

COMMERCE AND SHIPBUILDING.

(From Harper's Weekly.)

WHEN a maritime country like the United States possesses extraordinary facilities for constructing its own vessels, it is natural to suppose that activity in shipbuilding will be governed by activity in commerce. Such has always been the case until within the past five years; but now we have the strange anomaly of idle and deserted ship-yards and a large increased carrying trade—an anomaly to be explained only by the humble admission that foreigners now do the business for us, which we once transacted for ourselves, and that vessels are a cheaper purchase at foreign markets than at home.

Very few persons in the United States have the slightest conception of the extent of the decadence of these two most important branches of American industry. Indeed, public attention has scarcely been directed to it, either officially or through the press. It is high time it should be. Now, the fact is no less startling than true, that the number of vessels constructed by the colonies in 1795, a century ago, was vastly greater than during the 12 months just past,—the total then being 389. We have not the figures for the current year, and do not need them. The true exhibit would be more deplorable than the estimate. We know that many yards are utterly tenantless, and that leading New England towns which have been famed for the amount of tonnage annually built by them, are in the same category with New York city, the universal silence of whose ship-yards is broken only at Green Point, where the steamers for the Pacific Mail Company are being constructed! Two thirds of the tonnage of the country is in the hands of foreigners, and chiefly under the British flag. American commerce has diminished more than one-half since 1860, and foreign commerce increased in the same ratio. The published statement of the aggregate imports and exports in American bottoms for 1880, show a total valuation of \$607,247,757; for 1866, only \$330,141,463. In foreign bottoms the aggregate imports and exports for 1880, showed a valuation of \$255,640,663; for 1866, they reached \$668,925,085. Comparing the two named years together, American commerce has declined \$117,106,204, and foreign commerce has increased \$118,884,292! A comparative statement for the first three months of 1887 shows no improvement in tonnage, business, or ship-building.

The query comes up, mournfully,—where is that boasted supremacy of the seas which we denied to Britannia and claimed as our own so recently, after laborious and unceasing effort? The retrogression is almost as astounding as the rapid progress once made. American ambition and American success culminated when the huge, fleet-winged clipper ships superseded the ancient models and traversed every sea. Great Britain conceded superiority in sailing-vessels to the Americans then, and turned her attention to a fuller development of steam appliances.

It is noteworthy that the increase in our commerce as well as in the aggregate and average tonnage of the vessels built, has ever kept pace with the increase of the cotton product. In 1820, the average tonnage was 90 tons; before that, only 60 tons. In 1855, the number of vessels built was 2,034—the greatest number ever constructed in a single year, before or since—with an average tonnage of 200 tons; showing the change in construction required for cotton transportation. It has been ascertained, by careful comparison of statistics for the past 40 years, that a proportion of one ton to a bale of cotton has always existed, except when disturbed by extraordinary causes, for instance, the Irish famine in 1848, which occasioned an extra demand for shipping, for the transportation of grain; the Mexican War in 1846, and the emigration to California in 1852. All these carried the tonnage far beyond the regular cotton proportion. So did our late war, for there was so little or no cotton to carry. But distressing depression has always followed these exceptions, and continued until the cotton proportion was resumed again. It is true that an inflated currency, stimulating speculation, has swelled the aggregate of our imports and exports to a large figure for the past four years; but the greater part of the business has been done under a foreign flag, while ship building has been utterly prostrate. Under the theory advanced, it ought to revive again as soon as the ratio of the cotton product to the tonnage becomes materially reduced. With cotton crops approaching those of 1860-60 freighting business would become active, while ship building would receive an impulse such as it has not felt since that created by the exigencies of the Government in the late war.

Still, it would not thrive under the restrictions which it suffers at present, and foreigners would still obtain the lion's share of commercial profits. Injudicious legislation is to blame for some share of present depression and distress. When the war closed, Congress refused to permit ship-owners to register their vessels which rebel privateers had driven for protection during the war to a foreign flag. By withholding this privilege, ship-owners were punished for their cowardice and selfishness, but the country feels the loss deep down in its purse as well; besides, American vessels under foreign register will not sell to-day for half their value. Many that have been offered here have been withdrawn and sent to foreign markets. This happens every day. Again, when ship-building would have naturally revived after the war closed, Congress sprung a dead weight upon it by repealing the Reciprocity Treaty with the British Provinces. War had made the resources of the Georgia and Florida forests unavailable, and the Provincial market was all that remained.

