

THE BUSINESS OUTLOOK.

We are inclined to think that the aggregate volume of trade is larger than it appears to be, from the fact that people have been so accustomed to the old method of judging it by watching the amount of business transacted between importing and wholesale houses, that they are liable to be egregiously misled thereby, for the reason that wholesale houses in nearly every line of goods now do their own importing, just as most of the old importing firms now have a share in distributing goods to the general country and city trade, which formerly was limited to supplying wholesale wants only. Under the new system it is therefore quite possible for a large aggregate of business to transpire quietly and almost unperceived, in consequence of its being divided up into smaller transactions. It can thus be easily understood how, under the altered conditions of trading, incorrect estimates of the amount of business passing are apt to be deduced from the old standpoint of observation. In illustration of this, we may mention that the principal in one of our largest general mercantile establishments recently informed us that, to his astonishment, he found upon going over his books that although he was under the impression that he had been doing a smaller amount of business this year than last, the fact was that his accounts footed up a larger total than that for the corresponding period last year. In these times the hand-to-mouth policy of buying is scrupulously adhered to by many of the best city and country retail houses, which thereby avoid the expense incurred by carrying large stocks, and are thus induced to order smaller lines and often. This action has in turn caused wholesale houses to order less at a time than formerly, and so the whole system of doing business has completely changed, although the mutation has been brought about almost unnoticed by the casual observer. For some time past large quantities of black teas have been brought into this port by almost every steamer, but because they have been divided among quite a number of importers, instead of going into the hands of two or three firms, as in former years, they have been less noticed and commented upon. The same thing has occurred in many other lines, and when to the aggregate of imports and exports is added the large output of our manufacturers for distribution in the home market, it is quite probable that the trade of the country may have been vastly under-estimated for

the reasons above assigned. The qualifying of the state of trade by such adjectives as dull, stagnant and demoralized has become such a habit among our merchants of late that it is quite possible they may have overdone the thing. It is certain that our population is increasing, that people are consuming a larger amount of both food and clothing, with generally sufficient means to meet their obligations—thanks to the abundance and cheapness of almost every thing contributing to the comforts of living. And when it is considered that the country has been blessed with a large production of roots and cereals as well as other general produce, the bulk of which has yet to be marketed, it is very evident that ample means for liquidating the general indebtedness of our urban and rural population, are within reach, although deferred payments may have been necessitated in a number of instances. Reviewing the business situation, therefore, as a whole, it is certain that a more extensive business is being prosecuted than may appear to those accustomed to gauge its dimensions by the old standard of measurement; and secondly, that the outlook of trade is calculated to inspire confidence rather than to propagate discouragement and gloom.

COMMERCIAL TREATIES.

The Jamaica question, having been disposed of for the present by the almost unanimous refusal of the Council of the Island to entertain Mr. Solomon's proposition, there will be renewed efforts made to bring about reciprocal commercial arrangements by means of treaties. The principal article of import into Canada from the tropical countries with which an extension of trade is sought is raw sugar, and the question arises whether it would be sound policy for Canada to impose discriminating duties on the sugar imported from any of those countries. If not, then the demand for reduction of duties is simply to procure a diminution of the Canadian revenue without increasing the consumption to any appreciable extent. The protection to the Canadian refiners has caused a decrease in the importation from Great Britain and the United States, but a very considerable increase in the importations from the British and Spanish West India Colonies and Brazil. In regard to Canadian exports, there is no reason to suppose that any of the countries referred to would be inclined to discriminate in favor of Canada, and against the United States.

There is reason to believe that efforts are being made at the present time to effect a treaty with the United States, the object of which, as explained by the under Secretary in the House of Commons on the 10th inst., is that "America should remit in part the duty on West India sugar, and the West Indies should take off the duties on certain articles imported from America, but no arrangement was contemplated and no proposal had been made whereby the West Indies should impose differential duties on English, as opposed to American, manufactures." We venture to assert that the scheme embraced in the foregoing language did not originate with the Imperial Government, and we have no idea that it will be found possible to carry it into effect. Assuming that there will be no discrimination against English manufactures, it may be inferred that there might possibly be discrimination in regard to the "certain articles," viz flour, salted meats, lumber, fish, etc., etc., which are at present imported into the West Indies from the United States and Canada on the same terms. It would of course be injurious to Canada if the West India Colonies were to discriminate against her. It would not however at all surprise us that such a proposition should be made by the United States, and of one thing we may rest assured, which is, that the United States will not reduce its sugar duties without getting what it deems adequate compensation. As regards Canada its true policy is to treat all countries alike, and to insist on being placed by all other countries on the footing of the most favored nation. At present the bulk of our trade is carried on with the United States, Great Britain and Newfoundland, and on the whole we have little ground of complaint except against France and Spain, and in the case of the latter the discrimination is in favor of the parent state.

The Hamilton *Spectator* has been taking *Bystander* to task for suggesting retaliation against the countries which have been paying bounties on exported sugar, and we infer that it would disapprove of such a policy. Without discussing how far it is consistent with free trade we contend that where any State discriminates against another by refusing to admit its exports on the same footing as the most favored nation, the true policy is to retaliate promptly by discriminating against the exports of the offending State. In the case of bounties being granted a countervailing duty ought in justice to the home manufacturers to be imposed. If it should turn out that the