Correspondence.

A HALIBURTON MERCHANT'S VIEWS.

Editor MONETARY TIMES:

SIR,—I notice your article in this week's Monetary Times, "Cases Nil," and was glad to see it. You are quite right in saying that the cost of packages would be added to goods in invoice, and so it should be; then one would know at once the actual cost of his goods. Take as an example a dozen pairs of boots, with case, 50c. or 25c., as may be, adds 50c. per dozen pairs to the cost of the boots. Now, how many country merchants give this a thought? On a cheap line of boots it means quite a percentage. Then take the crockery houses. A crockery house will sell you a package of glassware at $9, so many articles in the package, and which you consider good value, but when the invoice comes along, you find there is then added to the $9 no less than 90c. for a package, which you did not bargain for, and which at once puts 10 per cent. on to your goods. I hope someone else will keep the package nuisance going in the paper till there is a change to "no charge for packages."

Yours truly,

DANIEL GORRIE.

Haliburton, 29th July, 1899.

INTEREST RATES IN THE FUTURE.

The discussion of the terms of the proposed Boston & Albany lease has once more turned attention strongly to the general subject of the future of interest rates. Any man who could foretell the prevailing figures for the next fifty or one hundred years would have information compared with which any accurate advance estimates of the wheat crop would be a mere bagatelle. Investors and brokers, life and annuity insurance managers and the business world in general are deeply interested in the future earning-power of money. Upon it all their calculations depend.

The fear is frequently expressed that as interest rates have dropped since the civil war period to about one-half the level of that time, another thirty-five years may witness a similar decline. This is by no means probable. Strong economic forces are always powerfully at work in the industrial world to arrest the downward movement of interest rates, and the lower the rate gets the more potent these forces become. The arresting factor first in importance is the substitution of capital for labor, as it were, in doing the world's work. A flagman at $400 a year, for example, is guarding a railroad crossing. It would cost the corporation to separate the grades and so make his services unnecessary, $10,000 more than it estimates the advantage to be worth in the running of its trains. When interest is at 8 per cent. the flagman will continue at his post; when it falls to 4 per cent. the competition between the permanent investment and the daily expenditure will be close, but as interest approaches 3 per cent. the $400 a year flagman becomes an extravagance, and is set aside. In this way there is a constant rivalry for doing the world's work between labor and capital, or between stored-up labor, like that in the faced walls and the overhead bridge, and every-day labor, like that of the flagman.

The principle involved in this illustration permeates all industrial operations. It crops out in the choices of the richest corporation and the humblest laborer. The workingman's home is made expensive or inexpensive according as the prevailing rate of interest on such investments bears upon his daily wage. Devices to save steps rise or fall, according to whether the steps or the interest on the device is the cheaper. The typewriter and the pen, the elevator and walking upstairs, the mowing machine and the scythe, all follow the same law. China does not want typewriters, elevators, and scythes, our consuls tell us, because labor is cheap and money is dear. In America conditions are reversed, and the cheaper the use of money gets the larger will be the proportions of the world's work thrown on to the shoulders of accumulated wealth. We already see in the lavish expenditures of the great railroad and other companies, and the almost instantaneous development of the electric-car system, an example not only of commercial enterprise, but of the variety of investments which a low rate of general interest invites.

Another force which is arresting the natural downward movement of interest is the great increase in recent years in national and municipal indebtedness the world over. This sort of employment of capital, too, is related in many instances to modern progress and the phenomenal growth of the modern city. If all the monarchs of the world had Andrew Jackson's horror of debt, and American city councilmen all felt the same way, we should expect to see a greater drop in interest rates in the next century than can now be confidently predicted.

The old economists believed that a lowering of the rate of interest discouraged savings, and so, like an automatic gauge, shut off the supply of capital. This theory is now much disputed. It is by no means settled whether a low or a high rate of interest conduces more to the money-saving habit among civilized people. The man who wants to have a $2,000 income upon retirement had to accumulate only $25,000 when money was at 8%; at a 4% rate he must save up twice as much, and if interest should drop still further his accumulations would have to be larger. Doubtless thousands of people regulate their savings upon this basis, and to the extent that they do, the lower the interest rate, the greater would be the accumulation of capital, which militates against the old theory of the economists.—Boston Transcript.

