

ANNUAL CIRCULAR OF THE MERCANTILE AGENCY, 1864.

The year just closed has presented to the Commercial community a variety and combination of circumstances which have been as peculiar as they have been important.

The great sources from which the country derives its Income—its Exports and Emigration—have yielded but a very medium return. The GRAIN Crop,—for 1863 barely an average, and mostly delivered before the close of that year—was again in 1864 a partial failure; and owing in part to the low prices, bad weather, worse roads, scarce money, and scarcer men, only a very small proportion of the product has yet found a market. The amount of money, therefore, realized for produce during the year has been unusually limited. The LUMBER interest, dependent almost entirely upon the United States market, has been seriously affected by the fluctuations in the currency of that country; the large product induced by prices while gold was at 125 in the summer of 1863, having found difficult sale at unremunerative rates with gold at 220 in the summer of 1864. The TIMBER Trade, a most important interest, has been depressed and embarrassed by decline in England, from dear money and other causes, and the year closes with unusually heavy stocks both in first and second hands to winter over. SHIP-BUILDING, which had again recovered and was yielding very considerable returns, has from the same causes been drooping and unprofitable. EXTORTION, too, from which we ought annually to receive largely of material and prospective wealth, has been insignificant and poor,—so that from all these great sources of profit the amount realized during the year has shown a great falling off.

The effect of this decline in the revenue might not have been so important, had the importations been less, or even their usual amount. Unfortunately, however, they have been largely increased, and from a variety of causes. The gradual concentration of the GROCERY IMPORTING Trade into the hands of our own merchants, consequent upon the disturbed currency and high tariff of our neighbors in the United States, had given an impetus to the growth of that branch of business which it required more than a warning voice to retard. The Imports in this line were therefore larger in the Spring and Summer than ever before, especially of staple goods, at high rates. The demand throughout the year fell short of expectation, and luckily checked arrivals during the Autumn. The DRY GOODS Trade, in view of immense profits made in the immediately previous years, by advance in stocks and growth of business, imported not only heavily in Spring but excessively in Autumn. In other branches very much the same policy was adopted, but less in extent, and hence not so much marked. As a whole, however, the IMPORTS into the Province show a very great increase.

Presuming the figures in December of the two years to be about the same, the following will show the total value of the Imports and Exports for the entire Province for 1863 and 1864, which we are the first to make public.

	1863.	1864.	
Imports.	\$45,964,492	\$52,669,017	Increase \$6,704,525
Exports.	\$7,347,850	\$7,478,535	Decrease 1,330,682
Increase of balance against the Country, in the year, of over eight and a half million—			
dollars.....			\$8,573,567

Thus, with decreased revenue from Exports, and increased expenditure and liability by Imports, the promise of the year was not very gratifying; but there was still another unfortunate circumstance found in the almost unequalled dullness and depression of the Autumn Trade. The bad weather, (which is well illustrated by the statement, that from Sept 8th to Dec 8th, there were not five consecutive days without rain,) consequent bad roads, declining prices for grain, and what was still more influential, declining prices of goods, rendered the purchases by retail buyers limited in number and amount. The consequence is, that heavy stocks, especially in dry goods, are to be carried over the winter. We wanted only poor payments for Spring purchases maturing in the Autumn, and a tight money market, to complete "the Winter of our discontent;" and these we have had. The same causes which restricted the retail trade lessened the remittances from all sections of the country; while the increased requirements taxed the facilities of the banks, which, though their loans were greater than in previous years, found it impossible to still further expand,

in consequence of the high rate of interest and scarcity of money in England.

Thus, with diminished Exports, increased Imports, dull trade, meagre payments, and tight money, the history of the year seemed closing gloomily enough, when a new cause of uneasiness arose from fear of disturbed relations between the United States and Canada. The discharge of the St. Albans raiders, and the excitement which followed on both sides of the line, it was feared might result in serious complications. Fortunately, however, such a probability has been averted; nevertheless, the feverish and anxious feeling induced by the bare thought of trouble between countries whose interests are so interwoven, has and will for a little while affect trade.

Notwithstanding the dreary catalogue which we have had to enumerate, it is matter of congratulation that thus far these difficulties have been met without serious disaster. It is true a considerable number of failures have occurred in the country,—statistics of which we append,—but happily these casualties have been confined to the weakest class, while many who have been insolvent for some time were waiting only for the enactment of the Bankrupt Law, which went into force in September of last year. The losses to our wholesale merchants by bad debts, as a whole, have not been in excess of previous years. It is certain the number engaged in retail trade in the country is excessive, and though it may cause temporary inconvenience and loss, a gradual weeding out of those most unfitted for business—lacking either capital, capacity, or character—will leave the general trade in a position much more healthy and profitable. In the cities of the Province, the number of important failures have been few, and the fact that a season of so many adverse circumstances has been lived through without serious default, speaks well for the solidity and capacity of our merchants. The large stock of dry goods on hand will severely test the capital employed, and it will not be surprising if a little indulgence may be asked, but it will be a question only of a short time, and there is no ground for anxiety or apprehension of anything further. Other stocks are not excessive for the prospective wants before opening of navigation. We have had several years of uninterrupted prosperity; large amounts have been made, the gross surplus of our importers is very large, and its great bulk can soon be realized. The stocks in the stores of retailers all over the country, from limited purchases in the autumn, must be light; the great bulk of the grain crop is yet in the hands of farmers, the sale of which, with large quantities of pork and other products, must soon impart ease. The very general fall of snow with which the country has been favored, has made good roads, and the New Year opens with better promises for the future. It is certain that the importations for the Spring will be light, and it is believed that on the 1st of May next, the commercial liabilities of Canada to Great Britain will not be larger, if as large, as in previous years.

