

business brought almost to a total stand, by the failure of the only two banks doing business on the island.

Respecting these, it is to be remarked that, had Newfoundland been included in the Canadian confederation, its banks would have come under the operation of a banking law and system, which is admitted to be the best on this Continent.

The effect of this could hardly have failed to be conservative and preventive. Its influence would have been far-reaching, not only on banking methods, but on the commercial interests of the island. And the influence would have been of such a character as, in my judgment, to have developed the resources of the Colony to the best advantage, promoting sound commercial enterprise, introducing and keeping alive sound business methods, and rendering it all but impossible that such a calamity as has lately happened could have transpired.

I am aware that there have been failures amongst the Banks of Canada, and that no law can prevent bad management and its results. But banking failures in Canada have been few and far between in proportion to the whole, while the notes in circulation have been rendered so safe that no one has lost by them, even in the worst cases of failure, for many years back.

With regard to other aspects of union between Newfoundland and Canada; though the matter may verge upon the domain of politics, I must take the liberty of saying that though the entry of Newfoundland into the Confederation would, no doubt, have been of advantage to Canada, the balance of advantage (in every respect) would have been immensely in favour of Newfoundland.

With all the defects of our Government and our institutions, there cannot be a question in the minds of any who have impartially considered the subject, that the Dominion of Canada is the best governed portion of the American Continent, having the best Constitution, the most equitable Laws, the best Judicial system, the most solid prosperity and the most rational liberty.

One of the Banks of Newfoundland—the Commercial—had kept its account with us for a number of years, and in a perfectly satisfactory manner. By its sudden stoppage, without the slightest premonitory symptom, we shall make, I am sorry to say, a small loss.

ASPECTS OF BUSINESS GENERALLY.

The report of the Directors has touched upon a well known fact, that last year was a year of great dullness in business, and of exceptionally low profits, or no profits at all, in most branches of trade. It is to the credit of our mercantile and banking system that we passed through such a year with as few failures as transpired.

I am inclined to think that the banks as a whole are exercising more and more of a conserving influence over their customers, thus developing habits of prudent forethought, discouraging rash speculation, bringing about a better system of giving credit, and generally promoting a more solid, reliable and lasting prosperity. I am sure they ought to do this, and generally I think they are.

Banks cannot control prices, nor prevent losses by the continuous fall in commodities. But they can, when asked to furnish means for carrying on mercantile operations, so regulate the amount of money borrowed, that losses, if suffered by their customers, shall bear a reasonable proportion to the means of the borrower, and not involve him in ruin. Of course, I can only speak in general terms, and of a general conserving influence continuously operating. Instances of individual rashness will take place, in spite of all the efforts made by a bank to prevent them. And, like other men, bankers sometimes fail to carry out their own rules.

As to the various lines of business in the country, it is satisfactory to see that our Exports are constantly increasing. The leading staples in exports last year realized very good prices. It is quite possible, however, for producers to receive good prices, and merchants and exporters to lose money. On the whole, however, these latter have not had much to complain of, although the vexatious and unreasonable restrictions upon our *Live Cattle* trade made it very unprofitable. In fact, for the last year or two, it has been a losing business, though the prospects are somewhat better

at present. But this whole business of exporting live animals is little better than a lottery in its result to the shipper, under the present conditions of the trade in Great Britain.

LUMBER AND OTHER MANUFACTURES.

With regard to the product of our forests, it should be an aim constantly to have them sent out with as much of our own manufacture put upon them as possible. The exporting of saw logs is an unwise business, and I am not sure but we have sent out a vast deal too much of square timber in an unmanufactured state.

It is certain that our logs and timber go through various processes of manufacture before they reach their ultimate destination. Why, then, with our unrivalled facilities for manufacturing woodenwork, should we not do all this at home?

Our various lines of

MANUFACTURES

in Canada have been as profitable as they have been either in England or the United States.

Our manufacturers generally are getting to have a command of their business and a thorough understanding of its wants and conditions.

But it is perfectly true here, as it is of manufacturers everywhere else, that unless a manufacturer can make a specialty or specialties of some kind, and conduct his business with extreme attention to detail, he can scarcely hope to make a reasonable profit.

This applies, to some extent, even to such a business as

IMPORTING,

which, for the last year or two, has fallen into a condition of unprofitableness.

I believe radical changes in the methods of carrying on the leading branch of this business, are necessary to a return of prosperity.

DAIRY PRODUCTS.

In dairy products we have thoroughly established ourselves as producers of good cheese; but nothing except constant attention to quality will enable us to hold that position against competition.

Competition now is not only between merchant and merchant, farmer and farmer, but between country and country.

