NOTES ON CANADIAN TRADE FOR 1866.

NOTHING can so unerringly show the course of trade in a country as its statistics. These are sure land-marks by which to judge whether it is progressing or retrograding, and whether its trade continues to follow old channels, or is making for itself new ones. Of so much consequence are authentic statements considered, that almost every nation has now its Statistical Bureau, and great care is taken in their collection. The statistics of Canada for 1866 are rendered of more importance than usual by the fact that great changes are taking place in our trade in consequence of the cessation of Reciprocity with the United States, and it is of the highest importance to the public interests that all changes should be carefully and thoughtfully considered. We propose, therefore, to give a few short articles on the trade of last year, which we shall endeavour to make as concise and interesting as possible.

I.—OUR TOTAL TRADE.

The total value of the imports of Canada for 1866, was $53,802,310, which was an increase of 20¼ per cent over those of 1865. Our exports show a still greater advance, having risen from $42,481,151 in 1865 to $56,328,380, an increase of over 32 per cent. It has not been often that our exports have been greater than our imports, but last year was an exception in that respect. The following tables shows from what countries our imports were obtained in 1865 and 1866 respectively, with the comparative increase or decrease between the returns of the two years:

Imports from	In 1865	In 1866.	Difference
Great Britain ...	$21,035,871	$28,991,630	37¾ incre'e
United States....	19,589,055	20,421,692	4¼ "
British W Indies	209,329	105,062	49¾ decre'e
Nova Scotia......	347 939	379,817	8½ increase
New Brunswick...	63 932	106,131	66 "
P E. Island.....	9 944	8 786	11¾ decre'e
Newfoundland	121,056	256,130	112 incre'e

The most noticeable features in the above tables, are the important increase in our trade with the mother country, and the very small advance made with the United States, which may be set down as the first fruits of their restrictive legislation. A considerable advance, it will be observed, also took place in our purchases from the Maritime Provinces. The increase would be much greater if our statistics were up to the 31st December last, instead of the 30th of June, which is now the close of our fiscal year. The Reciprocity Treaty had only been abolished about three months when the above statistics were collected, so that the effect of the change on International Trade had only begun to manifest itself. Now let us see how our exports were disposed of.

Exports to	In 1865.	In 1866	Difference
United States...	$22,939,691	$34 770 261	51½ incre's
Great Britain. .	14,726,008	12,981 641	12 decrease
British W. Indies,	41,313	63,993	55 increase
All B. N. America	1,065,057	1,571,116	47½ "

This Table is important as showing that the United States continues to be our principal market, although later figures than the above, procured by Mr. E. H. Derby, and laid before Congress, indicate that the volume of Trade between the two countries is now falling off at the rate of from 15 to 25 per cent. per annum! Nothing could more strikingly exemplify the baneful results of placing barriers in the way of International Trade, and it is fortunate for Canada that the latest statistics indicate that whilst our Trade with the Americans is declining, it is rapidly expanding with our new eastern fellow-subjects.

II. INTERCOLONIAL TRADE.

The fiscal years adopted in the Maritime Provinces differ from ours—that of Nova Scotia ending on the 30th September, and the others on the 31st December. According to statistics recently prepared by their Government departments, further evidence is afforded regarding the progress of Intercolonial Trade. According to their returns (which are later than ours given above) their trade with Canada during 1866, was as follows:

	Imports.	Exports.	Inc. of Trade
Nova Scotia	$726,164	$574,762	37 per cent.
New Brunswick.	(not pub)	82,895	
Newfoundland	544,359	171,915	34¼ "
P.E. Island about.	103,176	10,745	161 "

With all the Provinces a gratifying increase took place in our transactions last year We sold much more to them than formerly, and took more from each in exchange, if we except New Brunswick, whose exports would indicate a decrease of 4 per cent. Its imports from this country, however, largely augmented, but we could not place them in the above table, as they have not yet been officially announced. When they are issued, we are confident they will show that with none of the Provinces has the expansion of our trade been more satisfactory than with New Brunswick. The following table, showing the purchases of flour made by the Maritime Provinces in 1865 and '66 from Canada and the United States respectively, is very significant, and will be read with interest:

*	Bls in 1865	Bls in 1866	Differ'ce.
New Brunswick took			
From U States .	205,373	85,540	68¼ dec.
From Canada .	28,727	112,600	396 inc
Nova Scotia took			
From U States .	286,104	291,865	2 inc.
From Canada	58,136	69,014	18¾ inc
Newfoundland took			
From U States.	192,912	133,161	31 dec
From Canada	47,952	46,526	3 dec
Prince E Island took			
From U States	40,813	29 043	40¼ dec
From Canada	2,813	9,550	239½ inc

It should be remembered that the Nova Scotia returns are only to the 30th September, before which period, very little, if any, of our last season's flour had reached Halifax. Had the statistics been up to the close of the year, as in the case of New Brunswick the figures given for Nova Scotia would have been much more favourable to this country. As it is, these statistics of our flour trade must be exceedingly gratifying to every Canadian showing as they do how rapidly our trade with our sister Colonies is extending, whilst that of our neighbours—who thought to "starve" us into annexation—is contracting and dwindling away.

