THE TRADER.

TORONTO, ONT., DECEMBER, 1886.

The recognized organ of the Jewelry and kindred Industrial Trades of Canada. Published on the first of every month, and sent free to every dealer in Jewelry and kindred goods in the Dominion of Canada.

Our rates for advertising will be found very low, and will be made known upon application.

We shall be glad to receive correspondence from all parts, and will publish such letters as will be of interest to the Trade. We do not, however, hold ourselves responsible for the opinions of our correspondents. The name and address must invariably accompany the communication, not necessarily for publication, but as a guarantee.

All business and other communications should be addressed to

THE TRADER PUBLISHING CO.,
67 ADELAIDE ST. W., TORONTO, ONT.

SPECIAL NOTICE.

To ensure insertion, changes or new advertisements must reach this office not later than the 20th of each month.

EDITORIAL.

WANTED, A NATIONAL CURRENCY.

To our mind one of the greatest needs of Canada at the present time is that of a national currency which shall pass current and at par in any part of the entire Dominion. At the present time our monetary system is a mixed one, the Federal Government issuing all notes under four dollars and the banks all over that denomination. The result of this system is to hinder the free exchange of commodities throughout the country on account of the ignorance or prejudice of banks about which people at a distance know little and care less. It certainly seems absurd that in depositing the notes of a Winnipeg or Halifax bank, a Toronto merchant should have to pay his banker a larger rate of exchange than on any foreign currency. But so it is. American currency can be exchanged, for, from one-eighth to one-quarter of one per cent., but our banks have been known to charge as high as three and five per cent. exchange on the notes of Canadian banks in the distant provinces,which are probably as solvent as any banks in the country. This is not right and it should be put a stop to as soon as possible.

We contend that what this country wants and will have before long, is a national banking system, something similar to that of the United States, by which all the notes will be issued and guaranteed by the Government. Such notes like the American Government currency would pass at par not only in Canada but in any part of the United States and would do much towards helping our international trade, as also the free exchange of goods between the various provinces of the Dominion.

The Banks of Canada have by far too good a thing as things at present stand. For every dollar of gold reserve they have, they are empowered by Government to issue five of their own notes. By this privilege they are enabled to get interest on four times the amount of money they actually invest, a thing that no private individual ever gets a chance to do. Then again as every person knows, a great deal of paper money is destroyed every year by being burned in fires, sunk with vessels lost at sea, and in a thousand other ways. At the present time this loss is so much clear gain to the banks, while its benefit ought certainly to accrue to the people at large, and would do so had we a national currency of our own.

We are glad to see that the workingmen have taken up this question and that they propose shortly to bring it within the scope of practical politics. This is one of the questions that professional politicians fight shy of on account of the immense influence of the banks, but it is one nevertheless of more vital importance to the future of the country, than nine-tenths of the questions about which the regular Grit or Tory papers are continually fighting. The only trouble about such a question is, that it will benefit the country at large and not any political party, and it will probably only be because they are compelled to do so that either of them will take it up. It is bound to come, however.

DISTRIBUTION OF THE INCREMENT OF LABOR.

In our November number we took issue with Mr. A. Blue, Secretary of the Ontario Bureau of Statistics, on a statement of his in regard to the profits made by the Capitalist or Manufacturer in Canada. Although Mr. Blue did not squarely say so, the inference that anyone would casually draw from his article was that the Canadian Manufacturer gets 54¼ per cent. and the mechanic only 45¾ per cent. of the increment of labor, or profit on the goods made in this country. This division, Mr. Blue says, "may be fair, but the presumption is against it." That we may not be accused of putting a wrong or forced construction on Mr. Blue's words, we quote the editorial utterance of the Toronto *Globe*, a paper not only in accord with the Government Mr. Blue has the honor to serve, but a personal admirer of that gentleman himself. They interpret Mr. Blue's meaning to be as follows :—"Thus, the owners of capital after "paying 6 per cent. upon their investment, get more than fifty "cents out of every dollar from sales. This seems a large "share, considering the amount and quality of exertion done by "the employers and employed respectively."

As we pointed out in our last issue, Mr. Blue made the mistake, (unintentionally we thought) of omitting to deduct from the manufacturers' profits the amounts he himself had specified for interest and expenses of manufacture, because when that was done there remained only 9½ instead of 54¼ per cent. as profit to the manufacturers. The Toronto *Mail* did us the honor to copy our article upon this subject and remark upon it editorially, and in reply to their strictures upon Mr. Blue, that gentleman publishes a letter in which he makes the following statement :—"THE TRADER, I understand you to "say, thinks that 15 or 20 per cent. would be a fairer allowance "for expenses; but it proceeds to show that on the basis of 6 "per cent. for interest ($9,918,157) and 10 for expenses "(30,967,606) there remains of the Capitalist's apparent profit "only $29,476,350 or 22.8 per cent. of the net product instead "of $43,913,694 or 33.8 per cent. by my showing. THE "TRADER has made the mistake of calculating expenses on the "gross product of manufactures instead of on the capital in- "vested—on $309,676,068 instead of $165,302,623—and the "result is a gross error of $14,437,344. Upon its own highest "rate of 20 per cent. for expenses and 6 per cent. for interest, "the net profit of the manufacturers would be $27,383,432 or "21 per cent. of the net product."

It will be observed in the above extract from Mr. Blue's letter to the *Mail* that he has apparently changed his mind as to the per centage of profit the manufacturer has. His first statement being 54¼ per cent. and his second that they get