

there has been great complaining, and, leaving aside those countries which have, during the last ten years, been disturbed by wars and rumors of wars, many ask how it is that a country which has been so free from such calamities, and which, it is supposed, has even benefited, in consequence of these disturbances, should find its trade and commerce so much depressed as it is with us at the present time, and has been for the last two years. On looking into the returns of trade and commerce since we became a Dominion, I find that in our first four years of confederation the

Total Imports were.....	\$297,572,561
Our Exports in the same time were	235,797,777

A difference of.....	31,774,784
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More imports than exports. In the succeeding four years our

Total Imports were.....	\$482,246,536
Our Exports in same time were.....	339,068,492

A difference of.....	142,558,044
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More imports than exports. For the year ending June, 1876, our

Imports were.....	\$ 93,054,532
Exports were.....	80,299,834

A difference of.....	14,756,698
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more imports than exports.

I am not going to trouble you with a dissertation on that vexed question—the balance of trade, but will merely point out the fact, that if seventy-five millions of imports per annum were our requirements for the first four years, there was nothing to warrant or justify the enormous increase of imports made the next four years, even at the very enhanced values which took place during that time. The fact that the reduction shown during last year has taken place is a hopeful sign for the future, and although I do not expect to see at any time the exports equal to our imports still could the figures of last year be reversed for a year or two, it would in my opinion be a benefit to the country, and would greatly assist in restoring a share of prosperity to the commercial community. The inflated business of the years I have referred to caused an enormously increased competition among our merchants. Credit became too cheap, and the result has been the enormous list of failures during the last two years, throughout the country generally. These failures have unfortunately sapped the vitals of many of the wholesale houses, which, in ordinary times, and with ordinary prudence, would not only have weathered the storm, but be going on in their usual way, but who had found themselves so crippled by their losses as to compel them to swell the insolvent list after, in some cases, twenty to thirty years close, honest attention to their business. By the courtesy of Messrs. Dun, Wiman & Co. I have been put in possession of the failures in Canada for the year 1876. They were in number 1699, and their liabilities were \$25,518,793. The statement is an appalling one. As I have already stated, the total imports and exports for the year were 175 millions; you will at once see this is equal to one-seventh of the whole. These figures, although sufficiently alarming are an improvement on 1875, the number being, for that year 1970, with liabilities of \$28,833,611, being a decrease of 371 failures and of \$3,364,818 of liabilities in 1871 as compared with 1875. The failures are by many attributed to the effect of the Insolvent law, and who say that if we had no such law we would not have such failures, and that when we had no law we had not so many failures. Whatever may have been in the past, when times were moderate and business more contracted, is a matter of opinion, as no data could then be formed. If we had no law we would not know these figures, now, and not knowing them, we would be only making ourselves believe we were sound, from the fact that we did not hear of them, while at the same time the disease existed; and, although it might appear fair to the eye, would only deceive, like an apple rotten to the core. The question of insolvency is again on the programme, when no doubt it will receive the due consideration

of the Board. To our excessive importations, and looseness of credit, may be added our over-production in various kinds of goods made in the country. I was surprised in reading a speech of Sir A. T. Galt made during last year, when he stated that there was no over-production in the country. Where he got his information I am at a loss to conceive, as the fact is notorious that such has been the case in a variety of articles. In our comparatively limited market it is soon blocked with goods when we have no foreign outlet, and where we are dependent on our own market for their sole consumption. This, also, has caused an enormous loss to the manufacturers, as well as to the wholesale and retail dealers, and, while many say that the consumers get the benefit, it seems to me that such a state of trade, while it may benefit consumers for the moment, must produce such a reaction as will in the end equalize their apparent present gain. It is far better for the country to have a healthy competitive manufacturing industry, with fair prices, and the consumption equal to the capacity, than to force productions beyond the consuming power of the people. It is well known that every manufacturer's energy is strained to turn out the largest quantity of goods that his machinery can do, thereby the expense of production is lessened, and so long as he can find a profitable market, this is no doubt the correct policy; but when the latter cannot be had it would be safer and more prudent to limit the production to the demand, even at an increased cost on the smaller quantity. Our manufacturers, finding that our own market does not afford them all the facilities necessary for the consumption of their productions, have been looking around for other likely quarters where they might find an outlet for their surplus productions. To facilitate this our Secretary has written a series of letters on trade with the West Indies, Australia and Newfoundland, all sister colonies, copies of which will be presented to the delegates here, and I need hardly say that Mr. Patterson deserves, as he is receiving, the thanks of all his manufacturing and trading community for his great industry and his many useful statements and tables which are contained in them, and which will prove of great use to those desiring to foster trade with these colonies. There is another point which it would be well if it could be remedied, viz:—the length of credit given by the wholesale traders to the retail traders, and by them again to their consuming customers, this has often been felt, and repeated efforts have been made to lessen the wholesale credits, but it will be at once seen that so long as there is a plethora of goods in the market, and which must be sold, low prices and long credits will remain in force. It is therefore impossible in inflated times, such as these through which we have been passing, that we can apply the remedy, but now that stocks are becoming nearer the consumption an effort should be made in this direction by every one. To me it seems that this contraction should begin with the consumer, and who should, when able, invariably pay cash as he consumes. In former times, when farmers were obliged to clear their farms, and in such districts where this process is still going on, some little latitude might still be required; but when people prefer to hoard their money, or to deposit it in the bank or some building society, instead of paying for what they are daily consuming, and being well able to pay, is altogether wrong. In a district of the country which I lately visited I was informed that in a radius of about thirty miles there was deposited by farmers alone nearly one and a half million dollars bearing interest, and yet in the same districts there were numerous complaints from the storekeepers that they could not get their money from those indebted to them, although in many cases their accounts were running over twelve months. Were the consumers to reflect that they must pay a profit to cover this, far more than what they are receiving on their deposits at interest, they would soon come to see that cash purchases would be far more profitable to

