## "UP OR DOWN?"

THE following figures are interesting, as showing the Sources and Supply of Cotton at Liverpool in 1864:

| | Bales. | lbs. p. bale. | Total lbs. | Price p. lb. | Total value. (stg.) |
|---|---|---|---|---|---|
| America | 197,776 | 430 | 85,625,888 | 28d. | 10,160,353 |
| Brazil | 212,192 | 180 | 38,194,560 | 27 | 4,296,888 |
| Egypt | 257,102 | 500 | 128,551,000 | 26 | 13,926,358 |
| Turkey | 61,793 | 355 | 21,936,515 | 19 | 1,736,640 |
| West Indies | 59,645 | 200 | 11,929,000 | 24 | 1,192,900 |
| Surat | 1,043,378 | 390 | 406,917,420 | 18 | 30,518,806 |
| Madras | 173,648 | 300 | 52,094,400 | 16 | 3,472,960 |
| Bengal | 182,488 | 300 | 54,746,440 | 12 | 2,737,320 |
| China & India | 399,074 | 240 | 95,777,760 | 15 | 5,986,110 |
| | 2,587,096 | | 896,772,943 | | £74,028,335 |

The following will show the total imports of Cotton at Liverpool for the past eight years:

| Year. | Bales. | Year. | Bales. |
|---|---|---|---|
| 1864 | 901,850,000 | 1860 | 1,417,374,800 |
| 1863 | 682,810,000 | 1859 | 1,191,055,300 |
| 1862 | 535,001,000 | 1858 | 1,018,130,000 |
| 1861 | 1,269,325,900 | 1857 | 974,287,900 |

The following will show the anticipated supply for 1865 from

| | Bales. |
|---|---|
| India | 1,500,000 |
| China | 600,000 |
| Egypt | 257,102 |
| America | 197,776 |
| Brazil | 212,192 |
| West Indies | 59,645 |
| Smyrna and Mediterranean Ports | 62,053 |
| Total bales | 2,587,356 |

The above figures were made up in Liverpool before the news of the capture of Fort Fisher had reached England. A knowledge of this fact, and the opening up of Georgia for Federal trade, will no doubt largely increase the estimates to be received from America in 1865, which, as will be perceived, is set down at the actual amount received last year.

The present year's imports is equal to the average consumption of 1857, '8, '9, when American Cotton was only 7d. and 7½d. per lb.; while it is now 27d. and 30d. per lb. After allowing for exports this year, there is a sufficient import for a consumption of 35,700 bales a week, without entrenching upon stock, since there is only being used about 31,000 bales; yet prices are still enormously inflated. Although the increase this year is 34 per cent. over last, yet there has been 6d. a pound more paid for it than necessities actually authorized. In fact this year furnishes 114,000 bales over previous estimates; and the fact is, that exports of raw cotton are falling off. In 1862 about half of available supplies were manufactured; in '63 two-thirds; and in '64 only a half again. The quantity on hand in 1861 of 864,000 bales, fell in 1863 to 378,000 bales, and again rose last year to 655,000 bales, showing advancing accumulation.

The present high prices are causing the cultivation of cotton wherever it can be grown. America, that used to send 2,000,000 bales to Europe, now only sends 200,000 bales. It is produced now at the Bahamas, West Indian Islands, Bermudas, Mexico, New Granada, Brazil, British Guiana, Honduras, Cuba, Porto Rico, Hayti, San Domingo, India, Ceylon, China, Japan, Africa, Egypt, Turkey, Syria, Greece, Malta, Sicily.

Many interesting questions suggest themselves in regard to the cotton supply; but our present purpose is to invite the attention of Canada to a subject in which she is deeply interested. To us, who are consumers of all manufactured cottons to a larger extent than any other foreign goods, and have for the last three years been paying from 100 to 200 per cent. higher for the article, it becomes a question of very grave import how long, at the present rate of production, present prices are to be maintained. These statistics are from various British sources and of a reliable character. It is true that the present supply is not equal in quality to the large American staple; but 10 per cent. of waste being allowed in the working of it, is more than compensated by the falling off in the consumption demand, at prices fourfold of what they were in 1859.