In respect of quality, we might do even more in our manufacture of cheese for the English market. Nothing pays like good quality. Nothing is so ruinous as bad quality in exports. And a point not to be overlooked is that it is not only good quality, but good *make-up*, that tells in the English market.

The time has gone by when we could send anything whatever out of this country to the English market, whether it be fruit, cheese, butter, flour, or any other commodity, in a haphazard and careless style, trusting to luck for it to bring a good return. This is especially the case with regard to butter. It is simply discredit to us as a country that we cannot make butter of such a quality as to command a large sale in England. Denmark does it; but then Denmark goes about it in a thoroughly business-like and scientific style, manufacturing high-class butter, as men manufacture high-class cottons and woollens.

Denmark has a well organized system of Inspection of Herds, constantly kept up; the best machinery is employed in manufacturing; the utmost care is constantly taken as to cleanliness, temperature, ventilation, and handling of the article; making it up, packing and shipping; the result being that the article, on the whole, brings double the price that would be obtained by haphazard methods.

What farmers in Denmark can do our farmers can do undoubtedly, if they set about it.

The Government of this Province sent over a Commissioner last year to Denmark to investigate the matter. The report he made, or extracts from it, ought to be in the hands of every farmer, not of this Province alone, but of the whole Dominion.

This leads me to say just one word about

FARMING.

Farming in these times requires to be carried on with as much intelligence, practical knowledge, capital, industry, and assiduity as any other branch of business.

This is becoming increasingly appreciated, and the appreciation is leading to the best practical results, especially in our own Province. A quiet revolution has been going on for some time, and is in progress still, amongst the cultivators of the Province of Quebec, and its fruits are seen in the generally sound condition of business in Lower Canada.

INSOLVENCY.

It is yet uncertain whether a general Insolvency bill can be passed through this session, although it is desirable to have a law which would prevent the grave abuses which exist in some provinces.

This in reality, is the principal reason why a general Insolvency law would do good. An act is *not* urgently required for the relief of insolvent debtors. That was the old style of insolvency laws, but the circumstances of Canada call for no such legislation. All that is required is that when a man does honestly become insolvent, his creditors shall be fairly treated, and his estate equitably divided.

The technical provisions of the Act, lately before the Senate, would be found generally most wise and well considered, provided the right of ranking be properly adjusted. But any Act of Parliament which will give a man his discharge on paying fifty cents on the dollar, will operate as an encouragement to insolvency. You may guard it as you will, but it will have this effect. Experience shows it to be the case wherever it has been tried. Every Insolvency law in England has had this effect, though some of the very ablest men in Parliament endeavoured to guard against it. That has been our own experience, too. Canada does not want an act to promote insolvency; nor an act to enable contracts to be broken; nor an act to compel creditors to act towards their debtors in a manner contrary to their own judgment. Any honest and competent, but unfortunate debtor, has no difficulty in settling with his creditors without an Act of Parliament. What an act of Parliament is really wanted for is to make void improper preferences, and also to make the procedure in case of insolvency uniform all over the Dominion. Divers acts in different provinces are not desirable.

PROSPECTS OF BUSINESS.

There is a general air of hopefulness abroad as to this, and I think it is justifiable. The rise in the value of some great staples is undoubtedly having this effect. Increased railway earnings, clearing house returns, and high values of stocks are all significant. But do not let us expect too much.

Business in the United States is not on a settled basis yet by any means. Notwithstanding the fact that all the bankers and capitalists of the Eastern and Middle states, together with a good proportion of those in the South and West, and the Pacific slope, are a unit in favour of the gold standard, and have presented hitherto a solid front (highly to their credit) against the plausible clap-trap of the silver party, this party is undoubtedly strong and determined, and if the question can be made one on which political lines will be followed, very serious mischief may ensue.

The whole financial and commercial business of the United States will be thrown into chaos if the silver advocates have their way. As to bimetalism, or a double standard of value, it is simply a delusion. I venture to think that no man who has the practical handling of money, and the actual dealing with monetary affairs, can possibly imagine that there can be two standards. You might as well have two yard measures, one twelve inches long, the other fifteen; or two bushel measures, one of four pecks the other five; to be used at buyers' option.

A law that wheat shall always be dealt in at a dollar a bushel, no more, no less, under all the changing conditions of harvests, would be as rational as a law that there shall always be the same ratio between gold and silver.

If there is only one standard it should unquestionably be gold. England has always stood upon this. So have we in Canada. And so has the Government of the United States so far, and so we trust it ever will, to our mutual advantage.

What is the use of getting from a foundation of rock to a bed of quicksand?

But as to business prospects. It should