them. It should be the aim of every storekeeper to limit his credits to the smallest possible extent. By doing so he would only require to buy from the wholesale dealer when he actually required goods, and he would then be enabled to meet his obligations more promptly. At present his goods go out on credit and his stock gets depleted, which compels him to buy again to keep an assortment, thus doubling his indebtedness, which he would not require to do did he receive the cash from his customers. Could this system be carried out, there would then be no mortgaging beforehand of the labor of the industrial classes, no bad debts for the storekeepers, fewer for the wholesale dealer, and an absence from, or at least a great mitigation of, such a crisis, as we have unfortunately had to pass through during the last two years.

There are various other points which I might touch upon, but prudence forbids my taking up your time. Several of these I have already referred to elsewhere, and it would be of little use repeating them here, as they will come up for discussion in the programme, when no doubt they will be properly dealt with. I regret extremely that my remarks should have been of such a doleful nature, but it is always best to know the worst, although I am no prophet, or the son of one, let me say that I fully believe we have touched bottom, and although it may be a little longer yet ere we begin to ascend, or the dawn to appear, and while it is altogether unlikely that we shall this year see the full noontide, yet it will come, as the tide ebbs, so surely will it flow again, but when it flows, we must be careful not to go too fast; as individuals, we must economize, and pay as we go; as traders, we must not run riot with excessive imports, or glut the country with our manufactures, beyond its needs. As a country we must legislate in our own interests, and practice the most rigid economy in every department consistent with the public service. By thus acting, I feel confident that this Canada of ours will yet flourish and grow in her material interests, as well as have within her borders a contented, happy, and prosperous people. Before closing, let me say that in the discussions on which we are about to enter, it will be my endeavour to discharge my duties to the utmost of my ability and as fairly as possible, but, should I fail, I hope that you will not put it down to the want of will, but to want of experience in the duties of the honorable position in which, by your kindness, you have placed me.

#### FIRE RECORD.

St. John, N.B., Jan. 11.—The dwelling house, barn, and outbuildings of W. H. Pomeroy, of Wilmet, was burned; the dwellings of John Pratt, of New Ross, Lunenburg Co., and Wm. Grant, of the Gore, Hants, were also burned; no insurance.

Montreal, Jan. 15.—About 8.50 last evening a fire broke out in the lower flat of the extensive dry goods house of Messrs. Lewis S. Black & Thom, No. 184 McGill street. The firemen worked with their usual will, and soon got the fire under control, but the damage will be large. Insured in the Queen.

Toronto, Jan. 15.—A fire occurred this morning at the corner of Queen and Simcoe streets, completely gutting a grocery and feed store kept by John Foster. The fire broke out first at about 1 o'clock, but was subdued without it having done much damage. It again burst out at 5.30, destroying the stock and greatly damaging the building. Loss, \$1,500; insurance \$1,100. Five other alarms rang out between Saturday night and this morning, but in each case the fire was extinguished at once. All are attributed to incendiarism.

Napance, Jan. 14.—A fire broke out this forenoon in the Grange Block, in Richardson's photograph gallery. The engine worked splendidly, and the citizens laboured hard to save the block. In about an hour and a quarter the fire was got under control. The following are the losses: Fred. Richardson, damaged by fire and water; insured for \$800 in the Citizens, of Mon-