

SPiRiT OF THE COMMERCIAL AND INDUSTRIAL PRESS.

FREE TRADE

Our beleaguered people are again to enjoy the benefit of instruction from Mr. Mongredu's "The Country is Inebriated with a New Treatise on Free Trade under the guise of a History of the Free Trade Movement in England." This comes to us in two editions, with two different publishers—although both are printed from the same plates. The best part of this little book is the preface. Herein we are assured that the theoretical soundness and practical advantages of Free Trade had been proclaimed by scientific adepts a century before England adopted it, and that scientific men still persistently advocated the principle, while all but English statesmen persistently act in opposition to it. "There is, indeed," Mr. Mongredu is glad to know, "in many other countries a large and increasing band of thinkers who know the truth, propagate the truth, and work for the truth; but they are for the present overruled by the indifferent many and the interested few." Then again, notice this amazing statement: "There is no allegation that is more frequently or more exultantly urged as an argument by the foreign opponents of Free Trade than that England has been ruined by it. Falsely assuming that, since the adoption of Free Trade, England has been gradually declining—that the condition of her people has greatly deteriorated—that her commerce is melting away—and that a nation, once so flourishing, is on the eve of a total collapse, they triumphantly exclaim: "How dare you recommend to other countries that nostrum that has brought you so low?" One feels like inquiring with a famous and valiant sailor who proudly avowed himself an Englishman, "What is to be done with this 'ere hopeless chap?" It is certainly not worth while to argue with him. He has foreclosed all discussion of elementary principle by the simple expedient of announcing that the doctrine he preaches is "the truth." The only argument on the other side he can find to combat in one which he puts into the mouth of his opponents—a statement which no sensible advocate of the protective system ever made. He knocks down merely a man of straw, a very clumsy specimen of the home manufacturer. The real objection to following the example of England may be stated by following out one of Mr. Mongredu's metaphors in the same process. "The physicians in vain prescribe a salutary regimen if their patients deride their authority and ignore their injunctions. England is as yet the only patient that has conformed to the physician's precepts." Suppose the "patient" is not ill? Suppose, being ill, his ailment should be different from that of which England recovered by taking doctors' stuff? The history of the anti-commerce law agitation in England is the story of a great popular triumph. It was in behalf of a cause that deserved fully the success that crowned it. The men who initiated the movement and carried it through to victory, aided by a condition of the country that demanded were entitled to and have received the very measure of relief they advocated, highest praise and honour. Their names are held in as much respect by Protectionists in America as they are by Free Traders. There is no disposition in any quarter to "inimat" what they were mistaken in their acts, their methods, or their confidence, in the result of what they forced the Government to do. If there is any other or stronger way of saying that Free Trade succeeded in England, we are ready to adopt it. What then? Does it follow that all countries—whatever their situation, whatever their necessities, whatever the temper of the people, whatever the character of their trade—must be benefited by the same step? If it does the discussion is at an end. But all men except ultra Free Traders are aware that different people choose and prefer different ways of taxing themselves. Some thousands of Englishmen blocked the avenue to the Houses of Parliament to protest against Mr. Lowe's match tax; a tax on matches is borne here without objection or inconvenience. Americans have an especial distaste for an income tax; but Englishmen dislike it only because it is a tax. The Government of France peddles tobacco, taking the tax in the form of profit; England would not tolerate that. Different nations also differ as to the form of government, one preferring a king, another an emperor, a third a president, as a chief ruler. Some governments, as, for example, the United States, give full Free Trade in all internal commerce, while levying protective duties on imported goods; on the other hand, Great Britain, having to import most of its raw material, except coal and iron, and half its food, admits them free of duty, and taxes internal commerce in the shape of stamps, railway passenger duty, income tax, etc. The Free Trade propagandist is merely a quack doctor who offers his one remedy as a cure for all diseases. If he is an Englishman he says, "I took this, and am well. Con., either all ye ailing and be healed." But the United States is not starving, as Great Britain seemed likely to be when Free Trade was carried. The country was not ill at all. Its health is quite as rugged and robust as that of its self-appointed physician. Moreover, we have plenty of proof that the sovereign remedy is not good for the constitution of countries situated as ours has been, and still is. Canada, which was under a

