

## MR. CHAMBERLAIN'S PROGRAMME OF SOCIAL REFORM.

However tempting may be the scheme of social reform which Mr. Chamberlain sketched out to his constituents the other night, any attempt to carry it into effect would, we fear, lead to grievous disappointment. This is especially the case with the plan he suggested for enabling artisans to become the owners of their own houses by means of advances made by the State through the municipalities. As to the expediency of the State entering upon this class of business and supplanting all the building societies and other private organizations by which it is now conducted, we need not at present stop to inquire. It is quite sufficient to point out that, on his own showing, Mr. Chamberlain has very greatly overrated the advantages that would result to the working classes from such a new departure. Here is how he says the scheme would work: "I will take," he said, "an ordinary workman's house in Birmingham, which is let at a rental of 5s. 6d. a week. That would be a fairly comfortable house—a house such as a prosperous working man in fair employment would be likely to occupy. I inquired of one of the leading surveyors in Birmingham what would be the cost of such a house, and he tells me that the average market price would be £140. If the working man occupying the house were to find one-fifth of the purchase money—£28—from his own savings, and if the State were to advance him, through the municipality, the remaining four-fifths—£112—and if then he were to continue to pay the same rate as at present, he would have paid off his loan, with interest, and he would be the absolute owner of his house in ten years." And he went on to speak of the practicability of tens of thousands of working men becoming "the owners of their own dwellings, without adding in any way to their present charges."

Such is the prospect Mr. Chamberlain holds out to his constituents, but everyone who has had the smallest dealings with property must know that it is quite delusive. It is true that a payment of 5s. 6d. a week would suffice to pay off in ten years a loan of £112 with interest at 3 per cent. But the conversion of a tenant into a proprietor would immediately burden him with fresh charges. He would have to pay the rates, which previously had been charged against the landlord, and this Mr. Chamberlain admitted would cost him 1s. a week more. Further, all the expense of repairs and maintenance would have to be borne by him, and that, on property of the class, would hardly amount to much less than another shilling a week. Add to this the ground rent—for the property is assumed to be leasehold—the cost of insurance, and the loss of interest on the portion of his own capital invested in the property, and the most moderate computation of the additional charge to the workman converted from a tenant into an owner of the house, cannot be put down at less than about 2s. 6d. a week, or £6 10s. a year. Nor is this all; unless he puts past something each year as a leasehold redemption fund, he will be consuming his capital, and he will further have to take into account the risk of a loss of capital, if, owing to vicissitudes of trade or any other cause, he should be compelled to shift his place of residence. We are not contending that it would not be profitable for the workman to become an owner on these terms and under these conditions, and we are quite at one with Mr. Chamberlain as to the political advantage of having a large body of working-class property owners. What we do object to, however, and that very strongly, is any attempt to beguile the workmen into the fallacious idea that through State intervention they can be endowed with the property in their houses without any additional expense to themselves. That is a sheer illusion, and we cannot but regret that Mr. Chamberlain should seek to base a political programme upon it. He ought to know better than build on such sand. Nor have we much, if any, faith in the realization of his favorite scheme of temperance reform. It is very easy to speak of taking the drink traffic into the hands of the State or the municipalities, and conducting it without any idea of profit and only in the public interest. That is a fine ideal. In practice, however, we fear it would be very different. Both the State and the municipalities are in chronic need of money. There are always things they want to do, and which they are only kept from doing by lack of funds. And if they had such an easily-worked source of income as the drink traffic in their hands, the temptation to work i

for all it could be made to produce would, we are afraid, prove irresistible. And if it be said that, at all events, the profits which private persons now make out of the traffic would then go to the public, the obvious answer is that Mr. Chamberlain insists upon full compensation to those who are dispossessed. As to the third of Mr. Chamberlain's proposed reforms, the institution of old age pensions, we have on so many previous occasions given our reasons for believing the particular scheme he advocates to be impracticable, that we need not now trouble our readers with them again. It is enough to say that, taken as a whole, Mr. Chamberlain's programme appears to have been constructed rather to sell than to work.—*Economist*.

## SYSTEM OF BUSINESS CREDITS.

A press dispatch from Chicago one day last week, brought the following news:—

"Twenty-five of the largest wholesale manufacturers of clothing in Chicago have just organized the strongest defensive association ever formed by the manufacturing interests of this city. Under an elastic set of by-laws they propose to reorganize the system of credits that has prevailed so long to protect their interests."

"There are thirty-one large establishments in Chicago where men's and youths' clothes are made. They will organize under the name of the Merchants' Association of Chicago, and will represent an invested capital of from \$15,000,000 to \$20,000,000 and employ from 10,000 to 15,000 tailors, butters and seamstresses. Their annual sales reach many million dollars, for the readymade clothing of the entire West and Northwest is largely supplied by these houses. Officers have been chosen for one year, and all arrangements made to make the association permanent."

"The first object of the association is said to be to prevent over-purchasing by that class of merchants which goes into bankruptcy just after laying in a large stock of goods. These dishonest failures have hit wholesale clothiers harder than any other manufacturers. The entire system of credits has been changed. Instead of each firm making credits by itself, without stopping to learn whether a customer has been buying heavily in other houses, there is now an interchange of credit news, which works so perfectly that any firm can learn from headquarters whether a shaky customer is over-buying."

