

ANNUAL TRADE REPORT FOR 1868.

The amount of goods which changed hands during the year will amount to a fair average, although, perhaps, not so large as in 1866 or 1867.

The impediments to business have been: blocked up roads early in the year, uncertainty as to a financial panic, and the constant drooping of the prices of staples. This latter cause rendered dealers very loth to lay in stocks, because experience seemed to teach that the longer purchases were deferred the cheaper would be the price. We noticed, a month or two since, that prices generally were advancing, and will now endeavor to explain the cause. In 1866, Great Britain discovered that she had "too many irons in the fire," and that some of them were pretty badly burnt. Thereupon ensued a financial panic, which at first pressed only on the joint stock companies, which were the immediate cause of the trouble, but by degrees extended to almost every branch of trade. The capitalist wanted his money, and the producer or manufacturer had to realize in markets deprived of the usual facilities for holding stocks until needed for consumption, so that prices had to give way. This process went on until the amount of unemployed capital became so large that some outlet had to be found for it, and latterly speculators have employed it in buying up the stocks of such articles as were being sold below the cost of production, an operation that is certain to be profitable if conducted on a sufficiently extensive scale, or if the source of supply is so small as to render it easy to forestall the whole production.

Viewing merchandise as a whole, the movement of bullion in the Bank of England will show the tendency of prices, when gold accumulates, prices fall, when there is a steady outward flow, prices rise.

The rate of interest follows these movements rising, after a drain of specie, falling after an accumulation of bullion.

The practical bearing of this is to be found in the fact, that the bullion in the Bank of England has shown a marked diminution during the last few months, indicating that capital is being employed more freely in commerce, and that prices will likely continue to advance until checked by another revulsion.

Payments were not very well met during a portion of the year, but latterly collections are more easily made.

In regard to the future, two points seem worthy of word of warning. There seems to be at present an excessive desire on the part of young men to be in business on their own account. In their eagerness, little heed is paid to competence, locality, and capital. A wholesale house "anxious to extend their business," and "a store to let," are all they

seem to care for. If a young man has not sufficient experience to enable him to conduct every branch of a business, if the locality is deficient in population or wealth, if he cannot command a cash capital sufficient to cover furniture, fittings, dead stock, and enough to defray his personal expenses until his business begins to yield a return, and if he has not well formed habits of economy, industry, and temperance in all things, nothing short of a miracle will enable him to escape bankruptcy. The wholesale house that takes such accounts sows a crop of bad debts to be reaped in the first panic, if not sooner.

The second point is this, many get along with a hard pull at first, but with greater ease year by year, until at last they can say, "I own my stock without a dollar of debt," and it is suggested to them that as property is going up, it would be a good thing to own the store they occupy or to build one. The latter is a very dangerous operation, leading often to incalculable expenses that have to be met with ready money, draining away resources which should have been applied to renewing stock or paying liabilities for merchandise. Should a panic occur just about the time when the new store or stores are completed, the investor will, probably, go into bankruptcy. This was the cause of dozens of drug failures in the panic of 1857-8. Indications are not wanting that the wounds suffered in that disastrous period having scarred over and become forgotten, investments in town lots and buildings are growing in favour. Experience will show that as a business, dealing in real estate is as profitable as any other, as an investment it is the worst in this country. It should only be bought for cash and in such quantity as is required for actual use.

We do not think that any serious mischief has already occurred from the foregoing causes; it is more in the hope of prevention that attention has been directed to them. Otherwise the outlook is sufficiently promising, an advancing tendency in prices always stimulates trade; the country has been fairly productive, all classes have had abundant employment at remunerative rates, and these are sufficient data so long as they last upon which to predicate a prosperous state of affairs.

A few notes of the course of prices are appended:

Drugs—Opium has sold at a range of \$5 50 to \$12, the latter being the figure at the close. The stock is largely controlled by parties who demand prices equal to \$14 25 cash, laid down here. Our dealers have the prospect of paying that as soon as present stocks are exhausted, and of course they are not anxious to sell. Rhubarb has continued to decline in both quality and price through-

out the year. The Russian sort, generally known as Turkey, has disappeared from commerce entirely for the time being, and its place is supplied by "Dutch trimmed." Ipecac and Jalap have receded in value since last year; Shellac has not varied much, being a little dearer than in June last. Oil peppermint is a short crop, owing to the unfavorable weather, and is higher; some minor American essential oils are in the same position. A duty of 15 per cent was imposed on essential oils and this added about 10 per cent to their price. Oil lemon is about the same as last year, and oil bergamot is expected to be lower when the season's crops get to market. Castor oil opened rather low, but advanced until September, when the price declined. Gum arabic was sold low during the summer, but is now firmer. Cantharides are scarce, and cardamoms out of market. Oil almonds and bitter almonds are lower. Oil aniseed much higher at the close. Sarsaparilla has fluctuated considerably, being rather easier lately. Canary seed is dear and likely to continue so until another crop is gathered. Castile soap has not varied much although lots are offered by some houses at low rates; some samples contain about 40 per cent of sulphate of baryta, worth about 1½ cents per lb, and those to whom quality is no object, should see that they get a fair advantage in buying inferior goods. For instance, pure Castile soap being sold for say 13 cents, that adulterated as above should be 8 4-10 cents to be proportionately cheap.

Chemicals.—Sulphuric acid has been cornered by a combination of the companies and is higher. Ammoniacal products are dearer at the close in England. Preparations of bismuth are dear; camphor has advanced. Iodine is now greatly used in dyeing, and although the production has increased, maintains a high rate. Chloride of lime was held at a high rate at the commencement, but is now lower. Mercurials have ruled remarkably steady. Morphia has, of course, followed opium. The usual rule is, two ounces of morphia should bring the price of a pound of opium. Cream tartar has been low in this market all year; a movement which caused it to advance in Europe, never effected this market to any extent, and has fallen through for the present. Bromide of potassium has declined throughout. Quinine touched bottom in June and is now held at higher rates. Sodas have been a very bad business to importers, but as several manufacturers have closed their works, there will be an opportunity for stocks to diminish and prices to improve. Strychnine is higher from an advance in the raw material.

Dyestuffs.—It may be said generally, that the whole list is higher, from causes briefly given. Annatto much wanted; aniline, consumption overruns the raw material available; blue vitriol, copper rising; indigo, short crop; lacdye and cochineal, scarlet very much used. Logwood and extract, St. Domingian fighting instead of working.