

THE TRADE SITUATION.

The condition of trade at the moment presents features of dullness, unrelieved by a single exception to the rule; and this statement is applicable not alone to Canada, but to all nations which are classed in the front rank of commercial enterprise and progress. Neither free trade nor protective policies have been proof against the invasion of depression into almost every branch of business, in every country on the face of the earth. Nor is it by any means certain that we have witnessed the end of this universal torpidity that characterizes the means through which millions of the human race derive their existence. The cause of the trouble has been known for the past twelve months to arise from the large excess of production of food, clothing, etc., over consumptive requirements, which has made the common necessities of life so cheap that producers and manufacturers have not received sufficient remuneration therefor, to give full employment to their hands, and, consequently, large numbers of operatives and clerks, etc., have been thrown out of work, to experience the rugged fact that hard times are just as possible in the midst of profusion and low prices, as in periods of great scarcity and high prices. But in spite of the cause of the present depression in trade being well understood, and although repeated efforts have been made to cut down production as much as possible in most lines of the leading staples, yet, to such an extent was it found that production had out-distanced consumption that the many endeavors during the past year to establish an equilibrium between supply and demand have so far proven barren of successful results, and the glut of cereals, flour, sugar, wool, iron, lumber and other articles is as marked as ever. Eventually, however, the persistent efforts to curtail production must have their desired effect, as producers of the raw material and manufacturers cannot continue their out-put at a loss; so that the present depression arising from super-abundance of merchandise and abnormally low prices is sure to work its own reform sooner or later—but how soon? is the great question which has been puzzling theorists, traders, and speculators, for the last twelve months, without affording any satisfactory solution. Amongst the latest exhibits of the decadence of trade is the large decrease in the exports and imports of British merchandise for November, as compared with the corresponding month last year. The value of the leading articles imported into Montreal last

month, including coin and bullion, was \$2,564,872, against \$3,027,135 for the month previous, and \$2,653,470 for the corresponding month last year. Amongst some of the freaks which occur in extremely dull times, when trade and commerce are out of joint, may be mentioned the fact that American pig iron has recently been shipped into Ontario, notwithstanding the high tariff barriers which had to be vaulted in order to lay it down there. In reviewing the present anomalous state of trade in all branches and in all countries it should not be lost sight of that there is scarcely a period on record that will bear comparison with the lengthened duration of the depression which still hangs over the commercial world, and the remarkably steep shrinkage of values accompanying it. Many individual firms and trade corporations which were caught with large stocks on hand upon the verge of the general declension must have suffered severe losses, as ever since prices commenced to collapse there has been no substantial recovery, and, consequently, no shadow of a chance to recuperate. If prices made a show of stand for a time against any further depreciation they were immediately subjected to a further decline, until drop has succeeded drop in such persistent fashion that prices have now reached a point, which, if they dip below, must surely cause the wholesale closing up of factories, and a universal decrease in the production of raw materials. Judging things, therefore, by natural cause and effect, it is difficult to conceive how values can go lower, without hastening the application of an infallible remedy.

THE SPANISH TREATY.

We copy in our present issue full particulars of the convention between Spain and the United States, which, together with the convention with Mexico, has to be submitted for ratification to the Senate, where it will certainly be encountered with a strong opposition, especially on the part of the representatives of the Southern States. The convention is certainly an extraordinary one for two protectionist Governments to agree upon, and it will be interesting to learn whether the Government, which must have sanctioned it, is prepared to extend its provisions to the British West Indian Colonies. Although the bulk of the articles which it is proposed to admit free from the United States would not interfere with British trade there are some, such as coal, cast-iron, steel, wrought-iron

tubes, &c., which, in the case of the British West Indies, could hardly be admitted from the United States on better terms than from British possessions.

We have wondered more than once since we have read the expressions of alarm which have proceeded from the members of the Board of Trade in the Maritime Provinces, whether they are aware that the value of the entire exports from Canada to the Spanish Colonies is rather less than one per cent of her entire exports, and little over one-half those to the British Colonies, the trade with which is not likely to be interrupted, as, whatever concessions are made to the United States will, if desired, be likewise made to Canada. That, at all events, is an advantage that we derive from being a dependency of the British Crown. What our position would be as an independent state may easily be imagined. Our products being nearly the same as those of the Northern States of the Union, we should, in the event of such treaties as that with Spain being negotiated, find ourselves excluded from the very markets which are now open to us, and would no longer have any claim on Great Britain to protect our interests. We presume, however, that there are few of the advocates of independence who are not aware that annexation would be an early and inevitable consequence.

THE FISHERY QUESTION.

We learn from our exchanges that a movement has been set on foot in Gloucester, Mass., to invite the co-operation of those interested in the fishery trade, in the other New England ports, to protect the interests of American fishermen, against the dangerous competition of Canadians by excluding the latter from their markets. Of course if the New England fishermen would confine themselves to their own waters, there would be no just ground of complaint if duties should be levied on Canadian fish. The recent movement is an indication that those most interested in obtaining admission to the Canadian waters do not wish for any treaty on the subject, and we are therefore given clearly to understand that it will be necessary to have an organized water police to prevent the United States fishermen from trespassing in the Canadian bays. It would of course be most desirable that there should be a reference to the arbitration of a friendly power as to the interpretation which should be placed on the treaty of 1818, but if the United States should refuse to