"At first glance this association might seem to be formed solely in the interests of the manufacturers; but if we look at it closely it will appear to be even more in the interest of the honest retail merchant than of the wholesale house, or manufacturer. No honest merchant is able to meet the competition of the one who is described above as 'failing just after he has made large purchases.' In every such case the goods so secured are slaughtered in order to turn them into money, a shape in which the property can more conveniently be made away with. Again, if there was more system and less laxity in giving credits, and thus making possible just such failures, goods might be sold at a closer margin of profit by the wholesale merchant, and thus the retail dealer could reap a larger profit. If the wholesale merchant, or manufacturer, loses 25 per cent., or 10 per cent. of his sales through failures, these losses must be made up by charging just that much more for all goods sold. Thus the provident and the honest, the intelligent and the enterprising must pay for the wastefulness, the thieving, the ignorance and sloth of those whose business careers are marked by these traits."

## AN AMATEUR PUBLISHER.

The following story by the author tells of the launching of Kipling's first ballads: My verses had the good fortune to last a little longer than some others which were more true to facts and certainly better workmanship. Men in the army, and the civil service, and the railway, wrote to me saying that the rhymes might be made into a book. Some of them had been sung to the banjoes round camp-fires, and some had run as far down coast as Rangoon and Moulmein, and up to Mandalay. A real book was out of the question, but I knew that Rukn-Din and the office plant were at my disposal at a price, if I did not use the office time. Also, I had handled in the previous year a couple of small books, of which I was part owner, and had lost nothing. So there was built a sort of a book, a lean oblong docket, wire-stitched, to

imitate a D.O. Government envelope, printed on one side only, bound in brown paper, and secured with red tape. It was addressed to all heads of departments and all government officials, and among a pile of papers would have deceived a clerk of twenty years' service. Of these "books" we made some hundreds, and as there was no necessity for advertising, my public being to my hand, I took reply postcards, printed the news of the birth of the book on one side, the blank order-form on the other, and posted them up and down the empire from Aden to Singapore, and from Quetta to Colombo. There was no trade discount, no reckoning twelves or thirteens, no commission, and no credit of any kind whatever. The money came back in poor but honest rupees, and was transferred from the publisher, the left-hand pocket, direct to the author, the right-hand pocket. Every copy sold in a few weeks, and the ratio of expenses to profits, as I remember it, has since prevented my injuring my health by sympathizing with publishers who talk of their risks and advertisements. The down-country papers complained of the form of the thing. The wire binding tore the pages, and the red tape tore the covers. This was not intentional, but heaven helps those who help themselves. Consequently, there arose a demand for a new edition, and this time I exchanged the pleasure of taking in money over the counter for that of seeing a real publisher's imprint on the title-page.—*Rudyard Kipling, in McClure's Magazine*.

## PACIFIC COAST INSURANCE.

In reply to some enquiries made of him by the *New York Bulletin and Journal of Commerce*, Mr. W. J. Landers, manager of the Sun, Imperial and Lion on the Pacific Coast, says on the subject of rebates:

"I am perfectly well aware that agents in the so-called 'excepted cities' would be very glad to work under a uniform rate of 15 per cent. provided the rebate feature could be eliminated or very much lessened."

"As stated, the head officers of companies and the Coast managers as well should come to a better understanding on the point of making greater effort than has hitherto been the case to uncover the 'demon rebate' in order that it might be put where it belonged, i.e., as lessening the premium column instead of adding to the expense side of the business, and that agents properly reached would uncover to their principals the instances where they have allowed rebates almost invariably in order to maintain or continue the business upon their books as against rebates offered by other agents. In my opinion the Pacific Insurance Union, while succeeding in accomplishing a great deal in the way of results, has erred upon the side of electing to ignore rebates until recently, when the matter has received some attention, and also upon the side of failing to equalize rates according to localities."

"As matters now stand rates are higher in the chief towns and cities than they should be and lower in the great bulk of towns and villages, as well as upon risks not subject to the conflagration hazard, and that as a result the average profit to companies has been found in San Francisco and a few large cities, whereas the same should be more equitably distributed over the Coast as a whole, requiring as nearly as possible each class of risks and each grade of town to bear its own burden."

—The annual meeting of the Star Loan Company was held in St. Thomas recently. Mr. Donald Turner, of Southwold, was elected a director instead of Mr. A. N. C. Black, of Dutton. The annual report showed that the earnings of the year beyond the dividend declared of \$13,177.09 and expenses, were \$2,000. The rest account now amounts to \$15,000, and the contingent account to \$3,500. The loans during the year were \$76,540.87, and the deposits \$172,657.29.

—The ex-manager of the Brantford branch of the Bank of British North America is one of the best liked and best trusted men who ever in that town. On Saturday evening last he was presented with a phaeton and single harness by representatives of this bank from the Atlantic to the Pacific. Among the bank officials present on the occasion were: Manager Morrison, of Hamilton; Manager Inglis, of London; Manager Cran, of Paris; Accountant Mackenzie, of London, and Accountant Chapman, of Paris.