tariff for revenue only was compelled to discontinue the use of Mr. Mongredu's medicine. It weakened her and rendered her incapable of contending against her self-proclaimed neighbour. She was not alone among British colonies that gave a fair trial to the patent and threw away the bottle. France tried a little of it, and cannot tell whether it helped or hurt her. Germany tried it and has sent the care-all doctor about his business. The thinkers who think only of England are still believers. The patients have learned something which tells them to beware of benevolent old death men with patent medicines for sale.

GOVERNMENT EMPLOYMENT

The late John Sandfield Macdonald himself an eminently practical and a self-made man, once in conversation with the writer, at that time occupying a position under Government, remarked: "If I were a young man I should not remain in a Government situation a single day. The advice was acted upon and never at any period since has there been occasion to regret the step. There is a large and apparently growing number of men, young and old, throughout the country, whom it would be difficult to convince that a Government position, however subordinate, is not much to be preferred to any along the various avenues of industry in a new country like ours. Those who visit Ottawa during the sessions of Parliament cannot fail to notice the number of respectable looking persons who with commendable patience haunt the lobbies and corridors of the House and the different departments, waiting day after day and week after week for an audience with some ministerial friend who, when he is not up to his eyes in business, is studying, if he remembers them at all, how he can redeem his former promises, or break them with the best grace, in order to maintain friendly relations with his influential and exacting constituents. The "I shan't forget you, my boy" promises lightly given at an election or other inspiring time has been the cause of ruin to many a man who places any value upon such hardily wrung promises. Even for the one position possibly vacant there are hundreds of applicants, all eager to serve their country for a little share of the public money, until one is reminded of the remark attributed to a certain Westworth county representative: "If all those who seek employment from the Government were to succeed, there would be no one left to pay the taxes." There are thousands of men in the country to day who would gladly give up the opportunity of earning an honest livelihood, and the possibility of future independence or wealth, for any petty position in the Civil Service, whose permanence would probably depend upon the continuance of their friends in power, a position that would yield them much less than they could earn in a new country like this with ordinary perseverance, with a little of the persistency with which they seek political preferment. Why is the public service so attractive to a large number of people? Is it because they mistrust their ability to earn a competence for themselves? Is it that the position reflects a respectability upon him who attains it? It is notorious that a great number of Government employees are driven to live beyond their means—compelled to run in debt, as many a grocer, tailor, shoemaker, and other retailer in the metropolis can testify. Not one in twenty saves anything for a rainy day—for a young family that grows faster than his salary. "Oh, we are in the Government, you know," says Mrs. Browne to an admiring young merchant just started, "and mamma thinks we should marry in the Government," a problem in the solution of which poor Browne, the father of five of them, and in receipt of a salary of \$1,000 a year, is making himself prematurely gray. It is difficult to imagine how an active man with something of ambition in his character can look through the different Government departments and then covet such an occupation as the most desirable in life. If the positions were for life, with pensions after disqualification by age, we can see how a man without ambition could content himself with such a humdrum life, but when men seem anxious to throw away other opportunities to accept clerkships at a few hundred dollars a year, it can only be accounted for on the same ground that the repeated indiscretions of the imberbi are accounted for—an overmastering appetite which leads the unfortunate victim to sacrifice his future welfare for a present gratification. No man has a more hopeless outlook than a young man in a public office under the system which obtains in Canada, except perhaps him who accepts such a position in the neighbouring Republic. When he is removed after a few years of service, he is less fitted than before for any other business. Even should he be successful as the Vicar of Bray, to hold office under all changes, his lifelong experience, and knowledge of the business are of so earthly assistance to him in case of a vacancy above, to which he might naturally expect to be promoted. He has the chagrin to find the man who has a few political friends appointed over his head, however qualified he may be. The young man who enters such service is destined to a life of poverty, while the man in middle age who leaves a moderate business to take such a position abandons his place in life for the merest mess of pottage. We have heard of a few cases, very rare indeed, in which Cabinet ministers actually refused to use their influence to obtain Government

