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CAUSE AND EFFECT.

It is a common enough remark, and a true one, that improved demand for commodities causes prices to rise. But although this is true, yet it is not the whole truth. It requires to be supplemented with the statement that reflex action as well as direct action has to be considered, and that a rise in prices made every day, and we may call it a commercial truism, so familiar that it would be superfluous to enlarge on it. But the latter part causes an improved demand. The former remark you may hear of the truth is seldom present to the minds of commercial men, we do not often hear it asserted and maintained; and hence it is necessary to bring it into the foreground, and to invite public attention to see this *supplementary view* of the truth regarding a rise in prices. So far we speak with regard to demand only. Not that we would leave supply out of the calculation, but merely that we would on this occasion ask special attention to one important point in the whole general question as to the rise and fall of prices.

In one familiar way this supplementary truth is certainly implied, though not directly stated. We often hear it said that no one wants to buy on a falling market, while on a rising market everybody rushes in to bid. If you think this out a little, it will carry you to the logical conclusion that a rise in prices causes demand to increase. Therefore this second part of the truth, as we call it, is by no means wholly absent from the public mind. But we go so far as to say this much, that with most people it is so overshadowed by the more familiar part—that improved demand causes a rise in prices—as to be practically lost sight of.

Take these two things, a rising market on one hand and an improved demand on the other, we may ask which of the two is the cause and which the effect?—but as long as we do not get beyond this we are on the wrong track. The truth of the matter is that they are reciprocally cause and effect to each other; and it is this particular point in the whole question which requires special recognition at the present time. For the general commercial movement has just now reached that stage in which rising prices are operating powerfully to increase demand. At the same time there is an improved demand, which may be said to have come of itself, as it were. But what requires our special observation to-day—is the operation of rising prices in causing increased demand. We shall be the more impressed with this fact the more closely we study from day to day the commercial news of the world. Prices are rising, slowly but surely; the turn of the tide has come. And as prices rise, the eagerness to buy will increase. Such is the outlook.

"BUFFALO HORNS."

To our excellent contemporary the *Canadian Gazette* (London, England) we are indebted for many and significant intimations of how Canada's exhibit of manufactures is regarded "at home." We make one most remarkable selection:—

"The *Huddersfield Courier* remarks: 'Coming back to the main building, we pass through the showily decorated New Zealand Court; pausing barely to glance at the skilfully prepared skeletons of fish (the great blue shark, ribbon fish, and electric ray), and at the Rimu wood furniture, which proves that in this Colony the useful by no means excludes the ornamental, and so we enter the noble court devoted to Canada. Space fails us to enlarge on the exhibits crowded into this large and well-fitted hall. At the ends tower two trophies, the one at the eastern extremity being formed of agricultural and horticultural produce, implements, and so forth, fair to view, good and encouraging to contemplate—such cereals, such splendid fruit. At the opposite end rises a massive structure, dedicated chiefly to furs. The upper part, the Hubbard Trophy, displays the large and small game—including moose, buffalo, bear, and the rare Rocky Mountain sheep; while in the lower portion, under the special patronage of Her Royal Highness the Princess Louise, Messrs. Renfrew, of Quebec, exhibit a very fine collection of furs. Inside are chairs with legs and arms formed of polished buffalo horns.'

Our Huddersfield contemporary knows all about flannels, and on other textile manufactures ought to be pretty well posted. Still, what most strikes his eye in the Canadian department is the buffalo horns, and some other things of that kind. For his compliments to us for cereals, fruit and implements—the latter with the very slightest mention—all thanks. But it is evidently the moose, the buffalo, and the bear, that are most in his mind's eye when thinking of Canada.

Another English journal, from its name evidently an authority on matters mechanical, sees things in quite a different light:—

Invention speaks as follows of the Canadian agricultural machinery: "The Canadian Section of agricultural implements is one of the most striking features of the Exhibition at South Kensington; but the comparative cheapness is even more striking. For instance, the difference is stated to be not less than £3 on rakes, reapers and mowers, and as much as £15 on threshers. The exhibitors have received numerous orders, and our implement makers will have to bestir themselves if Canadian competition is not to become formidable."

Wonder if the Yorkshire people are yet prepared to concede that Canada can produce tweeds, and flannels, and blankets, as well as buffalo horns? Not yet, perhaps, we should say; but they must come to it by-and-by. The important point to which we would direct their attention is this—That Canada's National Policy is *permanent*: it has come to stay.