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GOLD AND SILVER.

From recent cable despatches it appears that the meeting of the International Monetary Conference, at Paris, so long talked about, is now near at hand. A report that it had been postponed for a fortnight is believed in London to be untrue, as the Paris Journal (official) contains a notification that the conference will meet on the 19th inst. And, in spite of repeated intimations that the British Government would positively decline taking any part in the proceedings, it appears as if Mr. Gladstone had at the eleventh hour changed his mind. The London Times says: "We believe it now practically decided that England will be represented at the Monetary Conference, but with all due precautions against our being committed to metallism. The appointment of Cassiers, who is a bi-metallist pure and simple, takes an attitude of reserve on our part as more imperative." That such a meeting should take place at all is a victory for the really practical and popular view of the money question, as opposed to that of the gold theorists, who seek to force their own unbending rule on the whole commercial world. And the victory is substantially one for Protection too, distinct as the questions of the currency and the tariff appear to be. Whatever the connection may be, the fact is undeniable that nearly all Free Traders are advocates of an exclusive gold standard, while nearly all Protectionists would make silver a measure of value as well as gold, and would make large use of paper money besides. It appears a fair contrast of the two opposing monetary systems to say that, while the former is calculated to make money scarce and dear, the latter is calculated to make it plentiful and cheap. The question as to paper money is not included in the business of the Conference, but it is nevertheless worth observing that those authorities, both political and literary, who oppose silver as a measure of value are also opposed to national paper money. What the gold advocates appear to be driving at is, to make money scarce and dear; while, conversely,

by the effect of the extensive use of silver and paper money, as well as gold, must be to make it plentiful and cheap. The former policy tends to make the rich richer and the poor poorer, the latter tends to more equal distribution. National paper money is opposed by some on the ground that it would make money too plentiful, and cause the dollar to depreciate in value. But those who go further, and would enact that even good silver money should be no standard of value at all, but taken money merely, exhibit "gold bug" fanaticism gone mad altogether. Silver coin is unquestionably "real" metallic money, in their own sense of the term; the difference being that more bulk of it than of gold is required for a given value. Nevertheless, except as token money, the "gold bugs" are not heard of, being determined to make money as scarce, and to increase its purchasing power as much as possible. There is at least one good reason why silver as well as gold should be standard money. The production of gold most certainly does not increase as fast as the world's commercial exchanges increase, and therefore something else must be found to make up the deficiency. Say that the gold in circulation twenty-five years ago was sufficient for the needs of that time, then the gold in circulation now must be insufficient for the needs of the present; seeing that the world's business has increased in proportion far beyond the production of gold. Make the gold standard universal, and perpetuate it, while still the world's exchanges keep expanding, and you will soon arrive at a point where the present debt of one pound would require two pounds' worth of commodities to pay it. To keep pace with commercial expansion not only all the gold produced every year, but all the silver besides, is absolutely necessary. The supply of the two metals together can be gone too much; to limit standard money to either one of them alone would be to confiscate the property of debtors, and hand over all property to creditors at half price. Under the guidance of the gold theorists, such a catastrophe would have come long ago, but for the fact that the larger part of the world refused to adopt their system. But it is impossible to maintain a double standard, say the gold advocates; the standard may be either gold or silver, but it cannot be both. Against the very confident opinion to this effect pronounced by some, we may set the equally confident opinion of others, apparently as well informed on the question, that the double standard system is not only practicable, but quite easy to maintain, if only the right plan were taken to maintain it. It seems to us that by a very simple plan, never before mooted that we know of, the prompt convertibility of both metals might be permanently secured. Make all debts payable half in gold and half in silver, and this result would follow, that whatever amount a party to any payment either in paying or receiving, might lose on one metal he would gain on the other. The main objection raised against the double standard is that, if you allow the debtor to pay in either gold or silver, as he chooses, he will be sure to choose the metal which happens at the time to be depreciated in value. If any depreciation there be of either. But, as it is comparative value which is in question, it is clear that whatever loss there might be in receiving the half of any payment in silver would be balanced by the gain in receiving the other half in gold. The plan most likely to be adopted by the conference is, however, that of settling the proportionate value of gold and silver for a term of years, with provision for amending the proportion, if need be, at intervals thereafter. In some quarters the idea of restoring silver to its proper place as money,

