

THE MARKET FOR SILVER.

Recovery From Low Prices is Likely to be Maintained.

Following the forecast by a New York expert in minerals of the future of the silver market, in the Cobalt number of "The Monetary Times," a letter to the United States Secretary of War upon the silver situation is interesting. It was written by Mr. Charles A. Conant and Professor Jeremiah Jenks, who were members of the Commission on International Exchange, which, with a Mexican Commission, visited Europe in 1903, with a view to establishing greater stability in exchange between gold and silver countries. Here are the pertinent sections of their review of the situation:

A remarkable change has taken place in the course of silver within the past three years. When the Commission on International Exchange was appointed by the President of the United States, in compliance with the requests of Mexico and China, to seek the restoration of stable exchange between the gold standard countries and the silver standard countries, silver was substantially at its lowest ebb. It was the general opinion, even of expert observers of the market and of political economists, that its decline could not be checked.

This decline had carried silver from an average quotation of 61½ pence per ounce in 1899 to 53½ pence in 1896, 45½ pence in 1886, and 30 13-16 pence in 1896. The further fall in six years to an average of 24 11-16 pence in 1902, and to a minimum quotation in November of 21 11-16 pence, constantly encouraged "short sales" of silver by speculators in London, which up to that time they had been able almost invariably to "cover" at a profit.

The course of silver has been now for about three years tending upward. The lowest point was touched in November, 1902, and again in January, 1903, when the London price of silver was 21 11-16 pence, and the value of the bullion contained in an American silver dollar was about 37 cents. Beginning with February, 1903, improvement began in the price of silver, which has been arrested only temporarily at any time since that date, until now there has been a recovery from the low point of 1903 of more than 45 per cent.

Cause of the Rebound.

The course of events since 1902, therefore, has negated the belief, then generally held, that silver would continue to decline in gold value. The supply had been for many years nearly constant, and had exceeded the demand at the old prices. The German Imperial Government sold at one time large amounts of silver, and still retained enough to execute all its subsidiary coinage down to a recent date. The Government of the United States also not only suspended in 1893 regular purchases of silver, but availed itself of an accumulated stock of metal for its subsidiary coinage, while the Governments of the Latin Union in providing for new subsidiary coinage coined up their existing 5-franc pieces. Thus these governments withdrew from the silver market, and the chief outlets remaining for the metal were found in India and the Orient.

With the exhaustion or reduction of these old stocks occurred a considerable change in the demand for silver. All the governments which had been using their old silver have appeared in the market, or will soon appear, as purchasers of bullion. The war between Russia and Japan called for large amounts of silver in Manchuria, and while this demand was in a sense temporary, the silver absorbed there seems to be finding its way into circulation in different parts of China and the East, instead of returning upon the bullion market.

The Government of British India, moreover, has continuously made large purchases of silver since the autumn of 1903, and indicated to the Commission on International Exchange in 1904 that these purchases were being made with comparative regularity. Still more recently, a fund, known as the "Special ingot reserve," has been accumulated in London by the Indian Government, with the avowed purpose of being prepared to meet coinage demands in India promptly when they arose. The last Indian financial statement states that experience has shown that the amount of this reserve "originally fixed was not large enough, and it has been decided that its amount shall be doubled." The adoption of this policy in India has been a natural result of the great expansion of the crop-shipping area by the extension of the railway network, and there are at present no indications of a cessation of the demand for the white metal in India.

Henry G. Thorley, Toronto, has been appointed Ontario agent for the International Mercantile Marine Company in succession to the late Mr. Pilon, with whom he was associated. He will have charge of bookings for the White Star line, from New York and Boston to British and Mediterranean ports; Red Star line, American line, from New York and Philadelphia; Atlantic Transport line, Leland line and the Dominion line from Montreal.

TRANSPORTATION NOTES.

The C.P.R. is making an important test of a new smoke consumer, which is said to have been used successfully on the locomotives of the Michigan central.

The White Pass & Yukon Railway Co. contemplates building a branch from the Windy Arm district, where mining development work has advanced greatly of late, to Conrad City.

A contract for building the Georgian Bay and Seaboard Branch of the C.P.R., from Victoria Harbor to Peterborough, by way of Orillia, has been awarded to the Toronto Construction Co., Orillia.

Fort William Board of Trade has endorsed the proposal of the Mount McKay and Kakabeka Falls Electric Railway Co., and urges the town council to give it the right of way if it cannot agree to finance such a line itself.

The Dehance Iron Works of Chatham, Ont., and the Toronto Gas & Gasoline Engine Company have amalgamated with a capital of \$500,000. The main parts of the engines will be made in Toronto. Castings will be turned out at Chatham.

The C.P.R. has just given an order to the Angus shops, Montreal, for five dining cars, twenty coaches, ten baggage and express cars, and twenty-five box cars. Its recent order for two thousand box-cars is being filled at the rate of twenty-five or thirty a day.

Senator Domville, president of the Canadian Central Electric Railway Co., which proposes to run from Montreal to Ottawa, thence westward to Orillia, St. Thomas, and Port Stanley, with a branch from Orillia to Toronto, has been visiting London to finance the road.

A company is being organized in Brandon, Man., to build a railroad for the purpose of providing sites for manufacturing purposes. Negotiations are going on with about twenty firms in different branches of industry, to induce them to locate on this line near the city.

The C.P.R. "Empresses" are making records. The "Empress of Ireland" made the run from Rimouski via Cape Race (the southern route), to Moville, Ireland, in five days, twenty hours and fifty minutes. The "Empress of Britain" made the trip in the opposite direction in five days, eighteen hours and fifty minutes.

Not only the railroads but carriers of all kinds are getting ready for a big Western crop. The Dominion Marine Association in Toronto this week have considered the problem of bringing down the grain. All possible vessels are to be placed in commission. Several ships which are being built in lake ports will not be ready before next spring.

The railway from Madoc to Eldorado was bonused by municipalities interested, and by the Ontario Government, and was afterwards taken over by the G.T.R., who have ceased to operate it. Agitation is now being made to compel the G.T.R. either to carry out the agreement or refund the subsidy, so that it may be utilized for the purpose intended.

The Railway Act passed at the last session of the United States Congress is not easy to understand, judging from the number of conferences held in Chicago by railway men. Representatives of the G.T.R. and C.P.R. have attended the conferences. One perplexing point is as to the clause affecting the granting of passes to the families of employees. Are families of high officials debarred? What is an "employee?"

The British Columbia Electric Railway is surveying the route for an extension of its cat line from New Westminster to Chilliwack. The road would cost fully a million dollars, and though it is scarcely expected that it would prove profitable for some time to come, it would meet an important need in the close connection of Vancouver and New Westminster with the agriculturally rich lower districts of the Fraser River.

The express companies are the subject of bitter complaints by fruit merchants of Toronto, because they do not employ a sufficient number of men to load and unload packages of fruit expeditiously and properly; with the result that the shipper has often to do his own loading, and the consignee his own unloading. The companies claim that any better service must come out of the pockets of the dealers.

The Lloydminster, Saskatchewan "Times" has in two recent issues commented bitterly on the dog-in-the-manger policy of the C.P.R. in withdrawing from settlement or sale their lands which border on extensions of the Canadian Northern or G. T. Pacific roads. There are, according to the latest map hundreds of thousands of acres of these lands which should be available within 6 or 8 miles on either side of the track, and yet in their map dated May there is absolutely nothing presented for sale within this range. This, the "Times" thinks, is one way of attempting to starve their competitors, but it is also starving the country and preventing its proper development.

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