situations for young relatives, solely because they felt it would be the worst start they could give in life. It is indicative of the "live and let live" principle which is satisfactory to all engaged in the business. While cutting of prices and an indiscriminate competition are destructive of the interests of all concerned, there is thus to be no practicable remedy. It is also likely that merchants and makers will go on in the future, as they have in the past, destroying each other by an insane desire to see which can sell the cheapest. Pooling arrangements and combinations allay the evil but do not wholly remedy the matter. To cure the disease, the whole superstructure of trade must be returned, or, at least, the current methods of doing business will have to be changed, in so far as that where prices are varied, the cause producing that variation will be something higher than the desire to kill off a competitor.—Exchange.

THE EFFECT OF PROTECTION

The London Free Press thus in its weekly states some of the more apparent advantages of a protective tariff. Free Traders who have not pondered the matter very deeply find themselves often put out of countenance by the statistics which state them in the fact. Free trade between America and England, if continued for the last thirty years would have left America a huge farm, dependent for all but bread and beef upon Europe, and for hand-made trade between the United States and Canada, if continued for five years longer, would have reduced this country to very much less than a farm for the supply of bread and beef. There is much more in the question than buying in the cheapest and selling in the dearest markets. There is self preservation, which can often be translated self independence in this yet imperfect world. Instead of allowing Canada to remain as a slaughter market, to be raided upon by Americans every time they desired to work off old stock, or to crush a rising industry, the Tilley tariff has made it so attractive for the American manufacturers that many of them are coming here to locate in order to carry on their business. It hardly seems necessary to explain that one of the objects of the N P was to induce any Americans who wished to continue to furnish the Canadian market with their wares to remove to Canadian soil, employ Canadian labour, and pay Canadian taxation. That was an object, however, and it is bearing fruit in different parts of the country.

ARE LOW PRICES BENEFICIAL TO THE RETAIL DEALER?

Abnormally low prices are not so beneficial to the dealer as is popularly supposed. When the value of goods falls below the point where a fair profit is realized for the makers or factor, the condition of the trade is unhealthy and a reaction is likely to ensue, bringing a change of disadvantages offsetting any gains realized in the first instance. It may be true that occasionally one can make money purchasing at a time when the market is demoralized by the cutting of rates. Dealers strive to avail themselves of such an opportunity, but the trouble is to know when the bottom of the decline has been reached, and how much to buy at such a time. The dealer, coping with a fluctuating market, encounters many difficulties and sometimes obtains a monetary advantage. Suppose, to illustrate, that the price of nails becomes demoralized, and the rate is cut from, say, \$3 rates, a fair price, to \$2.50 rates, a losing price, whereupon the merchant, thinking of obtaining a great bargain, purchases a large lot, but, unfortunately, by the time he receives the nails in stock a still further decline ensues, and his competitor, more fortunate than he, lays in his stock at \$2.25 rate, which gives him an advantage of 25c a keg; or suppose that nails do not decline below the \$2.50 rate, but actually advance to \$3 rates, now, the dealer whose stock is first sold out finds himself in the uncomfortable position of being compelled to go into market and pay 50c a keg more for his nails than his competitor paid for the stock he has remaining on hand. But it may be well said that one dealer is as likely to be favoured by this change in the market as another. The result, however, of such a saw-swing market is that both merchants gain and lose, and in the end neither are substantially benefited. Cutting of prices disturbs and unsettles the market, and this, too, often at a time when the retailer can least afford to have it disturbed. It is well known that in nine months out of ten the market is strong at the time, in the spring and fall, when the heaviest purchases of the year are made. This strength arises, no doubt, from the activity of the demand. But after the rush of the trade is over, and during the dull periods of the year, there is a tendency to cut prices and to force more goods on the market than the trade naturally requires. This leaves the dealer in the plight of having his store well stocked with goods which he has to sell on a declining or disturbed market. Speculators may step in and out of a changing market, and, if they are lucky, may reap large gains from the sudden fluctuations of prices, but it is not always so with the general dealer, who is compelled to carry a stock whether values go up or down. It is easier to sell on an advancing than on a declining market, but before an advance there must precede a decline. What is most advantageous to the trader is a steady market buoyed up by a strong feeling, with prices which afford a fair remuneration to the makers and the jobbers, as well as to the retailer. Such a market is full of life and health. The tendency, under such conditions, is for the manufacturer to furnish a good quality of goods and to furnish them in the most attractive and satisfactory manner. Such a market does not induce over production, bankruptcy of traders, recalcitancy, nor an over-weening anxiety to monopolize the trade