by the action of Government, is ridiculed as visionary, and we are told that by no treaty or statute whatever can Government fix the value, either of gold or silver, or anything else. Those who take this ground do in effect assume that the gold standard is no creation of law, but has established itself by the mere force of commercial custom and convenience, forgetful of the fact that it is as much a creation of law as the silver standard, or the combination of both. The truth is that in England the gold standard did not grow up of itself, by any means, but was imposed upon the nation through the arbitrary, cast iron legislation of Sir Robert Peel. Nor was it Sir Robert's own invention, either, for it was framed and dictated to him by the money kings of his day, who especially desired such legislation as should increase the value of the pound sterling, and diminish the value of everything to be purchased with it. His Currency Act of 1819 had not been long in operation ere every man having two thousand pounds in cash found himself able to command with it what would before have cost him three or four thousand; while the man having commodities to the value of three or four thousand pounds, at old prices, found that they would suffice to pay a debt of only two thousand pounds. By no natural process, but by the artificial means of a piece of cruel, arbitrary legislation, hundreds of millions in value were without colour of right taken from the pockets of some classes and transferred to those of others. Now mark the inconsistency. If it be proposed to fix the relative values of gold and silver by international agreement, for a term of years, with provision for future readjustment when required, we are told by the doctors of political economy that fixing such values is something beyond the power of Governments to do, and that the only proper regulators of values is the infallible law of supply and demand. But when the British Parliament enacts that the price of gold shall be at all times and seasons £3 17s 1/2 per ounce—no more, no less—and that silver shall not be a legal tender for any amount exceeding forty shillings, we are called upon to admire the wisdom of leaving the wonderful, infallible law of supply and demand to work of itself, without interference! Some years ago Bismarck, having been "captured" by the gold theorists, decreed that the gold standard alone should be used in Germany, and an immense circulation of silver, which had been for centuries the money of the country, was called in. The consequences were most disastrous; the weight of all debts, public and private, was greatly increased, debtors and the poorer classes generally, suffered severely by the change; and now the doctors of the dismal science lay all the blame upon the protective tariff of last year. The German people cry for their old silver money back again, but still political reasons may prevent the Government from joining in the present movement, merely because France takes the lead in it. Beyond all questions the civilized world is by a large majority in favour of making silver standard money; it will now shortly be seen whether the minority can dictate its exclusion.

ETERNAL VIGILANCE.

It is quite natural for supporters of the National Policy in Canada to believe that the day cannot be very far distant when its success shall have silenced all objections, and when opposition shall have exhausted itself. Something like this happened in England after the abolition of the corn laws and the adoption of Free Trade. Earl Beaconsfield, one of the strongest antagonists that Sir Robert Peel and the movement of thirty years ago, had to encounter, within a year or two took up in the House of

