

have gone through rough water lately, and it has been just all that some could do to weather it through. It does seem an anomaly that in a country so prosperous as this has been for the past three years, that trade should so suddenly be hampered. There must be some cause; nobody doubts that. But what is it? We have given one cause, but it is hard to make many people believe. To tell some that we have been buying more goods abroad than were really required, and that the money needed to pay for these goods caused a drain upon our resources, is something they cannot understand; and even Mr. Tilley befriended their obtuseness by stating in his budget speech that years marked by great accessions to England's wealth were those during which the balance of trade was largely against that country. If the circumstances of this and the mother country were parallel, there might be some ground for that argument; but they are not. It sounded very well as a generalization in a political speech; but such statements, passing unquestioned, only help to still further becloud and mislead. England has been the banker of the world for centuries, and the millions rolling into her coffers yearly in the shape of interest, prevent any possibility of a collapse such as may overtake a young and comparatively poor country, depending upon the development of its resources. To put the matter plainly, England never imported beyond her means of paying, and this is just what Canada has done and is doing; and if the process is continued, the consequences involved are sure to follow. Compare the census of 1861 and 1871, and the trade returns. It will appear that either we must have become suddenly rich to be able to pay for the great yearly increase in our imports, our wants must have vastly augmented, or we are getting extravagant.

Admitting what is undoubted, that the country has largely advanced in wealth and prosperity; are we not, possibly, taking too sanguine a view of business matters? One house advertises that their sales last year increased four hundred thousand dollars and adds, that "we expect a similar increase during the current year." Other houses are using their best efforts in the same direction. Where is this increase to come from? Our population does not augment in numbers or wealth so rapidly. Have we been so poorly supplied that now we are only beginning to live comfortably? Let us look a little farther. It is not all we spend that makes us poor. It is only the surplus beyond our wants or means of payment, the deficiency of anything enhances the price of the whole and the surplus re-

duces it. If there is a demand for a thousand barrels of flour, and there is only nine hundred, the price of these nine hundred is at once raised, but on the contrary, if there are eleven hundred and only a thousand wanted the value of the whole eleven hundred is depreciated by the surplus. This is true of all commodities. Money is in a sense a commodity used as a basis of value, we borrow it, paying for its use. The value of the goods or produce we export to other countries is represented by this measure of value given in exchange, placed to our credit. We use it in paying for the goods we import, if our exports do not produce sufficient to meet those demands. We have to furnish it to make up the difference. The large excess of our imports have necessitated our sending so much money abroad that it has become scarce, and this is simply why the rates for its use have lately risen.

If this view be correct, then as wise people it behoves us to look into our expenditure, and find wherein we have been extravagant—in which department of our trade lies the excess—in which we can best retrench. Probably in all we have rather overshot the mark. We don't buy much more Hardware than we require. In this line there is little that ministers to luxury. Groceries we may possibly have used to a greater extent than actually needed, but the stocks are not large, and are consumed rapidly, and a short time would regulate that department. The next important branch is Dry Goods. Is this the branch wherein we commit the extravagance that is pinching us? We think it is. As a people we dress well. As compared with the older countries, our population spend annually more per head. Individually we may err but slightly, but the fondness for display is so ably engendered and kept alive by our pushing, smart stores, and in their eagerness to profit by our vanity, as well as provide for our comfort, we have been altogether too lavishly provided for. If the aggregate of the figures representing the money we have invested in stocks of these goods all over the country could be accurately collected, they would be simply startling. We cannot quote the total amount of imports at all the ports for this branch of our trade. In the first four months of the year the imports at Montreal were three million six hundred and eighty-one thousand dollars's worth, at Toronto they were two millions two hundred and thirty-five thousand dollars, being together five million nine hundred and sixteen thousand dollars. These goods were mostly for houses doing business at the points named. Other ports would certainly add at least two millions more, and our own woollen and cotton mills, at a

low estimate, placed on the market during that period another million dollars' worth. That is about eight millions altogether. But these are first cost prices. The wholesale and retail profits have yet to be added, before the consumer gets them, and it is safe to say, that not less than twelve millions of dollars worth of dry goods have been heaped upon our already glutted market. Surely we may hope that no one will perish with cold this summer, in the midst of such a bountiful supply of clothing! By far the larger portion of these goods find their way into Ontario. It is little wonder that some of the shoddy manufacturers of the north of England, when the war in Germany closed their source of supply on the continent, should have turned their faces towards Canada to look for rags. Large as these figures may appear, they are more than a million less than the imports of the same period last year. But did we need so much? There was no dearth, but the contrary. A Glasgow merchant recently, through the west stated, that it was painful to see the enormous stocks of dry goods held in such towns as Peterboro', Lindsay, Goderich, or Brantford. A gentleman who visited Ingersoll recently, estimated the dry goods stocks there at a value of about one hundred and sixty thousand dollars, and these to supply a town of about four thousand inhabitants, with what custom the surrounding country did not leave at the equally well supplied villages in the neighbourhood. Can it be wondered that week after week the insolvent list is swelled by some of the less fortunate caterers for patronage in this line of business, so manifestly over-traded? To a certain extent, it seems unfair that the *pro rata* dividend received by the creditors in other lines, should be, as they frequently are, greatly reduced by the excessive liabilities of the insolvent for dry goods.

Individual firms cannot be blamed. Every one engaged in trade should lend his best energies towards its development. Without such effort, success in any line is impossible; and this especially has attracted men of ability and ambition, but, the impression is general, and is even shared by themselves, that the business is unduly expanded; that they are doing just the *too much* that may spoil the whole, and all should realize, that a small excess in each case swells the aggregate. Much difficulty and future loss may be avoided, by adopting such a conservative policy as the present would seem to suggest, and abate much of what only belongs to, and contributes to an unhealthy business tone, such as cheap credit, long terms, and cutting prices. We are undoubtedly. In this line trading out of