

manufacturer; and so great, as we have seen, are the facilities for starting a works that, led away by some conspicuous successes during the first half of the last decade, they have failed to see how this headlong speculation could only result in overproduction and collapse.

What has been the result? The ever-increasing consumption of the world now stands at about six millions of boxes per annum, and the power of production at more than eight. Ordinary coke plates are to-day sold at 14s. 6d. to 15s. a box in Liverpool, and with the present prices of material they cannot be made for less than 16s. 6d. Within a very recent date some works erected on the principle above described have stopped payment, their operations not extending over two years, and in one case for not half that period. Can anything point more clearly to the unsoundness of the system on which this trade has lately been conducted? The past tense is used advisedly, because there are at last indications that the sellers of bar iron and tin are taking alarm at the recent failures and at other difficulties looming in the distance. Once the credit is stopped, once the facilities for this insane and reckless speculation are taken away, prosperity will return to a trade which, for the last five years, has been struggling with a millstone hanging about its neck.

SECRETARY WINDOM'S FINANCIAL POLICY.

The failure of the Refunding Bill at the close of the last session of Congress led to a rather general impression that an extra session would be called for the purpose of reconsidering the subject. It soon became known that President Garfield was decidedly opposed to an extra session, and of late Secretary Windom has been conferring with leading capitalists and bankers in New York, the result of which conferences has been recently announced in the form of a notice to the holders of the six per cent. bonds. The Secretary has taken the bold step of announcing that these bonds will be paid on presentation on and after the 1st July next, after which date interest will cease. If, however, the holders prefer to retain the bonds for one year from 1st July they will be permitted to do so, accepting the year's interest in advance, with a rebate of $2\frac{1}{2}$ per cent., so as to bring the interest down to $3\frac{1}{2}$ per cent. It seems highly probable that the holders will prefer to accept the alternative, as it will enable them to avail themselves of whatever terms may be settled at the next session

of Congress for effecting the refunding of the debt. It has been objected by some leading newspapers that the Secretary of the Treasury is usurping the functions of Congress, but there can be no doubt that he is acting in accordance with the advice of legal functionaries of eminence, and, moreover, that he has assurances from the holders of the bonds of their readiness to accept the terms which he has offered. It will be fortunate for the United States if it should be able to refund the entire debt bearing 5 and 6 per cent. interest at $3\frac{1}{2}$, thus saving interest to the extent of over twelve millions of dollars per annum. The failure of the last bill was owing to an attempt to compel the banks, which hold a large portion of the bonds, to accept 3 per cent., which was less than the market value of money.

The United States have yet to learn, as have many members of the Canadian Parliament, that borrowers, whether Governments or private individuals, will best consult their own interests by placing their loans in the form that is most acceptable to the lenders. As a rule, lenders would rather tender for a loan under than over par, in other words, they would rather bury a 3 per cent. stock or bond under par than give more than par for a $3\frac{1}{2}$ security. When the Refunding Bill was under the consideration of Congress the value of money was unusually low, but still 3 per cents were not worth par, and probably no attempt would have been made to place a large amount of such bonds at par, but that the National banks appeared to be almost at the mercy of the Government. They are compelled to give security for their circulation in Government bonds, and were large holders of 6 and 5 per cent. bonds for which they were required to accept 3 per cent. at par. In his message refusing to sanction the Refunding Bill, President Hayes referred to the 5th section of the Bill as destructive of the National Banks, and as his reason for refusing his assent. The banks were quite ready to have accepted $3\frac{1}{2}$ per cent., and the President would have been ready to concur in such a rate. Under all the circumstances, it would probably have been the wisest course, and certainly the one that would have been followed in England under similar circumstances, to have offered a 3 per cent. loan to public competition, and to have accepted the highest tender. The policy of the United States is not to accept less than par for its loans, and this was the principal cause of difficulty. If, as seems probable, Secretary Windom is able to arrange for the payment of the sixes, and possibly the fives, at a later period, it is highly probable

that, before Congress is again called on to consider the Refunding Bill, the rate of interest will have advanced, and all parties will be satisfied to agree on a $3\frac{1}{2}$ per cent. rate. There has been a good deal of speculation as to the effect of Secretary Windom's policy, but there can no doubt whatever that, when once decided on, it must have a tranquillizing effect. It may be hoped that at the next session of Congress there will not be the same hostile feeling towards the National banks that was exhibited during the last session. Meantime, as a temporary measure, the policy of Secretary Windom reflects the highest credit on the new Government.

QUESTIONABLE COMMISSIONS.

A prominent family grocer in this city was somewhat surprised not long since to find that one of his principal customers abruptly left off dealing with him, and without even mentioning any cause of complaint. Determined to sift the matter, he took the first opportunity to have a word with the gentleman of the house, to whom on a former occasion he had been of some service, and the result was an explanation which proved to both that they were under the influence of a certain time-honoured custom in England which had found its way to Canada also. The customer said that his wife had shewn him samples of tea in which dirt had been found; and butter costing the highest price asked for fresh print or creamery, so rank and unsavory that even the stable-boy turned up his nose at it. The grocer was still more astonished, but, knowing the quality of the goods, he asked his former customer to give him another short trial. He recollected having some time before refused to allow a $2\frac{1}{2}$ per cent. "commission" to a servant employed in the house, and suspected that the goods had been tampered with. A day or two after the arrival of the new goods similar complaints were made by the servant to the lady of the house, but on some investigation it was ascertained that the dirt had been placed in the tea by the formerly disappointed servant, who was also discovered to have been accustomed to place the butter over night anywhere than the place provided for it. The lady's surprise was no less than the grocer's or her husband's when the trick was pointed out, and moreover on the part of a servant who had been strongly recommended by Lady—, her relative in England. The grocer recovered his customer, and there were no more complaints as to the tea, butter, &c.

That this illicit commission business is common enough in Canada is well known to