There is much in the history of the Province for the past few years of a most gratifying character. That period has witnessed a wondrous development of the mineral resources of the country, the extent and wealth of which are yet untold. A very general movement has been made by the agricultural community towards substituting other products for the universal, but uncertain and exhaustive, crop of Wheat; and among other things, the increased interest and success in the production of Flax is very important. Most material and successful progress has been made in the Manufactures of the country; and of many important articles, the product exceeds the wants of the community, and a market is sought for elsewhere. We have yet immense tracts of timber which the Old World needs and must pay for, and even the stocks which are being wintered over, (and which are said to be sufficient for another year's export,) will easily realize a large sum. The war and high taxes which prevail in so large a part of the New World, ought to favor the efforts of the Government to induce a permanent Emigration hither. There are yet immense tracts of land in public and private hands, that need only occupants to contribute largely to the wealth of the country. We have just pride in the extent and safety of our monetary institutions, which have, without a single default, outlived all the reverses thus far, and are now managed with greater prudence than ever. The facilities for business, for travel and for transportation over the lakes, rivers, canals, and railways, are unsurpassed. The capital employed in the business—interesting and novel statistics regarding which we elsewhere present—

is in very legitimate proportion to the trade done, and must increase. Thus, from very many points we have ground for encouragement, and more than sufficient to induce the belief that even a year as bad as the last has not failed to contribute somewhat to the onward and rapid progress of the country.

This progress is likely to be stimulated and confirmed by the proposed confederation of all the British American Provinces, the near approach to which is an event in the year that will atone for other misfortunes. By it, it is hoped that a consolidation of interests, free trade between the Colonies, an enlarged market for our already hampered manufactures, an open sea-board the year round, and an outlet independent of the political caprices of a neighboring nation, may be secured. The construction of the Intercolonial Railway, the expenditure on which must temporarily benefit us, will largely contribute to the permanent prosperity of the Trade of the country.

During the year our offices in Canada have been placed under one general management, and we hope with beneficial results. We have added largely to our sources and facilities for obtaining information in all sections of the country, and the revision of reports will be, more than ever before, regular, reliable and detailed. A new and useful feature has been added in the publication of "The Mercantile Agency Reference Book," a volume containing the names, estimates of capital, and general credit standing of nearly 20,000 traders. It has met with the approbation of all the leading houses, the banks, &c and we trust the volume for the year upon which we have entered will be still more worthy of confidence. Our arrangements for the Collection and Securing of past due Debts have been completely re-modelled, and we are satisfied that our facilities for this description of business are unequalled. A large increase in this department with evident satisfaction to our clients, evinces an appreciation of the efforts in this respect.

Thanking you for increased patronage and confidence during the year, we have the honor to be

Your obedient servants,

R. G. DUN & CO.,
Proprietors

E. WIMAN,
General Manager for Canada.

FAILURES IN CANADA.—1864.

The following table exhibits the Number of Failures in Canada during the past year, with the amount of Liabilities and Assets, as near as can be ascertained:

	No.	Liabilities.	Assets.
Toronto.....	24	\$341,000	\$215,445
Hamilton.....	14	301,000	101,409
London.....	7	114,407	95,515
Kingston.....	6	116,000	39,750
Ottawa.....	7	253,353	222,500
Balance of Canada W. 192		1,673,384	1,090,288
Total for Canada West 220		\$2,891,174	\$1,792,193
Montreal.....	35	\$956,712	\$159,755
Quebec.....	30	653,000	523,000
Balance of Canada East 17		50,700	59,000
Total for Canada East.. 82		\$1,659,412	\$1,041,755
Grand total for all Can. 322		\$4,550,586	\$2,833,948

Ascertain the whole state of your affairs. Learn exactly how much you owe. Be not guilty of deceiving yourself. You may thus awaken suspicions of dishonesty, when your intentions are far otherwise. Deliberately and fully make up your mind that, come what will, you will practice no concealment, or trick which might have the appearance of fraud. Openness and candor command respect among all good men. Credit or confidence given to men of doubtful integrity, is an injustice done to all who hold on to their honesty.

Never talk of your designs till they have been accomplished, and even then, the less you say the better. This is a very important caution for the merchant or man of business. Some persons are naturally so talkative that they no sooner form a design of entering into speculation, or following some particular branch of trade or commerce, than they take the earliest opportunity of acquainting all their friends with it. By giving way to this weakness, you put it in the power of others to forestal you, and those whose interest interferes with yours, will do all they can to disappoint you for their own advantage.