Had Congress permitted lumber to continue to enter duty free, our shipyards would still be employed. Another serious impediment to commerce is seen in the fact that our merchants are not permitted to purchase vessels in foreign countries, and afterwards register and sail them under the American flag, although they are desirous to do so, inasmuch as they

can purchase vessels abroad for one-half of what they cost here. High prices, high wages, exorbitant cost of materials, a burdensome tariff, political and industrial disorder down South, and injudicious restrictions, have nearly destroyed the commercial interests of which we recently boasted. Our supremacy will not be regained until impediments are removed; but abundant cotton and grain crops will effect a great improvement.

TRANSFER OF SHARES—IMPORTANT DECISION.

IN the Equity Court yesterday, before Vice-Chancellor Sir W. Page Wood, in the case of Hawkins v. Maltby, the question in the case was one of considerable importance as involving the legality of the practice which is prevalent on the Stock Exchange with regard to dealings in shares. The plaintiff, Hawkins, on the 21st of March, 1893, directed his brokers, Messrs. Crawley, to sell 40 shares (£5 paid up) in the Imperial Mercantile Credit Company. He received a bought and sold note for £202 10s (including commission) the same day from Messrs. Crawley, who sold in the market to Mackenzie. On the 26th of March a call was made by the directors, and the price of the shares immediately fell. On the 27th of March, which was "name day," Mr. Mackenzie directed the Crawleys to take from a stock broker named Butler, the name of the transferee, and he gave that of the defendant Maltby as purchaser, through Messrs. Wilkins, his brokers. Crawley accordingly prepared deeds of transfer, as from Hawkins to Maltby and the plaintiff Hawkins executed them, the considerate amount being in blank. The Crawleys having received £145 (and 15s for stamp) from Messrs. Wilkins, inserted £145 as the consideration money, and sent the transfers, with the share certificates to Messrs. Wilkins. Having also received £57 10s, the difference between £202 10s and £145, from Mackenzie, the Crawleys paid the plaintiff £202 10s. On the 11th of May the company stopped payment, and was afterwards wound up. The bill was then filed to compel the defendant to execute the deeds of transfer (which he had hitherto not done), and to have the transfer registered, and the defendant's name put on the list of contributories instead of the name of the plaintiff. The plaintiff had since been obliged to pay a liquidator's call of £5, and also the former directors' call of £5 on the shares. The defendant's case was that he had directed his broker's (Messrs. Wilkins) to buy for him 100 shares of the company; which they bought in the market on the 26th of March, and for which he paid them £365 17s. He had since received the share certificates, together with what purported to be deeds of transfer of forty Imperial Mercantile shares from the plaintiff, which he admitted he had not executed.

Mr. G. M. Giffard, Q.C., and Mr. Townsend, for the plaintiff, contended that his contract with the defendant was perfectly good and binding, according to the custom of the Stock Exchange, and ought to be enforced. If the price had risen instead of having fallen, the plaintiff could not have kept the shares.

Mr. Druce, Q.C., and Mr. Bush, for the defendant, said that there was no privity between him and the plaintiff. The defendant's brokers had bought in the market, and knew nothing of the plaintiff until they received the deeds of transfer.

The Vice-Chancellor held that the defendant was not bound to register himself as a shareholder, or to have his name placed on the list of contributories. His honour put the following case:—Suppose a leasehold property which is bought by A, and A afterwards tells B, the vendor, that since he bought he has resold to C; if C, before he has the legal estate in him, repudiates the purchase on the ground of the property not being in the state in which he thought it was when he agreed to purchase, B cannot enforce the contract as against C. In this instance, no doubt, the purchaser would have to pay for the shares, as having £5 paid up, but it was another thing to say he was bound to complete the purchase, when he finds that there was a call of £5 actually due at the time, which threw down the value of the shares. He could not be compelled to take shares which he had bought without any knowledge of this existing call. The legal title was not in the defendant, and the equitable title could not be enforced against him. His Honour dismissed the plaintiff's bill with costs.—*English Paper.*

LIMING LAND.

(From the American Agriculturist.)

THIS practice, which is so common in British agriculture, is but little known in our country outside of New Jersey and Pennsylvania. In a recent visit to the grain-growing districts of these States, we found lime as highly esteemed as manure, and a regular part of their rotation, as we have noticed elsewhere. Where lime can be had at ten cents a bushel and under, as it can in all the limestone regions of Pennsylvania, the practice is almost universal. It is used a good deal on farms, far distant from the lime-kilns, where it costs at the depot or canal twenty cents a bushel and upwards. The conviction of its utility in these States may be said to be universal, and if it is not used, it is either owing to the high price of the article, or to the fact that agriculture receives little attention.

