

Thirdly, it will involve municipalities in labour disputes.

Fourthly, as there will not be the same stimulus to economy and attention, there will be a great probability, not to say certainty, that one of two things will happen: either there will be a loss or the service will cost more. The working class will, of course, be the greatest sufferers.

Fifthly, it is a serious check to progress and discovery.

In commenting upon the increase in British municipal indebtedness from £193,000,000 to £460,000,000 in twenty years, the writer draws attention to a result whose significance may well be studied by over-ambitious civic authorities on this side of the Atlantic—namely, the tendency towards increase in the borrowing rate of money needed by municipalities in their legitimate and normal functions.

Regarding the losses and profits of municipal undertakings the author says: "It is no answer to say that private companies also make mistakes and lose money. No doubt they do; it is inevitable, and is an additional argument, not for, but against municipal trading; but the difference is that in one case they are losing their own money, in the other that of the ratepayers."

Elsewhere he remarks: "Of course, I do not doubt that in some cases profits have been made. When a municipality has had a monopoly, and has been able to charge what it likes, it is easy to show a profit on paper.

"I may give, for instance, the following illustration. It has been stated that Manchester reduced its rates in 1900-1901 by 7d. in the pound through municipal trading. The Times has pointed out that this is the way it was done. The corporation [city] wanted a subsidy of £50,000 in relief of rates from the gas undertaking, and, as there was no surplus, the price of gas was raised 3d per 1,000 feet in order to yield it. This is quoted as a profit."

What Lord Avebury has to say as to the supplying of illuminating gas is interesting: "The figures clearly show that in places supplied by companies, gas is substantially cheaper than where it is in the hands of the municipality. So far as I can judge Nottingham and Sheffield give a fair test. In Nottingham it is supplied by the municipality, in Sheffield by a company. Fifteen years ago the price was the same in both; in Nottingham it has gone up, and in Sheffield it has gone down, till now it is in Nottingham, on an average, about 2s 6d. per 1,000 feet, and in Sheffield is only 1s. 4½d. Sir G. Livesey has also called my attention to the case of Manchester and Salford. They are practically one city. Yet Manchester charges 2s. 4d. a thousand feet, Salford on an average 3d less."

Altogether the author concludes, "Our municipi-

palities have most important duties to perform—duties sufficient to occupy all their time and tax all their energies. They cannot both govern and trade. If they persist in embarking on commercial undertakings they will, I am persuaded, increase our rates, check the progress of scientific discovery, and stifle, if not destroy, that spirit of private enterprise to which in the past our commercial supremacy is mainly due." He shows in detail from the records of the London County Council how "it is absolutely impossible for councillors to give that time and attention without which their gigantic business undertakings cannot be profitably and successfully carried out."



New Zealand's Preference.

The New Zealand preferential tariff of 1903 is stated by Canadian Trade Agent Locke to have benefited British trade in boots and shoes, hardware and iron goods, bicycles and paper. So far as furniture is concerned, in the four years since 1902, importations from the United Kingdom rose from £14,946 to £17,197; importations from Canada rose from £279 to £4,088, and importations from the United States from £9,206 to £10,810. In paperhangings, the increase in buyings from Britain was £27,329 to £30,504; in buyings from Canada, from £351 to £2,383, while buyings from the United States have dropped from £4,645 to £2,219. In printing paper again, the importations from Canada have risen from 1,781 cwt. to 51,674 tons. The purchases from the United States have been cut in two. The full value of the tariff on paper has not been experienced, as some of the importations from Germany and the United States were admitted at the low rate under an old contract.



Prices of Commodities.

The Economist of London gives 2,519 as its index number of average prices of commodities at the beginning of September. A month earlier the number was 2,571—the decline being due chiefly to the fall in prices of metals. Not since December 31, 1876, has the index number been so high as during this past summer. At that date it stood at 2,715, while on June 1, of this year it was 2,601. Since June, however, there has been a decline of over three per cent. in the "cost of living" as shown by the index number at the beginning of the present month.

For about ten years the advance was almost continuous. As to whether or not the June to September decline of this year is really the beginning of general price-recession, is a question of wide-spread interest.