by manufacturers or dealers, but is rather indicative of the "live and let live" principle. It is an easy condition of affairs which is satisfactory to all engaged in the business. While cutting of prices and an indiscriminate competition are destructive of the interests of all concerned, there is thus to be no practicable remedy. It is also likely that merchants and makers will go on in the future, as they have in the past, destroying each other by an insane desire to see which can sell the cheapest. Pooling arrangements and combinations allay the evil but do not wholly remedy the matter. To cure the disease, the whole superstructure of trade must be returned, or, at least, the current methods of doing business will have to be changed, in so far as that where prices are varied, the cause producing that variation will be something higher than the desire to kill off a competitor.—Exchange.

IRON, STEEL AND ALLIED TRADES IN 1880.

The annual report to the members of the British Iron Trade Association for 1880 has just been issued by Mr. J. B. Jeans, the secretary to the association. In a preface Mr. Jeans points out that one or two new features have been introduced into the report for the year. One of these relates to stocks held by makers and in warrant stores at the end of the year. In reference to this feature the secretary says: "At the instance of the president the association has collected from iron makers throughout the country statistics of the production of pig iron in 1880, and of the stocks held by makers and in warrant stores at the end of that year. That such information is likely to be of much use to those engaged in the trade is sufficiently obvious, and pig iron makers generally have shown their appreciation of its importance by the readiness with which they have furnished the figures required." In a chapter on the production and importation of iron ores, the report has the following: "The most notable feature of the year 1880, so far as the course of the trade in iron ore is concerned, has been the very exceptional bulk of the importation from Spain and other countries. Within the last twelve years the importations of ore by the United Kingdom for ironmaking purposes has increased from 114,435 tons to 2,634,401 tons, or 2,520 per cent. Within the same period the make of pig iron in the United Kingdom has increased to the extent of 55 per cent. Evidently, therefore, the iron ore resources of our own country have not only quite failed to respond to the demands of the pig iron makers for the special qualities of ore employed for Bessemer purposes, but they have largely given place to the imported ores of which hematite ironmakers now so largely avail themselves. The maximum production of iron ore previous to last year was reached in 1876, when it amounted to 16,841,883 tons. Of the aggregate quantity of 17,513,819 tons of ore used in that year in the manufacture of pig iron, only a trifle more than 3 per cent. was imported. Last year, assuming the production of iron ore in the United Kingdom to have been about 17,300,000 tons, more than 13 per cent. of the whole quantity used was imported, the increase in the imported ores during last year alone being not less than 142 per cent. on the importations for the previous year. The great bulk of the iron ore imports of 1880 was brought to the ports of Newport and Cardiff for the South Wales Ironworks, which took considerably over a million tons of the total quantity. After South Wales came Cleveland, which received the following quantities: Imported into the Tees, 398,621 tons; imported into the Tyne, 181,576 tons; imported into the Wear, 78,583 tons; total, 658,780 tons. South Wales now imports a considerably larger quantity of foreign ore than the Tees, Cleveland, on the other hand, only imported a little over 1 per cent. of the total quantity of ore smelted in her blast furnaces during 1880." In regard to home production of iron ores the report says that statistics kindly supplied by the Cleveland Mine Owners' Association show that the production of iron ore in that district for the year 1880 was 496,000 tons, being an increase of 1,674,306 tons, or about 26 per cent. on the output for 1879, which, however, was the lowest that had occurred since 1871. In regard to the production of pig iron the report says: "The production of pig iron from Cleveland during 1880 has been ascertained to be 1,991,832 tons, so that on an average, if all the stone raised went into consumption, 3 tons 5 cwt. of ore were used per ton of pig iron made. Of the ore used to produce the additional 519,261 tons of hematite iron made in Cleveland, 658,740 tons were imported, while the remainder, which can hardly be put at less than 400,000 tons, was brought from the west coast and other home districts. The detailed statistics of the production of iron ore in other localities during 1880 are not yet available, but is sufficiently evident from our returns of the production of pig iron that in nearly every case there has been a more or less considerable increase, aggregating not less than three million tons on the statistics for the previous year. Of hematite ores, the output on the west coast for 1880 is estimated at 2,633,000 tons, being an increase of 664,000 on the production for 1879; while of other ores the total output will probably be about 14,500,000 tons, making, with the 2,634,401 tons imported, a total consumption approximating 20,000,000 tons.