The capture of Fort Fisher, if followed by the capitulation of Wilmington, the fall of Charleston, and siege of Richmond, will certainly narrow down the American struggle to small dimensions. The defeat of the South, it is true, is not *un fait accompli;* but events point to certain results which ought to warn the merchant that the next change will more than likely favor the purchaser of cotton manufactures.

## COMMERCIAL LAW.

UPPER CANADIAN SUMMARY.

A SHORT Act was passed during the first session of the parliament of 1863 that has, by some apparently simple clauses, made very important alterations in the effect of mercantile contracts. It is called "An Act to amend the laws of Upper Canada affecting Trade and Commerce." Ever since the time of Charles the Second, in whose reign the Statute of Frauds was passed, a large number of contracts have been of no binding force unless reduced to writing. Among these were "special promises to answer for the debt, default or miscarriage of another person," or, as we would now call them, guarantees. It was soon decided in the English courts, that not only the *promise* must appear in writing, but also the *consideration* for the promise. This may seem an unreasonable decision, but it was nevertheless the law in Upper Canada until the passing of the above act in 1863, the 1st section of which is as follows:—"No special promise to be made "by any person after the passing of this Act to answer "for the debt, default or miscarriage of another per- "son, being in writing, and signed by the party to "be charged therewith, or some other person by him "thereunto lawfully authorized, shall be deemed invalid "to support an action, suit, or other proceeding, "to charge the person by whom such promise has "been made, by reason only that the consideration "for such promise does not appear in writing, or by "necessary inference from a written document."

Not the least important amendment to the former law is contained in the second and third sections, which give sureties who pay the debts of their principals the right to have assigned to them any judgment or security held by the creditor in respect of the debt so paid. Formerly there were many cases in which a surety who paid a judgment debt of his principal discharged the latter from any further liability under that judgment, which, in the eye of the law, was satisfied; and the surety had to bring another action against the principal to recover what he had paid for him. These clauses declare that the surety shall be entitled to stand in the place of the creditor, and use all his remedies and his name in order to obtain from the principal debtor or any co-surety, co-contractor, or co-debtor, indemnification for advances or losses; and the principal debtor, shall not be able to plead the payment by the surety as a satisfaction of the debt.

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Among the many interesting points sure to arise in the working of the Insolvent Act, the following is one:—If John Smith is indebted to Wm. Brown to the amount of say $100, having at the same time a contra account against him of $150, can Smith, in the event of Brown's becoming insolvent, bring forward his claim as a set off against Brown's, or must he pay Brown's claim in full, and have his own treated as that of an ordinary creditor?

It is to be feared that there is nothing in the present state of the law in Upper Canada to warrant any opinion in favor of Brown's assignee allowing a set off on the part of Smith in this case. It was the same way in England before the second year of George the Second's reign. This was extremely disadvantageous to creditors where there happened to be mutual dealings between them and the bankrupt; they would have to pay the whole of the debts due by them, and probably receive but a fractional part of the debts due to them. In the English Bankruptcy law, there is special provision made for this state of affairs, and in case of mutual debts the balance due on either side shall only be proved against the estate, or collected by the assignee. It indeed seems to be taken for granted in our Act, (Section 8, sub-sec. 6,) that such debts could be set off, but this clause does not in itself seem sufficient to give the power. If this view of the law be correct, it is highly important that some amendment should be made to the Insolvent Act to remove the difficulty.

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—The total traffic receipts of the Grand Trunk Railway for 1864 are $5,965,000 against $4,453,000 in 1863 and $3,965,000 in 1862. Of course the large increase of last year, nearly a million and a half, is in some degree attributable to the amalgamation of the Buffalo and Lake Huron Railway with the Grand Trunk, and the co-partnership with the Montreal and Champlain Railway. We presume that the receipts of both these Corporations are included in the general statement.

