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EDWD. TROUT, MANAGER.

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THE SITUATION.

The little war in Burmah has been followed by the annexation of that kingdom to the Asiatic dominion of England. France and Russia are said to have interposed objections; the former in pursuance of its settled policy in the East; the latter because the annexation brings England to the China frontier, and might interfere with French operations in that quarter. England could show both objectors better reasons, and either these have prevailed or annexation has taken place in spite of the protests. The great advantage of annexation is that it will enable England to tap the centre of the Chinese trade. The foreign trade of China may grow to enormous proportions, and England is in the best position to profit by its expansion.

The iron trade in the United States is a barometer of the state of general business. Its revival is always followed by a revival in other branches of trade. In the last half of the year just closed, a considerable advance in steel rails has taken place, the price having gone up from \$27 to \$34 a ton. Pig iron remains nearly stationary, and so do bar iron and cut nails. The facts point to another extension of railways. American steel rails had gone down lower than foreign before the advance began. A combination among the producers of steel rails in the United States is in existence but it is obvious that the limits within which it can operate are narrow; it would not require any great artificial rise of price to make foreign competition felt. But where the capacity of production greatly exceeds the demand, some check on the output is necessary. A feeling of confidence in the iron trade has taken the place of the gloom that previously prevailed. But as the condition of the iron trade of Europe is less favorable than it was six months ago, a sharp competition from that quarter, within the limits possible under the U. S. tariff, may be looked for unless the strike threatened in England should take place.

The Gloucester, Mass., fishermen have petitioned Congress not to agree to a joint commission whose labors might form a basis for the negotiation of a new treaty

between Canada and the United States, on the subject of the fisheries. The petitioners do not tell us whether they are willing to forego the privilege of carrying on their occupation in our coast fisheries; but past experience shows that they are not. They complain that American fishing vessels are not allowed to buy or sell in Canadian ports; and if this liberty exists on the other side, it may be worth while to consider whether the prohibition is one which it is not possible to dispense with. Doubtless the fear of smuggling is responsible for the restriction. These fishing petitioners complain that every commission since 1783 has sacrificed their interests. The reference is probably intended to include the making of treaties. To listen to the average Canadian any one would suppose that the boot was on the other leg. The truth is a very large proportion of the men who form the alleged American fishing interest, consists of Canadians; a fact which very much reduces the alleged importance of this interest from the national point of view, on which the petitioners lay great stress.

The Boston *Herald* warns the Gloucester fishermen that the people of the United States will not refuse to back up their demand that no understanding ought to be come to with Canada respecting the coast fisheries of the Dominion. "The sense of justice of the American people," says that journal, "is sufficiently keen to make them realize that the legitimate rights of others are as worthy of respect as their own rights, and that it is in accord neither with the dictates of prudence, humanity nor patriotism to defend wrong principles and practices simply because some of their own number have assumed to set duty and right at defiance." The *Herald* says that the reason why the Americans did not get value for the money they paid, under the treaty of Washington, for the privilege of fishing in our waters, was that the fish had, for the time, taken another direction and struck in towards the American coast, where they became plentiful. The position of the *Herald* is the only one that can be taken by persons who have a due regard for the honor of the nation.

The true field for co-operative societies is production rather than commerce. And yet in the commercial sphere co-operation has won its greatest success in England. The reasons are that they are joint stock companies with the necessary capital, and the stockholders form a body of ready-made customers; that they do a cash business and take guarantees for efficient administration. In Canada and the United States similar attempts, as the Labor Bureau of Massachusetts shows, have generally failed, and the failure is traced to causes which would prevent success in private firms: bad book-keeping, premature expanding by means of agencies, waste in different forms, charging repairs and renewals to capital instead of expense account, injudicious purchases, members not giving their whole business to co-operative store. But worse than all these is the departure from the safe method of buying and selling for cash, and incurring expenses out of propor-

tion to the business done. The causes of failure contain many hints that may be of use to individual traders and firms.

The high license law has increased the revenue in Chicago from \$200,000 to \$1,500,000 a year, and reduced the number of saloons from 13,000 to 9,000. The charge for a license is \$500. It will be noticed that the increase of the revenue is relatively much greater than the decrease of the number of saloons. But it is said that the saloon keepers are well content to pay the larger sum in consideration of the greater profits they make, and that the change is a gain to them. One effect of the high license is to close the lower class of drinking places; but the temptation to set up unlicensed grogeries is increased. On the whole, perhaps the high license is a benefit to the community. In one of the Southern States the liquor dealers advocate a high license, in their own and the public interest. Something of the kind may now perhaps be tried in Toronto.

A company has been formed at Amsterdam for the purpose of draining the Zuyder Zee. The water which will have to be pumped out, after a sea wall has been built, covers a space 45 miles by, at its widest point, 35 miles. On the line of the proposed cut-off there is a series of islands which will greatly shorten the wall that will have to be built; but even so, the work is one of stupendous magnitude. The whole area cannot of course be drained; the lowest depressions must remain as reservoirs for the drainage of the land to be created. It is strange that, in order to create new land, a sea should be drained, when within a few days' travel there is to be found an abundance of fine virgin soil awaiting the labor of the husbandman. Unless the Zuyder Zee be held to be a close sea, the proposal to drain it must raise an international question.

The New York *Commercial Bulletin* explains the secret of the advocacy of the present silver law by members of Congress from the South and West. These sections of country are largely indebted to the East in various forms, railway loans, land mortgages, real estate bonds, trade indebtedness, and if gold were driven out of circulation and silver became the standard, as must happen if the silver law be not repealed, these debts would in effect be paid off at from 20 to 30 per cent. less than their gold value. The only argument to which the *Bulletin* thinks these representatives amenable is that dishonesty may not, after all, be found to pay, and reminds them that nations do not long submit to a depreciated currency; that if the South and West continued to borrow, as they would, from the East, in a depreciated currency, they would have to pay on the restoration of the gold standard, as much more than they had got when they borrowed, as they would gain now by the act of dishonesty involved in reducing the currency to a silver standard. The argument does not proceed on a high plane, but perhaps it is the only one likely to be effective.