

in the total amount produced in England, prices still declined, and trade was duller than ever. The cause of this stagnation at length appears to have been discovered, and is stated to be in the fact that France and Belgium have driven England out of many of the foreign markets of which she had previously almost had the monopoly. The gradually increasing rate of wages in England had at last reached the point when manufacturers found themselves unable to undersell their continental competitors who had the advantages of cheaper labour to aid them, and the markets of Russia, now the great consumer of iron, are supplied by French and Belgian manufacturers instead of by the English; and so it is in other countries. We give elsewhere a synopsis of a letter written by two gentlemen, who have gone over to France and Belgium to make inquiries into the matter, and the result of those inquiries does not seem at all satisfactory to the trade in Britain.

The *Liverpool Journal*, in its "Talk on 'Change,'" and referring to the prevailing idea that trade would be satisfactory during the coming year, gives the following synopsis of "talk" on the question of the prospects of the iron interests:—

"The further talk was, that adverse conclusions are at present encouraged; that the ironmasters and the iron workers are by no means satisfied with the nature of their business; that they discover an active competition on the continent, and that, acting wisely, they have despatched two commissioners to Belgium and France to make inquiries; that these commissioners have made a preliminary report, and that their report is unfavorable to English expectation, but entirely favorable to Belgian enterprise; that the Belgians now rival us in almost every market; that they rival us at our own doors; that they are sending to us wrought iron and railway iron, and are executing for us locomotives; that the commissioners in their explanations are somewhat reserved; that they do not speak out; that they act as if words were given to them to conceal their thoughts; that their hints, however, are not hard to be understood, and that the cause of our inability to trade successfully with rivals is traceable to high wages; that they do not mention this, but that they imply it; that they intimate the necessity of the Legislature exempting iron people from needless burdens, and that as the needless burdens are wages—for there can be no other—wages are the great and only impediment to prosperity.

The general talk was, that the world, in reference to trade, has not yet entirely escaped from infancy; that people grow wise by experience, and that in this country, more than in any other country, we are endeavouring after truths and facts, in order to establish rules for universal admission; that no doubt wages in this country are high compared with other countries; that the difference is a palpable evil to the working men in every European country; that owing to the adoption of different rates working men are unable to coerce or control other working men; that at the same time there is a natural rate of wages and a proper rate of wages; that the natural rate of wages has generally prevailed on the Continent; that the natural rate of wages is precisely the amount on which a working man can live and labour; that the proper rate of wages is a rate which exalts the working man and enables him to live as a man ought to live; that the proper rate of wages, however, from time to time suggests to artisans the possibility of increasing the rate; that during the last year or two they have attempted this most successfully; that the rate, however, being too high, compared with the rate in other countries, the working classes are now experiencing the consequences of ignorance in political economy; that the iron trade is a proof of this; that a temporary advance in wages has increased production in France and Belgium, and that the increased production to a great extent is owing to the unemployed hands of Great Britain going to France and Belgium; that naturally, and very properly, they prefer wages they can live on abroad to attempting to live at home without any wages; that the result of this state of things will be, unquestionably, a fall in the rate of wages; that our trades unions are cognisant of this fact; that some time ago they opened a conference on the Continent with artisans of the Continent; that their object was to regulate the rate of wages all over Europe, but that they totally failed, because the Continental artisans did not comprehend the great question involved in the proposal and therefore preferred the adoption of a delusion involved in co-operative associations; that we have an instance of painful misconception on the part of the working people at this moment in Liverpool; that the large talk about increased wages everywhere affected our dock labourers; that they demanded higher wages,—in fact, turned out for higher wages, and that the result has been most hurtful; that everybody now reads newspapers; that unemployed labourers in Scotland, Ireland, and the north and south of England, heard of the high rate of pay in Liverpool, and crowded in thousands into this town; that at this moment there are seven thousand porters unemployed and that the poor fellows look forward with pain, mortification and suffering, to a dismal Christmas, when festivity will be observed in every home but theirs; that Liverpool is full of similar instances in almost every trade; that high wages—not too high if wages were not too low elsewhere—have driven employment out of the town, to the Continent and to London; that in London, in many pursuits, day wages are unknown; that artisans work by 'piece,' and in the majority of cases work at home, in their own houses; that, in consequence, each can manufacture only one kind of article, and that if he happens to leave London he can find

