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EDWD. TROUT. MANAGER.

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THE SITUATION.

A further fall in the price of silver has reduced the value of the American trade dollar to less than 79 cents. But nothing apparently will induce the silver men, in Congress, to forego their advantage. They argue that if the subsidiary silver coins, which they allege to be scarce, were increased by $50,000,000, there would not be too much; they therefore would like to commit the country to the purchase of enough silver to make this additional amount of subsidiary coin. Possibly the amount of subsidiary silver coin would bear some increase, without mischief being done; an addition to the amount might even be a public convenience. But if this be the case, why not melt up some of the useless silver dollars into five and ten cent. pieces? That would be a more rational process than the purchase of additional silver: not the least advantage to be derived from it would be the gain in the shape of interest that would result.

The United States, in the opinion of the *Shipping and Commercial List*, is "undoubtedly in the presence of a fresh era of commercial prosperity;" the *List* thinks "the year will be characterized by an expanding volume of business rather than wide fluctuations in values." Still there is an unsettled feeling in the apprehension of gold shipment which the fatuitous silver policy tends to produce, in the unsatisfactory export movement of produce, arising probably from abnormally high local prices, and the future policy of anthracite coal producers. The decline in silver injuriously affected the cotton market, causing a fall of price, by reducing the shipping margin for the output of European mills to the East. If the silver question were settled in a rational way, almost the only cloud that hangs over the prosperity of the United States, would disappear.

English steel rails of the poorer class can be sold in the United States, less duty, at about $29 a ton. Combination among American makers, under shelter of the tariff, enables them to put up the price to $35, or $6 in excess of an unrestricted competition price. The American iron mills, with a capacity of $2,000,000 a year, are working at the rate of $1,250,000. If fully employed, the mills might be unable to sell their product at a profit. But if some restriction might be reasonable, one which gives the producers $8 a ton more than they were recently willing to sell for, may be regarded as excessive. The producers pretend that neither their combination nor the tariff has the effect of raising prices; and if they were sincere, would dissolve the one and welcome a reduction of the other.

According to *Bradstreet's* there is a considerable increase in the "visible supply" of wheat and flour, as compared with these stocks a year ago. The visible supply means "stocks of wheat out of first hands and hanging over the market.' *Bradstreet's* properly counts other sources of supply than those contained in the New York Produce Exchange exhibit; but still it has to acknowledge a difficulty in the impossibility of getting simultaneous figures from all wheat producing countries. This journal makes the visible supply of wheat and flour, on the 1st January, this year, 80,658,000 bushels, against 61,250,000 on the same date last year. If the New York Produce Exchange figures for domestic produce be substituted, the present visible supply rises to 111,501,000 bush., against 86,035,000 last year. The visible supply figures leave out of the account all the grain in the hands of producers, and unless this be estimated, the total supply is a matter of great uncertainty.

The Irish League has begun to carry boycotting into the commercial sphere. A cablegram, which says that the League is threatening to boycott the county banks if they do not obey its behests, gives a case in illustration. A deputation of the branch League, accompanied by a priest, went to a Kerry County bank and offered half the amount owing by a farmer as a settlement in full, which the bank, under the influence of terror accepted. In order to understand the case clearly, it would be necessary to know exactly what the facts are, whether the farmer was insolvent and the amount offered was a fair composition, or whether the boycott was merely an arbitrary act of robbery. But if the county banks are to be boycotted and the League is to be judge of what debtors are to pay, it is difficult to avoid the conclusion that a system of wholesale robbery is to be enforced by the terror of overpowering numbers.

Detroit and other places in Michigan are suffering from an unprecedented grain blockade, the elevators being full to overflowing, and thousands of cars loaded with wheat encumbering the tracks. There is four times as much wheat in Detroit as there was a year ago, and it will require days or weeks to move off the surplus, for which there is not adequate accommodation. The boats lying in the port will have to be used for storage, and many have already been chartered for that purpose; but all the vessel accommodation available will be insufficient.

Raw cotton has recently been selling in Liverpool at 5d. per lb., the lowest price that has been reached since 1855. This does not appear to be due to the competition of other cotton-growing countries with the United States, for the quantity produced elsewhere does not increase. If cotton is still king, it is for the moment a king in reduced circumstances. It is nevertheless a significant fact that cotton production outside the United States is stationary; and another blockade of the cotton states would produce a new cotton famine in England. While prices go down, the stock of cotton seems to be diminishing.

The legality of the transfer of the great European and North American railway, made some time ago by Col. Snow to Messrs. Graham and Chisholm, as trustees for the creditors, is now placed beyond doubt, by the proclamation of the local act of Nova Scotia confirming the arrangement. The *Acadian Recorder* says the trustees will probably sell under the power in their mortgage, and that the Federal Government is likely to be the purchaser. That journal contends that it is the duty of the Federal Government to provide Cape Breton with railway accommodation, in which enterprise, it is added, "the local authorities are willing to assist." The extension of the Canadian Pacific to Louisburg has been encouraged by the Ottawa authorities. All experience shows that successful railways seek the water at the nearest point of shipment where a good harbor is to be found, for the simple reason that railways cannot compete with ocean freight.

The Government of Germany contemplates a remarkable scheme of state monopoly. The plan, which is already before the Bundesrath, is for the Government to buy up all the raw *brant-wein*, a kind of spirits, which, as the name shows, stands in the place of brandy, and *schnapps*, and after refining them retail what can be sold at home and export the balance. The State ownership of railways was the first step, the monopoly of domestic spirits is the second, and when this is done it will only remain for the Emperor and Bismarck to turn universal shopkeepers. There may be a class of German socialists who like these essays in state socialism, but there is abundant evidence, in the utterances of the press, that the commercial spirit of the nation is opposed to the experiment.

The *Economist* shows, from a comparison of prices of commodities, during the past year, that in most instances there was a downward movement. Of thirty-five leading articles twenty-four became cheaper while eight only advanced. Most food products declined in price, though American wheat, potatoes and rice, were exceptions. "To manufacturers and wholesale traders, 1885 proved another year of hope deferred;" the decline of prices still further reduced the narrow margin of manufacturers' profits. But the last half of the year was, in some cases, not so bad as the first. The business prospects of the present year cannot be definitely foretold.