

Indeed so accurately does it register the advance or decline of the general prosperity, that it may be pretty safely taken as a reliable mercantile barometer.

Watches and Jewelry are articles of luxury, and when the country is prosperous, and people generally are making money, they meet with a ready sale; the commercial barometer then indicates "fair weather." On the other hand when times become depressed, money scarce, and people barely able to obtain the necessities of life, these goods become almost a drug in the market and can hardly be sold at any price; the commercial barometer then indicates "bad weather, look out for squalls." We do not for a moment wish to be understood as meaning that good and bad times come and go because the jewelry and watch business is prosperous or otherwise, but simply that the watch and jewelry business is lively or depressed because the general prosperity is in the same condition. In other words, the success or otherwise of this particularly sensitive business is purely a result of good or bad times as the case may be.

This being so anyone can see at a glance that in the prosperous decade previous to 1878, trade in this line was good simply because the demand was good, and the public having money to spare were of the opinion that they could afford these luxuries. During the period of depression from 1878 to 1879, the great mass of the population spent all they earned in obtaining the necessities of life, and but few had anything to spare for its luxuries. The demand thus being cut off or very much reduced, the natural result of over-production inevitably followed, and this line of manufactures soon became a drug in the market. But says some one, why did not the watch factories shut down, or limit their production when the dull times came on? We answer for the same reason, that it is very hard for a man to stop suddenly when he is going at full speed down hill. A watch factory, like any other factory, has to keep its machinery going up to its full capacity in order to produce paying results, and they would probab'y lose more by shutting down or curtailing their production than by keeping up their former output, and reducing their prices to within a fraction of cost. The watch companies evidently looked at it in this light, for we do not remember of a single factory either shutting down or

trying to limit their output. The result was however strictly in accord with the well recognized law of supply and demand; in spite of extra inducements in the shape of greatly reduced prices and better terms, in spite of the fact that the reduction of the American watches sensibly diminished the importation of Swiss goods (thus in some measure making up for the restricted consumption by giving them the almost unopposed control of a formerly divided market), the consumption could not be forced up to the level of production, and as a consequence, the end of the depressed period found them holding heavier stocks of manufactured goods than at any former period of their history.

With the advent of good times came another change, and one for the better. The purchasing power of the nation became so much increased by the general prosperity, that the demand for watches not only rose to a level with the production, but soon left it far behind. The result has been, that although the watch factories have tried to keep pace with the demand in two ways, (1) by raising their prices, and (2) by increasing their capacity, they have been utterly unable to do so, and to-day some of them have on their books orders sufficient to keep them running at their full capacity for twelve months to come. This, too, in spite of the fact that as soon as American makers advanced their prices, Swiss goods again began to be imported in large quantities. The prosperity of this country for the past five years has been something wonderful, and it is little to be wondered at, if when the watch manufacturers had the ball at their feet, they not only tried but have fully succeeded in recouping themselves for their losses or rather want of profit during the preceding period of depression.

This we think is why the watch companies are neither able nor willing to supply the lower grades of goods wanted by the trade generally, nor willing to offer to them the concessions in prices and terms they formerly enjoyed.

"Every dog has his day" is a homely proverb but a true one; it was the merchants chance during the period of depression, it is the manufacturers now, and who can wonder or blame them if they take advantage of it. When one man has an article that he wants badly to dispose of to another person who is unwilling to buy, the inducements and

concessions are generally on the side of the seller; but when the case is reversed and the seller is the indifferent party, then the concessions must come from the side of the buyer, and he must not consider himself aggrieved if he fails to get the favors he formerly obtained when the seller was in embarrassed circumstances and could not help himself. In short the whole matter comes back as we have previously asserted, to the law of supply and demand.

And now ask many of our readers, what about the future, will watches always remain as scarce and as dear as at present? Bearing in mind the effect of this unalterable law, we unhesitatingly answer, no. Just as soon as hard times come again, or the output surpasses the consumption, just so soon will prices drop down to or below their lowest former figures. Already the indications of hard times are apparent by the greater number of failures, both in Canada and the United States, and the reduced volume of trade in both these countries, and the result has at this early stage made itself felt upon the watch business. That the slight falling off of trade that has been felt by the retail trade has affected the manufacturers is evidenced by the fact that one factory that one year ago (the height of our prosperous era) was said to have orders enough on hand to last it for three years, is now said to have gained two years on its orders, and that it could now catch up in twelve months. Were dull times to come on we fancy even the half of this would either level up their orders or else ruin most of the wholesale houses on whom they would unload their unsaleable stock.

Watch manufacturers are at present apparently whistling to keep their courage up; if we may judge by the elaborate computations they make public at stated periods, and all pretty much in the same view, viz., proving by figures that the population of this country is increasing so rapidly that if every factory in the United States were to double its capacity, they could not possibly keep pace with the demand. These fancy theories are all first-class as long as times are good and sales brisk, but just as soon as depression again lays its blighting hand on the industries of the country and cripples its purchasing power, these gentlemen will find their very plausible theories blown to the winds.

Another factor, we think, in this ques-