work nowhere else, because, being the victim, so to speak, of the division of labour, he cannot get employment where a man is expected to do everything in the trade; that one result of this is exceedingly hurtful to development in this town; that if anything is wanted out of the ordinary way, employers must send to London for it; that printers here cannot compete with printers elsewhere, because there is a want of engravers, a want of finishers, a want of almost everything necessary to enable literary works to be turned out here similarly to literary works in London; that advance in the wages of joiners is producing similar results; that machines for planing, sawing, &c., are imported from America; that doors and window-frames are coming from Germany; that, even in the small matter of picture-framing and carving, master tradesmen have to resort to Germany. Belgium, France, and Holland; that for a somewhat similar reason literary society in this town is exceedingly limited, and that literary competency, if required, must be looked for in the metropolis; that all these bespeak a state of things which the artisans and the working classes should well understand, for they are most deeply interested in the consequences, and that it is very desirable that benevolent persons should, in addition to 'penny readings,' read something on the science of political economy, for that science is not cribbed and forbidden, as dull fools suppose, but, when properly interpreted, is musical as is Apollo's lute."

STERLING versus DECIMAL MONEY.

To the Editor of the *Trade Review*.

IN a late issue of the *Trade Review*, a correspondent pointed out some of the advantages to be derived from the adoption of the British money system. We have had a trial of the decimal system. In fact it has been compared side by side with the old system; it has had the advantages of legislation in its favor, as well as the influence of American trade, and many are now perhaps less inclined to favor it than when it was first adopted.

The value of either system can be readily determined by considering, firstly, which affords the greater facility in calculation; secondly, which expresses the more accurately divisions of value. Both considerations may be determined by experience, but it would be difficult to obtain a unanimous opinion upon the first, and as to the second experience decides in favor of the British system. The country people are quick enough in reckoning values in pounds, shillings and pence; educated men can frequently mentally calculate more rapidly under the old expressions of value than under the new; and the advantages which the decimal system does at times possess seem hardly appreciable. The quick use of aliquot parts which every school boy formerly learned, enabled him to reckon in a currency more complex than the decimal with a rapidity which astonishes us when we compare it with the process now in use. But be the respective facilities of the two systems what they may, it can hardly be claimed for the decimal, that it prevents mistakes, or that the saving of time is of any appreciable extent.

But when the range of expression is considered, the British system is found decidedly superior. It is to be hoped no people will ever be found on this continent so poor as to require the fraction of a cent, a mill, for currency purposes. The farthing, the lowest in value, of the three fractions of the British penny, is certainly an actual coin, but of so little use as to be disregarded. It, however, plays an important part in calculations under the British system. The retail business of Great Britain is conducted in many cases with so little profit that the farthing which makes its appearance in many calculations is a very important coin. This is apparent when it is considered that using the American system you can only express 99 values up to a dollar; using the British system you can express 239 values in the same range. With the old currency only 39 parts of a dollar can be accurately converted into parts of a dollar of the new currency; and the old currency gave us 119 half pennies, while the new gives 99 cents. Again, with the aid of the farthing we had more than twice as many fractions as the decimal currency gives us, because in practice the fractions of a cent are always discarded, and almost invariably in favor of the receiving party.

Take a simple illustration. The registration of a letter formerly cost one penny. That coin is a tender for two cents, but postmasters will not take it for two cents, because in their accounts they would by taking pennies lose 16 2/3 per cent. The Government have therefore practically increased the cost of registration, and likewise the fine on unpaid letters, 20 per cent. Suppose the number of these passing through the Post Office in one year to be 1,200,000—the increased charge, consequent upon a change of currency, will amount to \$4000. When it is considered that the Post Office business in small change is but a very small part of the

business of the country, it will be seen that a very great increase of receipts in some quarters has been the result of the change in the currency.

