

will be to open it up by a road. It will be useless to offer free grants to induce an influx of emigrants unless communication with Canada is first established by a wagon road. Railways cheap or dear are out of the question at the beginning; but a good travelling road is an indispensable requisite, and to construct that a liberal but by no means an exorbitant outlay will be required. Once communication is established to Fort Garry, the difficulty, in a great measure, will be surmounted, and to bear the expense of a portion of that work the people of the settlement are willing to tax themselves by the construction of that section of it between Lake of the Wood and Red River.

Other works of national importance will readily suggest themselves to the reader's mind. New steamboat lines are running between Canada and the Maritime Provinces. New telegraph companies to ramificate throughout the entire length and breadth of the new Dominion are announced. New Banks have been started, others will soon follow. The oil interest it is true has ceased to attract foreign capital, but before long the present depression in this interest must give way to activity and prosperity. Again, our gold, iron and copper mines are beginning to be rated at their true value, and great riches are expected in places formerly unsaleable for their sterility. All these public works and undertakings represent a large sum of money, probably over £80,000,000, which will in time be expended in the country, add to its wealth and increase its prosperity.

The prospect is a dazzling one, but it has its reverse side which is not so bright. The expenditure of a very large sum of money in this new and comparatively speaking poor Dominion, will no doubt be regarded as a great thing for the people, but if it lead to reckless habits—if it engender a spirit of wild speculation—if it go to enrich a clique of contractors, while the public works are starved and impoverished—if it be squandered in bribery and corruption—then it would be much better for the country to remain as it is, and that these large sums should not be circulated within it. Again, public works, such as railroads, are productive of great good and give an impetus to the prosperity of the country, if constructed cheaply and efficiently; but if they are constructed before their time—if they are made to cost too much—if they are placed on routes where they cannot pay—then they will represent an annual loss instead of an annual gain to the country. There is great danger to be apprehended from the railway building mania. The country was badly bitten by it once before. It ought to be careful now. Before it is committed too far it would be as well to review the past, to look at all the big railways and little railways that have been built and that now represent debts that never will be cleared off. Look at all the branch lines running north and south of the Grand Trunk from the London and Port Stanley line in the west, down through Port Hope and along to Montreal, and see which one of them has not been constructed at a ruinous cost, and which one is not eager to enter into a conspiracy to repudiate its debts by Act of Parliament. The history of the Municipal Loan Fund is the history of the consequences to be expected from a rash and reckless railway mania.

The late good harvests and the prospects of another have made money plenty in the country. Debts are being cleared off, and new investments are being sought out for newly acquired capital. New banking establishments are thereupon improvised. But is there no danger here? Does it follow that because one new bank will do well that a great many will make a fortune? Is banking such an easy science that every merchant and speculator can make himself master of the art and start a banking house on his "own hook." It is not many years since two notorious banks burst up in Toronto and gave the public an insight into the rascality that is very often in other countries at all events substituted for the principles on which banking should be conducted. It is only the other day since the oldest bank in the country coached by the most skillful engineer went to smash for a why and a wherefore that few people rightly understand. And if an old establishment can be shipwrecked so easily, who is to ensure the stability of young and inexperienced establishments. The public would do well to act cautiously in dealing with new banks. We must not be led away by hopeful prospectuses. We must be guided by the light of experience. Slowly and prudently is far better than rashly and recklessly. If rightly constructed, the new works projected for the new Dominion, cannot fail to add to its prosperity. If wisely expended, the large sums to be invested will

increase the wealth of the country seven fold. But if there be corruption and mismanagement instead of a course of prosperity, the new Dominion will start on an era of adversity.

CO-OPERATIVE SHIPBUILDING.

