## MR. GLADSTONE ON THE CO-OPERATIVE MOVEMENT.

*(From the Daily News, Feb. 22.)*

HOW deeply the co-operative supply movement has taken hold of the public mind is shown, not more by the increase of members of the principal societies than by the letters from persons of all ranks which discuss daily in the newspapers the questions involved. Within the last few days Mr Gladstone's opinion has been invoked and the future Premier of England has thought it not beneath his position to explain his views on the subject. He was appealed to by a firm of grocers in Southwark to say whether it was fair that the Civil Service, which is paid by the public should supply themselves with the articles they need from wholesale houses, instead of from the retailers, whose means of paying the public taxes were thus straitened. Mr Gladstone evaded any distinct reply to this question, which certainly indicates a very peculiar notion of the principles of taxation. If civil servants are to be bound to pay prices higher than the market rate to tradesmen all round, it will obviously become necessary to raise their salaries; and it is tolerably clear that a form of protection to domestic industry worse than that of the Corn Laws would be re-established. But while Mr Gladstone could not assent to such an inroad on political economy as this theory involves, he comforted his correspondents in another way. He does not believe that co-operative stores will ever permanently supplant the system of retail dealing. But he points out that whilst the retailer allows long credits and incurs bad debts, while the co-operative society gives no credit, keeps no books, and has no debts, the ordinary retailer cannot maintain his place in the competition. He advises, then, an abandonment of the credit system, either wholly, or at least so far as to give to the ready money buyer the full advantage to which he is entitled.

So far as he goes, Mr. Gladstone is perfectly right in this recommendation. But we cannot help observing that he does not state all the difficulties which the retail tradesman who does only a small amount of business has necessarily to encounter. He has many expenses which the co-operative store is free from. His trade is of uncertain and varying extent, while the customers of the store are a comparatively unalterable body. He must, therefore provide attendance which is superfluous at one time that it may not be deficient at another while the store can foresee all its needs, and engage only what the average custom requires. He must be ready at every moment for every chance, while the store can make its members wait. But, above all, he must generally keep premises which are far more expensive in proportion to the transactions than those of the store. He must make them handsome and attractive, he must advertise in one way or another, he must pay a heavy rent for the mere advantage of situation. Let any one look into the moderate sized shops of our leading streets and he will see that on an average each could hold ten times as many customers as are in it at any given time and generally the attendants could serve at least twice as many as are present. The cost of all this waste of space, labour, and show, must of course be laid upon what goods are sold, even if no credit is given. And therefore it is impossible that the small retailer should be able to compete with the co-operative society, which does nothing but distribute, with the minimum of labour, the goods it has bought on the most favourable wholesale terms.

We conceive, then, the necessary result of the present movement will be, that a number of the smaller retailers must succumb to the pressure, and must turn to other employments for a livelihood. We shall have fewer shops. But this will not in itself be a disadvantage to the public. The fact is that the inflation of prices and the multiplication of establishments have acted and reacted on each other, to the public loss and not to the traders' gain. High prices have brought in competition, which has cut down the competitors' profits to a very moderate amount. The necessity of supporting establishments that had but little custom compelled the shopkeeper to keep up prices. Then comes in the co-operative store, which lowers the prices, and of necessity extirpates the shops which were thus artificially kept up. The result is obviously a clear saving to the nation.

Unless a company is quite exceptionally fortunate in its manager, it can never be conducted for any long time so well or so economically as by one who is personally interested in the whole success and profits of the concern. But an exceptionally good manager of a store is likely ere long to aspire to business himself. If he knows the markets so well as to be able to buy the best goods at the best times; if he is of such sound judgment as to foresee safely the future, and provide for it in the present; if he has the power of organizing and directing large numbers of men, if he is civil, good-natured, and yet firm, it will hardly be possible for a society to retain his services long even on the most liberal terms. And an inferior manager would be at once fatal. Second-rate goods, injudicious arrangements, inaccuracy, or rudeness would all be speedily ruinous to the concern, to say nothing of the possibility of pecuniary defalcations, which directors who are new to trade might not easily detect. For these reasons we are disposed to agree with Mr Gladstone in thinking that the large retailer who can buy in the best and cheapest market, and distribute with but moderate cost, will not permanently be driven out of the field by the store.