## THE LEATHER TRADE FOR 1864.

THE leather trade of Canada, especially of Montreal, has become not only one of the most important branches of our manufactures, but has likewise assumed a considerable degree of importance in our exports, chiefly to England, with, we believe, one solitary shipment to Glasgow, and a few to Nassau.

The increase in the exportations of Spanish Hemlock Sole has been very remarkable; the first shipments having been made in 1863, when the total number of sides was 7000, with a value of $13,000, while in 1864, no less than 49,115 sides, at a value of $155,000, were exported. It should not be understood that this great increase had been induced by the remunerative nature of the returns. It may be as well to state that generally the results have been otherwise, and only rendered necessary by over production, and to relieve this market. There is, however, no doubt that not only an extensive but a profitable trade in Sole Leather may be done between Canada and Great Britain. Heavy hides, specially tanned for the English market, would meet a ready demand with satisfactory results; and we trust the experience of the last year may beget more enquiry and a larger amount of information on the subject. The success of the Confederation scheme will open a large and profitable trade in the Maritime Provinces, which has hitherto been monopolized by the Eastern States. An extension of the boot and shoe business to that market would also of course materially increase the consumption of leather in this city.

The year opened with a heavy stock, a dull and declining market; prices of best brands of Hemlock Spanish Sole being 21½c. and 22c. per pound. Prices continue to decline every month, till the close of the year, when it had reached 18c., some irregular and pressing sales having been made even as low as 17c. In the month of March, when prices had touched 20c., several *outside* speculators, thinking that rates had reached their lowest point, and under the impression that an improvement would soon take place, bought large parcels; these operations ended however in considerable loss.

In the month of June, the market continuing burdened with a heavy stock, under which it was extremely difficult to effect sales at almost any price, and for the purpose of arresting the downward tendency, one or two large operators went into the market and purchased upwards of 22,000 sides, clearing it of nearly every large parcel. This, however, while it did not fully realize the expectations of those concerned, perhaps prevented prices from descending much lower than they might otherwise have done.

The results of the year's business have been far from remunerative to Tanners, and it could not well be otherwise, while the supply so much far exceeded the demand. In turning away from this rather gloomy feature of this very important branch of our domestic manufactures, it is pleasant to mention the vast improvement that has been made in the *quality* every year, not only in appearance but in weight; 50 per cent. "grain" in weight is no longer satisfactory, but 70 to 75 per cent.; nay more, unless Tanners can touch these high figures, they must not expect to keep in the front rank.

We present herewith a price current of the best No. 1 Spanish Sole Leather for each month in the year:

| | | | |
|---|---|---|---|
| January | 21½ to 22c. | July | 19 to 19½ |
| February | 20 " 21 | August | 19 " 19½ |
| March | 20 " 21 | September | 19 " 19½ |
| April | 20 " 21 | October | 19 " 19½ |
| May | 20 | November | 18 " 19 |
| June | 19 " 19½ | December | 18 " 19 |

The following is the number of sides of the various grades inspected in Montreal during the year:

| | No. 1. | No. 2. | No. 3. |
|---|---|---|---|
| January | 11113 | 3539 | 209 |
| February | 6759 | 2398 | 99 |
| March | 5785 | 1900 | 118 |
| April | 13396 | 1884 | 62 |
| May | 6860 | 1802 | 110 |
| June | 14239 | 3729 | 159 |
| July | 15100 | 3954 | 146 |
| August | 8406 | 2369 | 256 |
| September | 7540 | 3321 | 449 |
| October | 14165 | 4672 | 358 |
| November | 10465 | 2521 | 197 |
| December | 8940 | 2712 | 168 |
| | 122770 | 34801 | 2329 |

Total . . . . . . . 159,900 sides.