* The writer is indebted to Mr. Patterson's "Trade and Commerce of Montreal" for these valuable statistics.

LETTER FROM ENGLAND

COMMERCIAL REVIEW.

(Special Correspondence of the Trade Review.)

PER CUBA.)

IN my last letter I referred to some of the points connected with Trades' Unions and strikes, and I pointed out that such combinations of workers might be regarded as the consequence of the trade combination which exists naturally among employers. In my present letter I shall consider what are the remedies for this hostility between labour and capital. Before doing so, however, it is right to find out that there is no necessary connexion between Trades Unions and strikes. Many of the Trades' Unions were originally formed as benevolent societies, and some of them still continue so It is not at all unlikely, indeed it is most probable, that combinations among the men for purposes other than the regulation of wages or the hours of labour would exist under any circumstances. I may also be allowed to say that widespread as is this present hostility between labour and capital, there is no reason to believe that it is anything but the product of bad laws, or at least of bad social customs, and the remedies which are now forcing themselves upon the attention of thoughtful men everywhere, will seem to show this better than any lengthened proof could do.

The first remedy then which has been proposed is, that the workman should have a share in the profits of the concern in which he was employed. At present his rate of wages does not at least directly depend upon the success of his work. He is thus deprived of the strongest of all inducements to excellence both in quality and quantity. Indeed, as was pointed out last week, the strongest arguments which can be used against Trades' Unions is their tendency to cramp the energy of the workman, and so operate in restraint of trade, and nothing which does not give him a direct interest in the result of his labour will meet this. The plan which we are now considering has been tried with very considerable success in many places and in many different trades. Under it the workmen receive a fixed but low rate of wages. The employers receive a certain sum for the use of their capital and their general superintendence of the business, and the surplus of profit is divided upon some mutually arranged principle between the employers and employed. This plan has one great advantage. The workmen are secured in a certain rate of wages, and it is obvious that unless the working classes become far more provident than they are likely to be for many years, the security derived from what may be called a minimum rate of wages is and must be of great importance. Accordingly, in all trades subject to great fluctuations, this would seem to be the only plan at all likely of success. It may also be observed that employers in bad times would be unable, unless in very rare cases to recover off their work people their proportion of any loss which might be sustained It is obvious that arrears of loss (so to speak) never could be recovered, and that the arrangement must really be a minimum rate of wages with a bonus in case of success.

In this plan the capitalist and the labourer continue to be two different persons, but with a certain identity of interest Another system has been introduced in which the labourer is himself the capitalist These have been called co-operative societies, and have in some instances proved highly successful. The original idea of these societies has indeed scarcely been realized, and the workers are not at once equal contributors of capital and labour. There are, however, a number of successful societies in which the workers are the sole owners; but practically in these societies the system pursued is not very different from what has just been considered, viz.. a low minimum rate of wages weekly and the distribution of the surplus profits periodically. The condition of success in these societies, in addition to ordinary care and skill in management, would seem to be that the trade should be one in which the rates of profit are not liable to vary much from an average *

In either of these systems there is of course considerable risk of complication, and even occasional injustice. It would, for example, be no easy matter to adjust fairly the relative rates of remuneration which the capitalist and the banker should receive out of the profits under the ever varying circumstances of trade. Again, the division of profits among the workers could only be made periodically, and in the case of those who might either die or leave their employment between the period of one division and another, it would be almost impossible to pay anything for their proportion. These are only examples of the many difficulties which might and would arise, and it has been often urged that if the system of limited liability could be fairly worked, it would be found that at least the foremen and heads of departments in a concern would invest their savings in it, and thus in the simplest possible way be at once workers and part owners. Unfortunately, however, the principle of limited liability has never yet in England had a fair trial. It was only recently permitted A very great prejudice existed on the minds of many people against it, and the concerns in which it was tried were, many of them, old and rotten private firms, and many of them are of a nature entirely unsuited for Joint Stock companies. There was in fact no care bestowed on the formation of them. No attempt was made to induce the leading employers to take shares The nominal amount of the shares was so large as compared with the amount called up, that practically the liability was unlimited. The companies were made to sell, and provided the original promoters got something handsome for working them, and could sell the stock at a premium, no attempt was made to secure real stability, and permanent success. All this is doubtless very much to be regretted, but it need form no real argument against the principle. For some purposes, limited companies seem to be particularly adapted, and if care be taken in their formation, and especially if the workmen can be enlisted among the shareholders there can be no reason to doubt of their success. So to entice the workmen will indeed be one of the difficulties, but with common sense, arrangements such as making the shares small, and calling up not less than one-half of the nominal amount of each share, so as to diminish the liability, there can be no reason why these difficulties should be more than incentive to exertion.

* There is another class of co-operative societies where the workers in a particular trade or particular concern commence a shop or shops to supply themselves with the goods which they require at cost price, less the cost of management. These societies have been exceedingly prosperous and useful, and are a striking proof of the ability of the working classes to take care of themselves, but their success has no special bearing upon the question I am considering, viz., how the interests of the employers and employed are to be reconciled.