*(From the Standard, Feb 22.)*

There is no saying what people will do when they are frightened, and Messrs Jones and Co are evidently scared. We believe that neither Messrs Jones and Co nor the Earl of Ducie rightly understand this matter. The heavens are not going to fall just yet, even though justice be done between tradesmen and customers. The retail dealer is not yet dead and buried, nor likely to be. There is a sort of rage just now for playing off a trick against the shopkeeper; but there are obvious limits to the "movement." We are, it is said, to have no more shops - no more shopping no more retail class acting as distributors of produce. The consumer is to be his own tradesman, and trade profits are to be swept into the hands of the buyers. If these anticipations are correct, what is the prospect? Already the question is raised as to who will pay the taxes and the rents and the salaries and the charitable subscriptions, and so forth. A sombre cloud settles down upon Regent Street. All the glittering front of plate-glass seems to vanish away, and in place thereof we have a long line of gloomy-looking buildings fitted up on the most economical principles, where nothing is sold at profit exceeding six per cent. Jewellery we know, bears a tremendous profit. "How nice" it would be to save all this profit, and make it go in aid of other expenses. If co-operative trade societies are to be universally triumphant, all trades must succumb from Swan & Edgar down to Cremer's dolls. If every shopkeeper is going to supply goods on the same terms as the co-operative stores, then farewell to "shops" properly so called. If we want cheap gingerbread it must be plain not gilt. A Spartan rigour must rule everything. If we are to save to the uttermost farthing all superfluities must be cut off. Fastidious ladies and impatient gentlemen must be content to wait their turn *en queu*, like errand boys at a bookseller's counter or passengers at a railway booking office. There must be no exactation of these polite attentions and insidious blandishments wherewith the retail salesman is so apt to entice the British public. If our dish is to be cheap it cannot be garnished.

## THE ENGLISH COTTON AND WOOL TRADE.

*(From the N. Y. Commercial Chronicle.)*

THE exports of cotton from the United Kingdom since the commencement of the year have been as follows:—

| To— | 1866. cwt | 1867 cwt |
|---|---|---|
| Russia—Northern ports ... | 330 374 | 427 26 |
| Prussia .... ... ........ .... | 81 195 | 195 183 |
| Hanover . .... . ... | 6 618 | 4 108 |
| Hanse Towns.. ... . | 863 349 | 720 491 |
| Holland ..... . . | 541 700 | 571 919 |
| Other countries................ | 1 694.553 | 1 221,638 |
| Total ....... ........ | 3 471.789 | 3 30,493 |

Our total exports of cotton goods last year were enormous, but to the United States there has been a material falling off. As regards piece goods the shipments to the United States were 88 469 332 yards against 114 744 071 yards in 1866, and 124.885 811 yards in 1865. Of cotton thread there is a decrease of about 130,000 lbs. The total shipments of cotton goods in 1866, and 1867, were:—

| | | 1866 | 1867 |
|---|---|---|---|
| Yarn .. ..... .... | lbs | 138 804 538 | 169 856 628 |
| Piece goods. .. . | yds | 2,535 098 138 | 2,810 477,876 |
| Thread......... .... | lbs. | 6.355,469 | 6.506,851 |

Throughout the manufacturing districts much quietness has prevailed of late, but, on the whole the tone of business is sound and healthy. The better feeling prevailing at the wool sales has had a favorable effect on the trade of the West Riding of Yorkshire. The iron trade remains in an unsatisfactory state, and failures continue to take place in that department of business.

The public sales of colonial wool were commenced on Thursday evening, and will be continued throughout March. The arrivals, since the close of last sales, owing to the lateness of the season in Australia, are less than last year, but only to the extent of 10 000 bales. The total supply to be brought forward during the present series of sales is about 115,000 bales. For some weeks past there have been symptoms of reviving animation in the wool trade and it was generally believed that prices would rule higher. The anticipations formed were, however, more than realised, the attendance of buyers, both home and foreign, having been unusually large, while the biddings have been very spirited. Our own manufacturers have purchased to a considerable extent, but the French have bought with great freedom. The consequence has been that prices, taken as a whole, have advanced ½d. to 1d per lb, both as regards Australia and Cape produce. Last year and in 1866 our imports of wool were:—

| | | 1866 | 1867 |
|---|---|---|---|
| From the Continent...... | lbs | 42 608 264 | 21 467 072 |
| From the Cape . .... | " | 29 249 000 | 36 126 760 |
| From the East Indies ... | " | 25,679 967 | 15 234 620 |
| From Australia .. | " | 113 772 694 | 133,108,176 |
| From other countries . | " | 24 431,174 | 24 368,489 |
| Total | " | 235,741,101 | 230,305,107 |

In the same periods the exports of wool were:—

| | | | |
|---|---|---|---|
| Colonial. ....... . | lbs. | 68 807,595 | 80 984,438 |
| Foreign | " | 7 760 318 | 9 846,020 |
| Home grown . | " | 9,732,683 | 8,862,760 |

While the exports of woollen goods have been of the following magnitude:—

| | | | |
|---|---|---|---|
| Yarns ... . ... .... | lbs. | 27,400,905 | 37,436,487 |
| Cloth, of wool only. | yds | 19 846 604 | 16 652 768 |
| Do ,mxd with other mat'ial | " | 13 567 754 | 11,783 201 |
| Flannel .. | " | 7 422.460 | 6 767,1 9 |
| Blankets | " | 5 927 828 | 3 365.078 |
| Blanketing and baizes | " | 1 237 9 2 | 1,013,240 |
| Carpets and druggets. | " | 7 600 511 | 6 673 601 |
| Worsted stuffs of wool only | " | 50,263.713 | 46,298,053 |
| Do. mxd with other mat'ial | " | 177,011,701 | 154,070,003 |

