CANADA PRODUCE ABROAD.

We have often heard it remarked by parties connected with our export trade, that somehow or other, *Canadian produce has not been held in that* repute abroad which it ought to have enjoyed—that, in many cases, to say that a certain shipment was Canadian, was to effectually kill off the sale at anything like a reasonable price. That there is considerable truth in this statement, experience has frequently proven, and the question has of late been often propounded: Why does this prejudice exist? Our wheat and flour cannot be excelled—our pork and butter should be as good as that of the United States, and yet they do not stand alike even in the British markets. A well-informed writer attempts to give the cause of this depreciation of our produce abroad, and contends that it has mainly arisen from the tricks of American shippers, who have made it a practice to dub as "Canadian" bad or inferior lots. His own words are as follows:—

"If a quantity of soft oily pork, reached Liverpool, "it was ticketed 'Canadian.' Queer lots of flour. "unsound in quality and deficient in weight, were "sure to be 'Canadian,' and our butter has been "quoted, for the same reason, 'from Canadian to "cart grease.' The same with petroleum and other "products, so that to have a lot of 'Canadian' on "hand, no matter of what kind of produce, was as "much as to advertise a discount in advance"

We fear there is too much truth in these remarks, and that Canada has *frequently* been tricked in this way to her serious injury. The fact is indisputable that prior to recent shipments of our flour to the Maritime Provinces, they had a very poor opinion of it. *Brother Jonathan previously supplied them*, and from the flour they had received from him, under the name of Canadian, it had obtained a very unenviable reputation. Our sly Cousins, very probably ate our splendid white wheat flour *themselves*, and gave our Blue-nose friends their inferior grades—the poorest of which being marked as if from us. However this may be, one thing is certain; since we began to ship direct to Halifax and St John, no little astonishment has been expressed at the excellence of Canadian flour, which is openly stated by many to be the best they have ever obtained. It is gratifying to know that this important staple has own for itself so good a reputation in the Provinces, for whatever changes may take place in the run of our trade hereafter, they can no longer be tricked into the belief that Canadian flour is second to any in the world.

Any prejudice which may exist against Canadian produce abroad, which we are sure, ultimately pass away as it has done among our eastern friends. We believe nearly all descriptions of our produce to be quite up to the American standard, and frequently above it, and when our shippers begin to carry on a direct trade with Europe, the brand "Canadian" will soon enhance, not decrease its value. We all know the story of the Quaker who gave the dog the bad name. If that has been done with Canadian produce, as this writer and many others suppose, it is conduct exceedingly reprehensible, and it becomes our duty to counteract it as speedily as possible. The best way to do this, is just to do what has been done in the Maritime Provinces—send our produce to foreign markets direct, and let them judge for themselves. Were this done, we have no fears of the result, or of the success of any future tricks which might be tried.

U. S. CONSULAR REPORTS.

(From La Guayra, Venezuela, November 1, 1866.)

Prices current of articles exported:

Cotton....		$30 the quintal.
Coffee, washed, 1st quality....	$16.75 to $18.00	"
" " regular.......	15.75	"
" unwashed fine	14 50 to $15.25	"
Hides, oxen, salted	6 50	"
" sweet, folded	9.50	"
" do. washed.........	10.50	"
Deer-skins.	00 30	the pound
Brown sugar....	4.50 to 6 25	the quint'l

Note.—The above prices are in Venezuela currency. A hundred Venezuela dollars=$74 43 U. S. silver. Exchange on London $6.60 to the £1 stg. *a* 90 days.

(From Demerara, Nov. 22, 1866.)

Business dull, market fully supplied with American provisions. Ordinary flour in heavy stock; sale slow. Bakers do. in demand, at high rates. Mackerel much reduced in stock, $8 per bbl. Alewives, no good samples in market. W. P. Lumber stocks low, first good cargo will sell well. Pork in moderate supply, $28 to $30 for heavy mess. Staves and coopers' stuffs abundant and difficult to move. Freights low.

LETTER FROM ENGLAND.

COMMERCIAL REVIEW.

(*Special Correspondence of the Trade Review.*)

[Per Africa.]

Owing to the continued frost, the dullness of business usual at the commencement of the year has been of longer duration than usual, and in nearly all departments of trade there is a complete absence of speculation. Meantime the money market is very easy, and the rates current are considerably below the bank minimum 3½ per cent. The collapse of so many joint stock enterprizes during the last year has deterred people from this form of investment, and at present the funds and India stock are the most favoured by people with money to spare.

Although there have been so many losses by the bubble companies started during the Joint Stock mania, it would be very unfair to suppose that the principle has been really discredited. On the contrary abundant evidence is given that it has taken firm root, and that it will in the future, exercise a very considerable influence upon the progress of our commerce. It seems not unlikely also that some of the problems raised by the mutual conflicts of labour and capital, will find their solution in these limited companies, and that in the great manufacturing concerns, which are likely to be carried on under this system, the heads of departments, and the foremen and overlookers, will be interested in the prosperity of the works, by being *themselves shareholders.* Be this as it may, the success of many of these concerns is remarkable and I cannot do better than give you an abstract of the report and balance sheet of one of the largest mills which have been converted into Joint Stock Companies. I refer to the Joint Stock Flax Spinning Company, of Belfast, which has just issued its fifth half yearly report.

