

HIGH PRICES OF DRY GOODS.

"The demand for wool is so great that it cannot be supplied, and prices are now fully 100 per cent. over the figures current at this date in 1870." These are the rather startling words of a report by last mail, from one of the manufacturing towns of England. "You quote wool too low; it will now sell readily at 60c. for good fleece," is the purport of a note received this day from a large manufacturing firm in a western town of Ontario. To these statements we may add the fact, that since the early purchases were made by our best and strongest houses for the present season's trade, prices of woollen manufactured goods have risen from fifteen to twenty per cent. in Great Britain, with almost the certainty of a further rise similar in extent during the next three months.

Thus we have placed before us, fairly, a set of facts which our merchants, both wholesale and retail, are slow to learn or act upon. It is notorious that the prices now being paid for goods bear no just proportion to those which are realized for the raw material, both at home and abroad. There is a lack of elasticity or responsiveness—so to speak—throughout every department of the dry goods trade. The result is that those engaged in the business do not get the advantage which they are justly entitled to derive from the rise in prices. This is particularly unfortunate, as no class of traders supply so large an amount of capital and labour, with more indifferent results in the aggregate. We attribute the unelasticity chiefly to the fictitious modes of doing business that are now so prevalent. Prominent among these, and perhaps most vicious of all, is selling goods at an "advance on the sterling." We have only to apply the test afforded by the rise of woollens to show how utterly fallacious and deceptive is this practice. Any retailer with even two ideas in his possession may see that it is quite impossible to sell at a given advance on the actual sterling cost of imported goods without advancing the selling price in proportion to the increased cost price. That goods are not so advanced in a direct manner is to us conclusive proof that all the serious charges we have preferred against this system are just and well founded. Fictitious prices are quoted by those who sell at an advance on the sterling—prices far below what it is possible to do and realize a profit—and in this way the trade is demoralized; retailers are deceived, and expect to buy goods for less than their worth. For the same reason they sell them at lower rates than they should bring; and so the

whole trade from the retailer onward is injured. Another lesson which these high prices teach is the folly and danger of trusting out such expensive goods as are now being sold on long credit. If ever there was a time when every piece of manufactured fabrics on a retailer's shelves meant a certain amount of gold, that time is now. Every yard of woollens in stock represents to the country the cost of two yards in 1870. A serious public injury will have been inflicted if these costly goods are traded out on easy credit, in the same way as in previous years. Sales should be greatly curtailed and consumption largely checked by the enhanced cost of fabrics of almost every description. There never was greater reason for caution at every stage; for selecting stocks strictly with a view to meet the certain demand, and for keeping payments up close. If farmers, mechanics, and, indeed, all classes cannot meet their liabilities with promptitude now, it is the merest folly to trust them further. When money is so cheap, and labor so abundant and well paid, there is not even a plausible excuse for long credits and delayed payments.

SAILING CLOSE TO THE WIND.—A statement has recently been published in the Cobourg papers showing the position of a Savings Bank conducted in that locality. From the figures given it does not appear that the institution in question is quite as strong as a custodian of the people's savings ought to be. The deposits amounted at 30th Dec. last, to \$282,046.29 and the assets to \$296,019.77, showing a balance of assets over liabilities of \$13,973.38, a sum not too large in any case in view of the above business. But among the assets are the following items; Quebec Bank, \$5,800 at 13 p. c. premium, \$6,594; Dominion Bank stock \$213,500 at 8 per cent premium, \$230,580; Ontario Bank stock \$25,000 at 11 per cent premium, \$27,750. Now the difference between the par value and the value assumed as above for these items is \$20,624 and the margin of assets above is but \$13,973.38. It appears therefore that this margin and a portion of the assets besides consists of premium on bank stocks, a rather doubtful dependence, we think for a savings Bank.

CHICAGO BUILDING REGULATIONS.—Chicago is endeavoring to profit by the rather expensive lesson taught in the great fire. From the regulations prescribed by the City Council, and, we believe, enforced in reference to all new structures, we make an extract: "Section 2. No building or structure of any kind or description shall be erected or constructed within the fire-limits, as defined in Section 1 of this ordinance, unless the outside and party walls thereof shall be composed of brick, stone, iron, or other incombustible material, and all buildings which shall, or may hereafter, be erected or con-

structed within said fire-limits, shall have outside walls of not less than one foot in thickness; and if any building shall be more than two stories in height (above the basement) the outside walls of the basement and first story shall be not less than 16 inches in thickness; and the walls of the stories above the second shall not be less than 12 inches, and with the exception of the front wall, shall extend at least 12 inches above thereof."

THE LABOUR QUESTION.*

This book, the author tells us, cost him "close upon twenty years of study and enquiry;" and much of it was prepared during the intermission of manual toil. The subjects of Currency and Banking have given rise to many wild schemes; and Mr Brown may claim that his theories are not more extravagant and impracticable than many that have, even in this country, been brought before the public, within the last few years. These different schemes serve, if no other purpose, to overturn one another. Mr. Brown shows an earnestness of conviction, which rises to enthusiasm, in his arguments against paper currency, against bills of exchange and against all interest on money. It may seem singular that a work entitled *The Labour Question* should take this line of argument; but the author tells us that this trinity against which he levels his artillery forms a diabolical device for robbing labour of its just rewards.

But before we examine more particularly the work before us let us recall a few of the works on the same or kindred subjects which have recently preceded it. A few years ago various plans of land Banks were proposed. In 1862, Mr. G. B. Boucherville published an *Etude Sur une Banque de Credit Foncier*; and in the same year he added a *Programme d'Etude pour la formation d'une Banque Agricole Nationale pour la Bas Canada*. A convention was held at St. Hyacinthe, in December, 1862, to promote the project of a *Banque de credit Foncier*; and in the discussion language was held that implied a conviction in the speakers that the legislature was going to be carried by a storm. Mr. Boucherville proposed that a farmer desiring to borrow should go to the *Banque Agricole Nationale*, to be established, with a first mortgage on his lands to double the amount he required to obtain, exclusive of the buildings, and that he should, in return for this mortgage, receive the loan in bills of the bank; that the mortgage should be for a long term, and that eight per cent per annum should be payable, on the sum borrowed, of which two per cent. should form a sinking fund for the repayment of the capital; that the Bank should deposit the securities with the government; that the government should negotiate them, and give its guarantee for their payment. Every borrower was to be declared a shareholder, and the borrowed capital was to form the sole capital of the Bank. The promoters of this scheme apparently did not see that, if generally carried into effect, it would have sunk the credit of the government so low that its guarantee would have ceased to be of any avail.

* The Labour Question. Thoughts on paper currency and lending on interest, as affecting the prosperity of Labour, Commerce, and Manufactures. By Wm. Brown. Toronto: Adam Stephenson & Co.