It must, however, be admitted, that very little loss has been the result. These aggregates of small differences generally settle themselves in obedience to well-known laws, though the tendency is to the injury of the poor. Where the government is the recipient, no injury can result, because these vulgar fractions make other taxes lighter. But in the case of shop keepers and others, the same fractions are so much extra profit.

The expression of the value of produce in our markets in terms of sterling money, the adoption of a uniform system throughout the British colonies, would be productive of vast advantages. Exchange may yet settle down to the *par* of the Confederate provinces, under the influence of the telegraph. As the American money system exists at present, and in view of its probable continuance in the same state for two or three years at least, the sterling money system would not conflict with the use of their silver in any material degree. With the dime current at 4½d., the half dollar at 2s. sterling, we should have a more accurate expression of the value of American coins than at present. The American copper cent is nearer than our own the value of the British half penny.

But the currency of these Provinces requires more vigorous treatment than mere legislative assimilation with that of Great Britain. There is a great deal of popular discontent with the losses incurred by the use of a silver currency, that one man receives at one value to-day, and pays away at a diminished value to-morrow. It is all very well to say that these things cure themselves; to tell the farmer that if paid for his produce in silver he gets so much the more for it. Not only is this in many instances untrue, but it might be susceptible of proof that the presence of a large amount of foreign currency in the market, and a consequent displacement of our Bank issues, has had the effect of keeping down prices. However, this, the view of some, is not likely to prove so profitable a theme for discussion as the best means of reforming the currency. The establishment of a mint at Montreal would do more than anything else to get rid of the evil. We are sadly in need of good copper, silver and gold coin; and could no doubt supply the greater part of the demand from within ourselves. From our own mines we might supply copper coins to many countries besides our own. Copper coin stays at home, if honestly minted has the confidence of small dealers, and the inconvenience arising from its accumulation in the large cities can be got rid of at small cost by sending it to country towns. Much of the American silver now current could be bought in at a discount which would go far to pay the cost of recoining. With the aid of legislative enactment it is not improbable that American silver could be bought in at 6 to 7 per cent. discount; even one per cent more might not force it out of the country. Nova Scotia and the Chaudière mines—and perhaps Madoc—would supply us with a considerable quantity of gold. All things considered, there are existing the conditions necessary to the establishment of a mint at Montreal. D.

COMMERCIAL RELATIONS BETWEEN FRANCE AND THE UNITED STATES.

The following proclamation has been promulgated:—
By the President of the United States of America—A Proclamation.

WHEREAS, satisfactory evidence has been received by me from his Imperial Majesty, the Emperor of France, through the Marquis de Monthelon, his Envoy Extraordinary and Minister Plenipotentiary, that vessels belonging to citizens of the United States entering any port of France or of its dependencies, on or after January 1, 1867, will not be subjected to the payment of higher duties on tonnage than are levied upon vessels belonging to citizens of France entering said ports. Now, therefore, I, Andrew Johnson, President of the United States of America, by virtue of the authority vested in me by an Act of Congress of the 7th of January, 1824, entitled an Act concerning discriminating duties of tonnage and import, and by an Act in addition thereto of the 24th of May, 1829, do hereby declare and proclaim that on and after the said first day of January, one thousand eight hundred and sixty-seven, so long as vessels of the United States shall be admitted to French ports on the terms aforesaid, French vessels entering ports of the United States will be subjected to no higher rates of duty on tonnage than are levied upon vessels of the United States in the ports thereof.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed. Done at the city of Washington, this 28th day of December, 1866, and of the independence of the United States of America the ninety-first.

ANDREW JOHNSON,

By the President.
[L.S.]

WM. H. SEWART,
Sec'y of State