable to the unremunerative state of trade in the United States, and the glutting of their markets, which caused very low offers from dealers and manufacturers here to be readily entertained. Such a state of things is certainly an unmixed evil to the Canadian tanner and one great cause of loss and failure, but, on the other hand, has been to the advantage of the boot and shoe manufacturer, who thus obtained his materials at a very low cost. This question we must leave to free traders and protectionists to fight out, only remarking that the large number of boot and shoe manufacturers in the United States, and the immense proportions which the leather trade and leather markets of the United States have attained, must, under existing circumstances, have a very serious effect on our markets. This can be seen from the following comparison of prices of Hemlock sole leather in New York and here in 1874, 1875 and 1876.

	New York.	Montreal.	New York.	Montreal.	New York.	Montreal.
	1874.	1875.	1875.	1876.	1876.	1876.
January.....	25½ to 30	29 to 31	25½ to 30	25 to 27	25 to 27	25 to 27
February.....	25½ to 30	29½ to 31	25½ to 30	25 to 27	25 to 27	25 to 27
March.....	25½ to 30	29½ to 31	25½ to 30	25 to 27	25 to 27	25 to 27
April.....	25½ to 30	29½ to 31	25½ to 30	25 to 27	25 to 27	25 to 27
May.....	25½ to 30	29½ to 31	25½ to 30	25 to 27	25 to 27	25 to 27
June.....	25½ to 30	29½ to 31	25½ to 30	25 to 27	25 to 27	25 to 27
July.....	25½ to 30	29½ to 31	25½ to 30	25 to 27	25 to 27	25 to 27
August.....	25½ to 30	29½ to 31	25½ to 30	25 to 27	25 to 27	25 to 27
September.....	25½ to 30	29½ to 31	25½ to 30	25 to 27	25 to 27	25 to 27
October.....	25½ to 30	29½ to 31	25½ to 30	25 to 27	25 to 27	25 to 27
November.....	25½ to 30	29½ to 31	25½ to 30	25 to 27	25 to 27	25 to 27
December.....	25½ to 30	29½ to 31	25½ to 30	25 to 27	25 to 27	25 to 27