A MODERN FABLE.

A commercial traveller on his trip called upon a chemist. He was nervous as he put his hand in his pocket and handed out a card.

"I represent that concern," said the young man.

"You are fortunate," replied the chemist.

The commercial traveller was encouraged and said:

"I think so, sir, and the chemist who trades with us is even more so. My chemist has the finest line of cosmetics in the country."

"I shouldn't have thought it," slowly responded the man of medicines. "Her complexion looks natural."

And he handed back the photograph which the young man had given him by mistake. He took it and left without waiting to make any farewell remarks.

—"Harry," said Mrs. Tredway to her husband at the breakfast table, "I am quite out of money, and I want to spend the day shopping. Let me have sixty cents?" "What do you want sixty cents for?" "Ten cents for car fare, and fifty cents for luncheon."—Harper's Bazar.

—An old negro once, in relating his religious experience avowed that he had seen the devil in bodily form. Upon being asked whether his satanic majesty presented himself as a white man or a black one, the honest darkey replied: "Neither white nor very black, but of a grizzly gray."—Augusta (Ga.), Chronicle.

TORONTO MARKETS.

Toronto, Aug. 3rd, 1899.

LEATHER, BOOTS AND SHOES.—The wholesale houses are busily shipping autumn goods. Some of the houses report trade conditions as very satisfactory. It is said that the turnover among Toronto houses the last season was larger than it has been for years. Representatives of some of the local houses are visting Eastern factories this week. The leather trade is steady, with prices low in view of the cost of material. Recent mail advices from Leicester, England, state that the boot and shoe trade is active and healthy as a whole. Stocks are small, and the production is above the average for the season of the year. Sampling for autumn and winter goods is now general, and large contracts are being placed for foot-ball boots and other specialities. The sales of leather are smaller, but all the best Canadian and American tannages are very firm. French and German calfskins are dear, and home-tanned light, sole leathers command very extreme quotations. Cords, braids, and beltings are in very good request.

DAIRY PRODUCTS.—Trade in all lines of provisions during the last week has been very active. Supplies of butter have not been large, and all first-class stuff has found ready sale. From the United Kingdom there has been an active enquiry for all select dairy and choice creamery butter. Prices, as a consequence, are very firm and tend higher. The local jobbing trade in cheese is steady and without feature of special note. The egg market has declined this week. Picklers have finished operations for the season, and as a consequence there is a larger quantity of eggs available for consumption, the hot weather is having its effect upon receipts, and some of them are coming to hand in poor condition.

GRAIN.—There is very little movement in the local wheat market, Prices have fluctuated within very narrow margin during the week, and are now about on the basis reported in last week's issue. Reports from Manitoba all point to an enormous crop, and preparations are being made on an extensive scale to move a big yield. Supplies of 1898 crop peas are practically exhausted. In oats there is a weak feeling, with old oats quoted 28c. per bushel, and new sold West at 26c. per bushel. Corn shows no special movement. Barley is quiet, and the market uninteresting.

Visible supply in the United States and Canada:

	July 29, 1899. Bush.	July 30, 1898. Bush.
Wheat	36,132,000	9,093,000
Corn	11,646,000	17,575,000
Oats	3,794,000	3,440,000
Rye	587,000	305,000
Barley	532,000	343,000

GREEN FRUITS.—Trade in foreign green fruits is only seasonably active. Oranges are out of the market. Lemons are in fair demand, but in the opinion of the trade the movement is not as large as in former years. This probably is to be accounted for by the absence of prolonged hot weather. Bananas are selling well. In domestic fruits the season continues to be a profitable one for both growers and dealers. The movement in all seasonable fruits of this class is very large, and prices have been comparatively high, varying from day to day, according to supply. We quote: Lemons.—Extra fancy, 360's, 300's, repacked, $3.50 to $4; fancy, 300's, 360's, repacked, $3 to $3.25; extra choice, 300's, 360's, $2.50 to $2.75. Sundries.—Bananas, fancy fruit, per bunch, $1.50 to $2; black Lawtons, 7c. to 8c.; black raspberries, 6½c. to 7c.; blueberries, 75c. to 90c.; blueberries, 90c. to $1 per basket; California peaches, $1.35 to $1.50 per box; California plums, $2 to