The company commenced 2½ years ago, with a paid up capital of £100 000, being 10 000 shares with £10 paid on each. It has been able to accumulate a reserve fund of £100,000, independent of a sum of £7,000 reserved against depreciation of machinery. During this time the shareholders have had very good dividends, varying from 10 to 20 per cent. The directors are also able to announce that they have entered their stock of flax at cost price, and that it is now worth considerably more; a profit which will of course be realized in the next half year. Wonderfully good as are these results they have been attained not by any speculation, but by a legitimate business, and although it is not likely that the linen trade will continue to be so extraordinarily profitable as in the last few years, *there is no doubt that companies* such as this starting with an ample capital, have a perfectly safe field before them.

I mention the success of this company, not merely as proof of how beneficial limited companies may be, but as, it seems to illustrate the limitations within which Joint Stock enterprise may be conducted. The first of these limitations are that the undertaking should be large, small concerns are certain to be better managed by individuals than by a company, because in a small concern a man can look after the details himself, in a way which no employee, be he director, or chief clerk, or porter will. But in a large concern, the proprietor must trust a large portion of the management to others, and he is in fact very much in the position of a chairman of a company, who only interferes with the important matters, and with the choice of the people who are to carry out his orders.

The second quality requisite is that it shall be permanent. It would be almost hopeless to get shareholders to invest their money in an undertaking which will be exhausted in a few years, nor could employees be got to take that interest in the working which they would do if it were to be lasting. In such cases when very great profits may be made in a few years, it would seem that private enterprise must be resorted to.

The third requisite, connected in a measure with the second, is that the rate of profit should not be a very lavish one or at all events, should not be very lavish in proportion to the capital of the company. There should be a pretty fair average demand for the article produced, as in the case of mills, or for the service rendered, as in the transport of goods by railway. One reason for this is that shareholders require pretty regular dividends. Many of them are very much dependent upon them, and a stoppage for a year or two would be their ruin. They would be compelled to sell their shares, and to sell them at a very considerable sacrifice. Another reason is that almost all trades, where there is not this average of profit, are speculative trades, and for such purposes Joint Stock Companies are quite unfit. A board of directors, meeting once or twice as such for an hour, are utterly unable to manage a business requiring *great acuteness or sagacity* or skill. To take a familiar illustration, scarcely any class of business is safer than the discounting of mercantile bills, if they are *bona fide* based on mercantile transactions, and scarcely any class of business could be more unsafe than discounting other classes of bills, whether those which were called "Contractors' bills" prior to the panic, or accommodation bills. Now it so happens that bankers, seeing a large number of the transactions of their customers, are able to form a very shrewd guess as to what bills which come before them are business bills and what are not. Accordingly banking is a business which for many generations has been carried on by Joint Stock Companies, and as a rule with very great success. But in the business of bill broking there is not the same opportunity of seeing men's transactions as in banking, and the varied information which the inspection of a banker's ledger affords is denied to the bill broker, who has to trust to his sagacity and skill. In so far therefore bill broking has been almost entirely in the hands of private persons, and it does not seem likely that this class of business will ever be *generally taken up by Joint stock companies*.

Such seem to be the chief limitations upon joint stock enterprise, and there seems to be in addition one practical matter, which has been brought forward by the recent panic. *When the liability is limited*, at least one-half of the nominal capital should be called up. It is useless to profess to limit the liability of a company and yet leave it so much of a margin that it is unlimited. There was no more fruitful source of danger during the recent panic than this.

The returns from the Bank of England for this week present the following results.—

	Amount	Increase	Decrease.
Public Deposits.........	£ 4 467,000	£ 23,000	.
Private Deposits ..	21,065,000	....	£1,985,000
Government Securities	13,111,000	....	....
Other Securities	20,000,000		1,751,000
Notes in Circulation..	23,390,000	....	13,000
Bullion....	19,281,000	....	158,000
Reserve	10,931,000	....	145,000

This return shows, as usual after the payment of the dividend, a large decrease both in private deposits and other securities. In other respects it is of a neutral character.

The following are the Bank of France Returns:—

	Increase. Francs.	Increase. Francs
The Treasury Balances.....	....	500,000
The Private Accounts	. .. ..	32,000,000
The Commercial Bills .. .	.	14,000,000
The Notes	20,809,000	....
The Cash..	....	2,666,000

There is a slight falling off in the cash, but much less than for some weeks past. The amount on hand is still very large.

January 19, 1867. H.

TRADE WITH THE TROPICS.

(*To the Editor of the Trade Review.*)

With your permission I would like to make a few remarks on the trade which is expected this coming summer between British North America and the West Indies and South America.

I have not yet seen either in the columns of your *Review*, or in any other mercantile paper, such information as is so much required for the guidance of the merchants of these Provinces. I hope such may be elicited, as it is of great importance that millers, produce merchants, and shippers generally should be enabled to work out at least an approximate calculation in regard to any venture they may be disposed to make in the above trade.

1st. In regard to the Postal Service. There is not at present, so far as I can learn, a direct communication with the West Indies and Brazil. The regular route is *via* London and Southampton. Even the U S. mail to St. Thomas *is not made reliable.* A bill of exchange at sight was lately drawn here on Demerara, and nearly three months elapsed ere advice of payment was received. Could not a regular service be organized *via* New York, *and arrangements made* with trading steamers from B. N. A. during the season?

Were the route *via* New Orleans in use, a letter might reach Havana in 5 or 6 days.

2nd. There are not at present any regular agents or agencies of Provincial Banks in those Islands, or Brazil, and without a connection of this kind bills of