PERHAPS we should have said co-operative ship-owning, but that the two are very closely connected with each other. Our purpose is to illustrate a phase of the co-operative principle which is now, and has been for some years in successful operation in the Maritime Provinces: we allude to the system of shipbuilding and owning in shares, a system which is largely practised both in New Brunswick and Nova Scotia, and which we believe to be capable of a much wider range of application than it has yet received. The extent to which shipbuilding operations have been carried in the Maritime Provinces, is almost without a parallel, and in proportion to their population they have more shipping than any other similar population in the world, the co-operative system contributing more than any other cause to this result. In the remarks we are about to make, we shall refer more particularly to New Brunswick, but they are equally true in a general sense when applied to the Sister Province of Nova Scotia. From a reference to official papers, we find that the total amount of shipping on the registry books of the Province in the year 1886 (the latest return published) was 1,019 vessels, measuring 249,695 tons, and that the quantity of new shipping built during that year amounted to 148 vessels—66,474 tons. Twelve of these vessels, measuring 11,771 tons, were sent home for sale, and it is pretty good evidence of the superiority of New Brunswick built shipping, when we find that they average from 10s. to 20s. per ton higher in price than Quebec built vessels. A large number of those remaining are, however, owned and sailed by parties residing in the Province, and very many of them were built under this system of co-operation. The Controller of Customs of St. John, in his last report, says:—"The business of ship owning in shares, which has now become general in New Brunswick, has done much to bring about an improved state of affairs, and has tended during the last few years to increase very materially the wealth of the country. The earnings of our vessels abroad, which are constantly coming into the Province in the shape of exchange, have assisted greatly to prevent derangement in our monetary affairs. It is not an uncommon thing for a good spruce classed vessel of this country to keep herself in good repair and insured, and pay for her first cost in four years, and sometimes even in two or three years." The mode of procedure is something as follows:—A number of individuals join together to build a vessel of a certain size and class, probable expense is easily ascertained, and she is divided into 64 shares; these are taken by as many individuals as there are shares, or are distributed as may be found most convenient; the payments are spread over as long a time as the vessel may take in building, usually three, six and nine months; the outfit is ordered in England, and very frequently the first freight can be handled in time to pay the cost of outfit. There are some regulations of a peculiar kind with regard to the management. The business of the vessel is usually conducted by one of the shareholders, but if the management should not be considered satisfactory, five-eighths of the shares can take possession of her upon giving bonds to the other owners that she shall be kept in good order, and if the vessel should run in debt, those who have taken possession of her are alone responsible. On the other hand, the minority share no portion of the profits which may be made during that time. Each shareholder is allowed to underwrite his own share, and as it is the practice of all who own extensively in this way, to distribute their shares among a great number of vessels, considerable advantage is derived from this source. Under this system we see there are a number of individuals, each of whom is interested in procuring freight, or otherwise forwarding the interests of the vessel. The captain probably owns a share, and the result is that these vessels are sailed cheaper and make more money for their owners than any other. We remember hearing a story that at the time of the war between the Greeks and the Turks, it was remarked that the Greek vessels were seldom or ever captured, and the reason assigned was, that every soul on board, from the captain to the cabin boy, had an interest in the vessel; and whether the story be true or not, there can be no doubt that

it is owing to the operation of some such principle that the success of co-operative shipbuilding and owning is indebted.

A few instances, taken from among a great many others which have come to our knowledge, may serve to illustrate the extent to which the system is carried. One gentleman residing at Fredericton owns shares in 25 vessels, in most of them only a sixteenth, and in none of them more than a quarter. Another at Dorchester has in the same way shares in 24 vessels, from a sixteenth to a quarter; and in St. John there are many parties who are interested in different vessels from two or three, up to twenty, or even thirty shares. It will be observed that there is little or no risk in this business, (especially when the shares are distributed among so vessels); the vessel, too, is always kept well insured, and many families derive a steady and even a handsome income from this source. It should be noticed that as a general rule, the class of vessels built and run in this way are not of large size; a great many of them are brigantines and schooners, ranging from 150 to 300 tons and a good spruce vessel, built to class four years at Lloyd's, is considered the best kind. They may not be quite so durable as hackmatacs, but they cost less, and carry a larger cargo on the same draught of water.

We are not aware whether the system we have attempted to describe is pursued to any extent in Canada or not. Certainly the position of St. John, with its harbor open to the sea all the year round, gives it many advantages for the prosecution of this business which Canada does not and cannot possess; but we are inclined to think there is an excellent opening for the employment of Canadian capital in this direction, and would suggest as a means of facilitating matters and affording information, that some qualified person should open an office, either in St. John or elsewhere, where a registry of all shares of shipping that were for sale might be kept, and by means of which the buyer and seller might be brought together. We do not see why these shares should not be transferred from hand to hand the same as any other description of share property, and we think such an office as we have named would facilitate the transaction, and thus render them more valuable.

LETTER FROM ENGLAND.

COMMERCIAL REVIEW.

(Special Correspondence of the Trade Review.)

[PER SCOTIA.]

THIS time last year the great panic was at its height. Overend, Gurney & Co. had suspended. The most solvent firms were talked of. Distrust was at its height. To-day, trade, although somewhat checked, has continued to flow on in an astonishing volume, and we may hope that the first step towards a recovery of confidence has been taken. This is mainly to be accounted for by the constant and steady accumulation of capital during the past year, consequent upon prudence in trade, and moderation in expenditure, but the immediate cause is the disappearance of the Luxembourg difficulty, and the prospect of a settlement of reform. People are getting gradually out of the gloom which has so long overshadowed trade, and credit will soon resume its former dimensions.

The telegram contains the announcement that the strike of labourers in Chicago is over but here the strike of the tailors in London, Paris, and Brussels still continues. These strikes are thus becoming very wide spread, and as it would in the present day be simply impossible to suppress them, it may be well that accurate views should be entertained upon their nature and effect, and an investigation of these topics will show that upon the whole it is not desirable, even were it possible, that strikes should be prohibited by law.

A strike is of course the action of a number of people in one or more pursuits joining together, and ceasing to work till they get their wages raised or some grievance redressed. As a rule, this action is on the part of the vast majority, a purely voluntary one, for if any considerable minority were opposed to it they would be able with the assistance of the law which prevents the use of threats or violence to maintain their independence. Small minorities are, however, very likely to be borne down by the rough public opinion of their fellows, and the opponents of strikes affirm that these small minorities are likely to consist of the best men in the respective trades. The accuracy