

FALSE NOTIONS ABOUT OVER PRODUCTION.

A tendency exists in some quarters, to attribute commercial calamities to general over-production. Henry Ward Beecher recently spoke about the industrial and agricultural production of the United States being over-done. A New York commercial journal uses nearly the same language: "Agricultural and manufacturing industries produce more than the country requires for consumption, and if there is not a sufficient outlet for the surplus, prices decline and we enter upon a course the reverse of that which led to prosperity." Production being the unique source of the wealth of a nation, such a thing as general over-production, if it were possible, would mean a too great increase of wealth. But universal over-production is not possible; and agricultural and manufacturing over-production, taken in the bulk, is next to if not absolutely impossible. In Brazil, it has been said \$10,000,000 worth of natural products, the spontaneous growth of the forests, perishes every year, for want of gathering. If labor were applied to produce perishable commodities, which could not be sold, both the labor and the capital that set the labor in motion would be wasted. For exportable agricultural produce, purchasers can be found in the world's markets, and over-production cannot take place. If in Manitoba or the North West oats are grown, and the price of oats in other countries and the cost of conveying them thither are such as to prevent exportation, the growers can only use them as feed.

Over production can never be more than partial; it can never be universal. If it could be, and were as a matter of fact, universal, the Malthusian doctrine would be overthrown, and the world would suffer from a plethora of wealth. But men would not exert themselves to produce a surplus, which could neither be sold nor utilized. It is the reverse of universal over-production that causes most of the troubles that beset mankind. A contract to pay money could always be carried out if those who contract to pay had a sufficient amount of available products, on which to realize. It is the want of these that prevents men meeting their obligations as they fall due. Still over-production does undeniably take place. But it is confined to particular lines of industry which have been subjected to extraordinary stimulus or have become the objects of mistaken calculation. Over-production is industrial derangement, and it signifies that too much capital and too much labor have been applied in a particular direction. If the momentarily misapplied labor and capital had been applied in other directions, there would have been no over-production and a state of things would have been reached in which the hours of labor could be shortened for all laborers. But this state of things has not been attained, and it may safely be said to be unattainable. If men were willing to confine themselves to the bare needs of existence, this condition might be attained; but in that case man would be reduced to mere animalism, and the wheels of progress would stop.

Partial over-production is calamitous. It

creates what cannot be sold at a profit and must therefore be sacrificed. It causes a loss of capital and necessitates liquidation. But it is in the last degree erroneous to confound partial over-production with a supposititious universal over-production, which can in fact never take place.

The New York *Shipping List*, taking stock of the estate of the dead year, says: "the commercial and industrial affairs of the country during 1883 have not been what was hoped for or expected. The business interests have suffered from over-production. The supply, especially of manufactured goods, has been in excess of the demand. Competition has been sharp, margins low and profits in all cases slender and in many altogether lacking." This result is due in part to an over-stimulus of manufactures, the result of an abnormally high tariff. It is true that certain lines of industry have suffered from a deficiency of demand, relative to the means of supply in England. And the state of things in the United States, contributes to produce slackness of trade in England. An over-supply of American manufactures must lessen the demand for foreign goods and produce a slackness of trade in foreign countries.

That agricultural production in the United States was not overdone, except perhaps in a few articles, the following admission, from the same source is ample proof. "Our annual productions from agriculture, including live stock and dairy product, may be fairly estimated at three thousand millions of dollars, and allowing three-fourths of this for the cost of production and the consumption of the producers, there will remain seven hundred and fifty millions of dollars as the annual gain in the wealth of the country. This is an under rather than an over-estimate, and in making it values are assumed at the sources of production." Agriculture is the field in which there is the least danger of over-production; and of all men the farmer is certain to find a market for his products. But this implies that he will produce what is in demand either in the home or the foreign market.

If there had been excessive production over a very extensive field, the increase of capital would have been small. But we are told, truly no doubt, that "the capital of the country increases relatively faster than the business of the country, and, therefore, in seeking means of employment, the competition brings down the rates of interest, and thus indirectly tends to reduce the profits which can be realized by manufacturers and merchants in prosecuting their legitimate business." When the difficulty is to find profitable employment for newly created capital, it is evident that the old capital has, subject to exceptions, been profitably employed. Of the new capital "an unusually large amount has been invested in real estate." This is "due to the deep distrust of public securities other than those of the Government and the unprofitableness of most productive enterprises." Some, not "most" have been unprofitable; otherwise the nation would not have made capital so fast as it gets credit for. There may, as experience shows, be a glut in raw produce; but take it all in all agriculture is freer than any other pursuit from the disastrous consequences of over-production.

CANADIAN TRADE.

We have just received from Ottawa the trade returns for November, and it is of interest to analyze and compare them with those of the like month last year. The total of exports was \$11,460,505 in value as compared with \$13,247,224 in November 1882. One is prepared for a falling off in the item of forest products, seeing that there has been a glut of timber and lumber in our usual European markets; but a decline of a million and a quarter of dollars in our export of agricultural products for a single month is a considerable item, to be accounted for, doubtless by the shortage in wheat, and also in exports of barley.

In the department of mines, fisheries, animals and manufactures, increased exports are shown. If we have to report a lessened import for the month, it is not a matter for regret but rather an indication of commendable caution. The total for November 1883, bullion excluded, was \$8,066,994 in value as compared with \$9,279,180 in the same month of the previous year. We append comparative statements:

EXPORTS.			
	Nov., 1883.	Nov., 1882.	
Produce of the mine..	\$ 352,945	\$ 251,276	
Do. Fisheries	950,031	817,659	
Do. Forest..	3,187,866	3,999,894	
Animals and their produce	3,049,408	2,899,894	
Agricultural products..	3,401,540	4,694,597	
Manufactures	460,097	416,090	
Miscellaneous articles..	58,618	63,457	
Coin and bullion.....		105,000	
Total	\$11,460,505	\$13,247,224	

IMPORTS.			
	Nov., 1883.	Nov., 1882.	
Dutiable goods.....	\$ 5,754,983	\$ 6,600,378	
Free goods.....	2,312,011	2,678,802	
Total imports.....	\$ 8,066,994	\$ 9,279,180	

Of the total exports in November, which month usually shows largely in the returns, \$10,712,440 worth was produced in Canada, and 748,065 in value was the produce of other countries. While, in November of last year our exports exceeded imports to the extent of \$3,991,156, in the last month the excess is only \$3,385,273. The ratio of decline is pretty nearly equal, whether of import or export, being between 13 and 14 per cent. The increased export of manufactured goods, (although the aggregate of shipment bears a very trifling proportion to the whole) is to be welcomed; and we may look for further extensions in this direction now that the facilities for production in some lines are beginning to show how much they are beyond the home demand. \$460,000 is not much, out of a total of eleven and a half millions, but the ratio is better than that of 1882, when out of total exports of \$97,000,000, only \$3,329,000 in value consisted of Canadian manufactures.

THE FIRE LOSSES OF 1883.

The fire waste of the year just closed, while not as disastrous as that of some previous years, is not such as companies can look back to with satisfaction. The losses in the United States and Canada during the year amount to no less a sum than one hundred million dollars. Notwithstanding the great improvement during the past few years in the facilities for extinguishing fires, fires do not appear to