The following table shows the production of iron ore in the principal districts in the United Kingdom in 1880, compared with increase and decrease.

Table showing production of iron ore in principal districts in the UK in 1880, compared with 1879. Columns include District, Output in 1879, and Output in 1880.

The very limited extent to which Lancashire and Cumberland have increased their output of ore—12 per cent. in the one case, and 0.4 per cent. in the other—will be noted in the foregoing return. This limited expansion becomes all the more remarkable when viewed in relation to the enormous increase within the period under review in the demand for the special qualities of ore which these districts supply.

From the chapter on the "Pig Iron Trade in 1880" we take the following: Although the course of this industry has been marked by considerable fluctuation the general results of the year 1880 come out favourably in contrast with its immediate predecessors. Alike in production, in demand, and in average prices, a decided improvement has been realized. Returns made to the British Iron Trade Association by pig iron makers throughout the country show that the total production in 1880 was 7,721,833 tons, being an increase of 1,712,000 tons, or 28 per cent. on the production of the previous year. These figures represent the largest make of pig iron that has ever occurred in the United Kingdom. The largest production previously attained was that of the year 1877, which reached 6,741,929 tons. In 1880, therefore, the make was 979,904 tons in excess of that of 1877. With reference to stocks, it has been ascertained that the total quantity in makers' hands and in warrant stores at the end of 1880 was 1,841,411 tons, or about 26 per cent. of the total make for that year. This quantity includes the iron stocked for consumption in forges, etc., where these are carried on in connection with blast furnaces. The following table shows the position of the stocks relative to the production of pig iron in each district—

Table showing production of pig iron in each district in 1880. Columns include District, Production in 1879, and Production in 1880.

In regard to the Bessemer steel trade the report says: The production of Bessemer steel in the United Kingdom during 1880 has reached a total of 1,044,387 tons, being an increase of 209,471 tons on the production of the previous year which reached 834,916 tons. This increase, which is equal to 25 per cent. of the largest that has ever taken place in a single year. Of Bessemer steel rails the production during 1880 was 739,919 tons, being an increase of 213,193 tons, or 41 per cent. on the production of the previous year, which amounted to 526,726 tons. The increased production of 1880 has been contributed to by every one of the steel making districts throughout the country, as the following figures show—

Table showing production of Bessemer steel in 1880. Columns include District, Production in 1879, and Production in 1880.

The following table shows that the production of Bessemer steel rails has also been larger during 1880 in every district except one—

Table showing production of Bessemer steel rails in 1880. Columns include District, Production in 1879, and Production in 1880.

—Saw the first shipment of cattle from Halifax to England on the 23rd of January, 1879, to the last per steamer Liverpool, nearly 8,000 head and 2,500 sheep have been sent across. They comprised thirty-two shipments, and the total value in round figures was \$20,000.