## REPEAL OF THE TAX ON MANUFACTURES.

*(From the U. S. Economist.)*

WE are glad to acknowledge the good judgment of Congress in its steps towards the repeal of the existing taxes upon manufactures. On Tuesday, the House, by a nearly unanimous majority, passed an act repealing the duties upon all manufactures, except a few classed as luxuries, upon which it is proposed to increase the present rate of duty. The 5 per cent. duty on manufactures amounted in 1867 to $146,000,000. Included in this total was $61,500 000, of taxes collected upon coal oils fermented liquors, distilled spirits, tobacco snuff, cigars &c. this latter portion it is proposed to keep in force; but the remainder, amounting to $84 500,000, it is proposed to wipe off the tax list altogether. The repeal is intended to go into effect from the 1st April, 1868. This will be productive of a most important relief to our manufacturing interests and to the country at large. The tax upon manufactures is bad in principle, and it has been maintained only because it afforded a sure means of raising revenue at a period when the wants of the Government were urgent.

It is proposed to institute a tax of 1-20 of 1 per cent. upon sales of certain manufactures, when amounting to over $5000. Here again is the introduction of a good principle. We have always maintained that the most equitable tax would be one upon all sales of commodities, and are glad to see that an opportunity has been afforded for testing the operation of this form of impost. Mr. Schenck, in reporting this bill, does not specify what ground this tax is to cover, but simply states that it is expected about $20,000,000 will be realized from it. Were this tax made to apply to sale of all commodities by all classes of dealers, it would be found to realize beyond Mr. Schenck's estimate. At present, our knowledge of the scope of the bill is limited, and we present, therefore, the following extract from Mr. Schenck's speech in explanation of it:—

"The Committee had intended to retain the five per cent tax on some half dozen manufactures such as the manufacture of billiard tables, fancy candles, &c., —the e had produced in 1867 about $1,500,000; but on further consideration the Committee had at length concluded that it was hardly worth while to keep up the machinery of the law necessary for the collection of that amount, but it was better to wipe out the five per cent tax on all manufactures, and to put a somewhat higher special tax on the manufactures of those luxuries and on their sales. The House might be curious to know how much the five per cent. tax on manufactures amounted to. Taking the full returns for 1867, it would be found that all the receipts from that source amounted to $146 2?, 670. The Committee did not propose to remove the tax from all manufactures, but to retain it on oils distilled from coal, on fermented liquors, on distilled spirits of all kinds, on tobacco snuff, and cigars, and on illuminating gas. The aggregate tax collected from these articles, in 1867 was $61 429 019, so that the diminution effected by this bill would amount to $84,794,654. Some of this sum would be made up, however, by the increase of certain special taxes on different manufactures, and by a tax of one-twentieth of one per cent. on their sales, when amounting to over a given sum—say $5.000. This would produce about $20,000,000; so that while this bill would remove a burden of some $64 000,000 it would not cause a loss to the Government of more than about $60,000,000. In short, the effect of the bill was to remove the five per cent tax on all manufactures leaving to be taxed as manufactures nothing but distilled spirit, fermented liquors, oil, gas, certain kinds of wine, and tobacco, through all its manufactures. This bill was to take effect in such a way as that manufactures should be released from tax after the present month.

## THE U. S. HARVEST PROSPECTS FOR 1868.

*(From the N. Y. Commercial Bulletin.)*

THE season has not yet so far advanced as to enable us to estimate with desirable accuracy the condition and prospects of the crops; but from reliable information received from various points we have sufficient data to determine the progress that has been already attained, from which we may at least approximate the results. At the present time the prospects appear to be as favorable as could be desired. The severe winter and the unusual depth and continuity of snow have kept the ground moist and warm and protected the winter wheat from the frosts that have proved so injurious in former years. As the snow clears away in the Southwestern States it is found that the young wheat is in a most favorable condition. The fears that were entertained a few weeks ago on account of the severity of the season have been entirely dissipated. In the great wheat counties in Illinois the prospects were never better at this season of the year. In Sangammon and the adjoining counties the snow and steady cold weather kept the crop in good order, and the wheat fields are already green. From Indiana the accounts are equally favorable. In Iowa the winter wheat is everything that could be desired. From Wisconsin we learn that winter wheat looks well, and that farmers are already preparing to sow the Spring crops. In that State an unusually large amount of ploughing was done during the dry weather in the fall, and the ground was then in a better condition than it is at present.

In the Southern States the indications are favorable. A month ago grave fears were entertained about the winter wheat in Tennessee. But in all except the very marshy portions of the State the prospects for an excellent harvest are most encouraging. In Middle Tennessee, Missouri and Northern Mississippi, a greater breadth of land has been sown than ever before, and to all appearances the yield will be unusually