Lords that the revival of Protection in England was an idle dream. Free Trade did not only appear to have been accepted as final by the English people, Whigs and Tories alike; though it has been rather sharply called in question of late. The truth seems to be that a prevailing hope that the system would soon be adopted by the world generally has kept English devotion to it alive and warm, even under very unpromising circumstances sometimes. With all great nations outside of Britain going what "our kin beyond sea" are pleased to call the backward road, that hope must of late have been considerably weakened. Nay, the hope of a result which twenty years ago was considered certain, seems now to be rapidly giving place to despair. There are probably many amongst ourselves who fancy that Protection will soon bear down all opposition in Canada, as Free Trade for a quarter of a century or more appeared to have done in England. This is not a wise confidence, and if carried too far will work only mischief. Our friends should indeed have every confidence in the ultimate triumph of the N. P. in Canada; but they had better not fix too early a date for the final settlement of this great question. We would advise them, in estimating what public men say on the subject, not to pay too much attention to mere abstract declarations of principles. A man may say that he understands full well that a revenue must be had from customs, and that the debt of the country alone is a standing reason why we cannot for a long time to come adopt actual Free Trade. In a certain sense he may be a Protectionist, but the practical question with regard to him should be—how far does he go with his Protection? It appears to us that friends of the N. P. need be at no loss for tests of the most practical and decisive character. The strong features of the present policy are these: agricultural protection, the coal duties, the substitution of specific for ad valorem duties as far as practicable, and the enforcement of the spirit as well as the letter of the law. Since the actual success of the policy in creating new industries and extending old ones has become less open to denial than it was during the first year, the number is increasing of those who say that they are by no means opposed to such a building up of manufactures through Protection as our revenue requirements warrant, and that to a reasonable degree of it they have no objection whatever. But the points at which they stick are quickly seen. Agricultural protection they denounce as a fraud, for the reason, as they say, that it does not protect, and cannot be made to do so. Protection to manufacturers they are willing to consider, but to agriculture not at all. With them the "coal tax" and the "bread tax" are iniquitous; while the sugar duties are legalized robbery. For the specific duties of so much per pound on woolen goods, and so much per square yard on cottons, they have a particular abhorrence. Further, the efficient administration of the law is most distasteful to them; and they raise a "howl" every time an offender is detected at his little game of undervaluation. They would allow the country to have a protective tariff, after a fashion—what they would call by that name—but it would be a tariff with all the strongest and best protective features left out. Now, we would advise all friends of the N. P., all who believe it is working well for the country, to hold fast together, and to defend it against attacks in detail. Future attacks are likely to be directed, not so much against the system as a whole, as against it in sections. This is the kind of hostile strategy to be looked for; and, we say, let supporters of the N. P. see to it that the approaches to the citadel are well defended. Protection to

agriculture is a main point in the National Policy, and must be resolutely held against all attacks. Eternal vigilance is the price of liberty, it has been said, and for many years to come much vigilance will be required to keep what the people of Canada have only so recently gained. If Canadian Free Traders had only their own bottom to stand upon, and no more, they would not amount to much as a force in the country. But they are sustained and held together by an enormous pressure of English public opinion in favour of their cause—a public opinion which is utterly hostile to a National Policy for Canada. To expect that a policy of commercial independence for Canada will ever be favoured by the British people is futile. And old country opposition to our policy, be it remembered, is, and will be, carried on in ways that the public generally are not informed of. As long as this powerful English influence lends its aid, there will always be a Free Trade party in Canada. Without such backing that party would drop out of sight in a year or two; but with it the fight will be kept up. English Free Traders will let Canada alone, perhaps when they have to fight for their own position at home, but not before. Let all supporters of the National Policy, then, be well advised that such measures of commercial independence as we have already achieved can only be maintained by constant vigilance.

WHAT THE CANALS DO FOR US.

The Montreal Harbour Commissioners have asked the Dominion Government for a partial remission of canal tolls on the main route. They ask that all merchandise which has paid toll on the Welland Canal should pass free through the St. Lawrence Canal; and again, that on the westward trip the payment of tolls on the St. Lawrence canals should suffice for going through the Welland Canal also. The principle recommended is not new, as it is already applied to produce going east, and to iron and salt going west. The question now pending is, therefore, simply one of less or more; not a question as to the principle involved, but as to its proposed extension. We observe that the change asked for is opposed on the ground that it would be taxing the rest of the Dominion for the benefit of Montreal. That, it appears to us, is not the right view of the matter. It is true that the canals have cost some thirty odd millions of dollars, the interest of which has to be paid by the whole people, and that further expenditure has yet to be made to complete them. But we hold it an utter mistake to balance annual interest and expenses against receipts, and to argue as if the value of the canals to the Dominion were to be judged by the simple arithmetical result thus arrived at. The truth is that the Welland and St. Lawrence canals are the means by which the country saves millions annually—millions that never appear in any account. Let it be asked, what would railway freights jump to if we had not the canals helping to keep them down? To this no precise answer can be given, because the data for it do not exist. We can only guess, but we fancy business men generally will have no hesitation in believing that only very high figures can be placed among the probabilities. It would be utterly misleading to take the difference between summer and winter freights as anything like a true measure of what the canals actually save the country in freights. During the few months of winter there is a certainty that summer is coming again, and that there is much heavy freight that can conveniently enough wait its coming. With this prospect never very far distant, the railways are held in check;