It is applied by some to the sod immediately after mowing, and this sod is turned under either in the fall or in the spring for corn. It is also claimed that the lime stimulates the growth of grass, and affects favourably every crop in rotation. It would be impossible without liming, to keep up the grain farms to their present degree of productiveness. It is also claimed for the summer application and the grain ploughing, that it distributes the lime more equally, and keeps it near the surface. The lime which has been carried down by the fall and winter rains, is brought to the surface again when the sod is inverted. By this method, also, the lime has more time to act on the in-

ert material in the soil, and to prepare plant food for the subsequent crop. Other farmers are quite certain that the best time to apply lime is upon the inverted sod in the spring, while the ground is preparing for corn. They want to keep the lime as near the surface as possible, and have no fears of its late action on the crop. The quantity applied to the acre is from thirty to a hundred bushels, depending somewhat upon the character of the soil, the price of the lime, and the theoretical view of the planter. The better the soil, that is, the more clay and vegetable matter it contains, the more lime it will bear. Some think a hundred bushels quite too much, and that so much has a tendency to turn the stalks yellow and to diminish the yield. Smaller quantities, say from 30 to 60 bushels, are more commonly applied. The lime is usually brought from the lime-kiln or depot in its caustic state, and is dropped upon the land in heaps where it is to be used. It is then slaked by application of water, and is about doubled in quantity by this process. It is then spread as evenly as possible over the land. This makes a cheap dressing for the land, even at twenty cents a bushel. The effect is very clearly marked wherever it is used. It keeps up the fertility of the soil, and makes remunerative crops even without manure. Of course, with manure the crops are larger and pay better. The question very naturally arises, if liming land will pay in other districts where it is not now used? Without answering this question at once in the affirmative, we think the results in these States are such as to encourage every farmer who can get lime at a reasonable price to make the experiment. We have abundance of lime rock in regions where it is not burned at all. The conviction is quite common that it will not pay to use lime upon limestone soils, but in Pennsylvania the effects of the application are quite as marked upon these soils as upon any other. Then it is supposed that it is a difficult and expensive process to burn lime. Very much of this article is made upon the farms where it is used without even a kiln for burning, as we shall show in an illustrated article next month. The lime can be made by the most unskilled labour, and with the roughest and cheapest kind of fuel. Wherever there is lime rock and cheap fuel, we have no doubt the lime can be furnished at less than twenty cents a bushel. In the vicinity of cities and large towns, oyster shells accumulate in quantities, and can be put to better use than road making and grading. They are easily reduced with brush and pest, and afford a cheap lime and generally of better quality than the rock yields. We desire to have the experiment made in other States on a scale large enough to settle the question. We believe many of our farmers will doubtless find it to their interest to use lime.

LIGHT RAILWAYS AND THE CORDWOOD QUESTION.

EUROPEAN AND N. AMERICAN R. R.,
GENERAL Supt.'s OFFICE,
ST. JOHN, N. B., August 16, 1887.

JAMES G. WORTS, Esq., President Board of Trade,
Toronto:

SIR,—At the time I was in Toronto, not being prepared with any notes, I could not give you much definite information on the "cordwood question," which seems to occupy such a prominent place in the discussions on your light railway scheme. I beg leave now to furnish you with some notes on the subject, deduced from the traffic on this line during the past six years.

The average quantity of cordwood brought to market has been 6,660 cords (128 cubic feet) per annum. The greatest quantity in any one year was 8,180 cords, and the least 5,560 cords. The average distance this wood was carried was 33 miles, and the average freight per cord one dollar. The value of the wood in the St. John market may be about \$3.50 per cord, freight paid. None of this wood could have been brought to market without the railway. The average yearly consumption by the railway is 3,000 cords, for which we have paid on an average about \$2.40 per cord, delivered at the station.

The amount which has been expended annually in the direct bordering on the railway has therefore been—
6,660 cords sold in St. John market at \$2.50 \$16,650 00
3,000 cords sold to railway at \$2.40 7,200 00

The land cleared by the cutting of this quantity of wood may be estimated in round numbers at 300 acres per annum. This collateral benefit is of more consequence in your calculations than in ours, as with you every acre cleared is fit for agricultural purposes, while with us a great deal of the wood grows on hill-sides, which are too steep for cultivation.

The chief objection to carrying wood by rail is that the company thereby gets up a competition against itself.

The St. John market does not, we have found, come into competition with us at any point more distant than 45 miles. The price we have paid for wood purchased within this limit has not exceeded by more than 25 cents per cord the price paid at stations beyond.

The railway has received for freight of wood \$6,660 00 per annum
And assuming that the competition has increased the price on half the quantity consumed 25 cents per cord, the loss to the railway has been 875 00 do

The effect of the competition may be felt more as the wood becomes scarcer, but the margin between the profit and the loss is so large that it must be some time before they balance each other.

If these notes can be of any use in your estimates of your future traffic, I have no objection to your using them in any way. I am, Sir, yours truly,
J. EDW. BOYD.