

HOW TO STANDARDIZE THE DOLLAR

Professor Fisher's Plan Would Decrease or Increase Weight of Gold Bullion to Have a Dollar of Constant Purchasing Power

Considerable publicity is being given Professor Fisher's plan. The following is Professor Fisher's plan for converting the gold dollar into such a composite unit, thus "standardizing" the dollar. Such standardization would be effected by increasing or decreasing the weight of gold bullion constituting the ultimate dollar in such a way that the dollar shall always buy the same average composite of other things.

We now have a dollar of constant weight in gold but of variable purchasing power. If the proposal here described were adopted we should have a dollar of constant purchasing power but of variable weight.

It would not be necessary to vary the actual dollars, paper or coin in circulation. It would only be necessary to vary the weight of gold bullion into which these dollars are interconvertible.

Dollar is Interconvertible

Every dollar in circulation derived, practically, its value or purchasing power from the gold bullion with which it is interconvertible. Every dollar is now interconvertible with 25.8 grains of gold bullion (nine-tenths fine) and is, therefore, worth whatever this amount of bullion is worth.

The very principle of interconvertibility with gold bullion which we now employ could be used to maintain the proposed standardized dollar. The government would buy and sell gold bullion just as it does at present but not at an artificially and immutably fixed price.

At present the gold miner sells his gold to the mint, receiving one dollar, in (say) gold certificates, for each 25.8 grains of gold; while, on the other hand the jeweler or exporter buys gold of the government, paying one dollar of certificates for every 25.8 grains of gold. By thus standing ready to either buy or sell gold on these terms (one dollar for 25.8 grains), the government maintains exact parity of value between the dollar and the 25.8 grains of gold. Thus the 25.8 grains of gold bullion is the virtual dollar.

Different Weights of Bullion

The same mechanism could evidently be employed to keep the dollar equivalent to more or less than 25.8 grains of gold, as decided upon from time to time. Mexico and some South American countries have dollars different from ours simply because they are interconvertible with different weights of gold bullion.

The change in the virtual dollar (bullion weight of gold interconvertible with the dollar) would be made periodically, or once a month, not by guesswork or at anybody's discretion, but according to an exact criterion. This exact criterion is found in the now familiar "index number" which tells us whether the general level of prices is, at any time, higher or lower than it was. Thus, if in any month the index number was 1 per cent. above par, the virtual dollar would be increased 1 per cent. Thus the dollar would be "compensated" increasing the number of grains which virtually make the dollar.

Weight of Gold Coins

It would not be necessary to change the weight of the actual gold coins. So long as these are interconvertible with a heavier weight of gold bullion they would be worth this weight of bullion. They would be mere tokens, "brass checks," as it were, to bullion, or gold certificates printed on gold instead of on paper. The plan would be simplified, however, if all gold coins were abolished and only paper certificates to gold bullion were employed. In that case the virtual dollar, or weight of gold bullion interconvertible with a dollar of certificates, could be reduced, if need be at any time, below 25.8 grains as freely as it could be increased above that weight. Provision against speculation in gold embarrassing to the government would be made by a small government fee for its services in buying and selling gold.

Professor Irving Fisher, of Yale University, is one of the most distinguished economists of this continent.

PROMOTER SENT TO TRIAL

Mr. A. L. Ruthven, promoter of the Dominion Automatic Train Control Company, has been committed to trial by Judge Leet in the Enquete Court on an indictment charging him with obtaining money under false pretences. In committing Ruthven for trial Judge Leet said there was no doubt that the apparatus which was exhibited in the Dominion Company's office in the Transportation Building, Montreal, and which proved the inducement for investors, was impracticable.

The Canadian National Exhibition Association, Toronto, has handed over to the city \$40,024 profits from the last exhibition, compared with \$36,431 for 1911.

CANADA IMPORTS MUCH CLAY

Chiefly From Great Britain and United States—Miscellaneous Products Shows Increase.

Canada's clay imports are classified by the department of customs under three main subdivisions: clays, brick and tile, and earthenware and chinaware, and their total value is shown as \$5,156,544, or 62 per cent. of the domestic production, in the annual report of Mr. J. McLeish, B.A., chief of the division of mineral resources and statistics. The imports of clays in 1911 were valued at \$270,247, and included chiefly china clay and fire clay, with a small quantity of pipe clay, and others clays not classified. The value of china clay imports was \$125,768, and of fire clay, \$125,199.

The imports of these clays have varied considerably from year to year, and do not show the same general increase as do the imports of manufactured clays. The imports classified under brick and tile were valued in 1911 at \$2,369,761, of which about 34 per cent. was firebrick, other important items being building brick, sewer pipe, and paving brick.

There was also an importation under this class of manufactures of clay not specifically designated, valued at \$523,998. The imports of these "unclassified" brick and tile have increased steadily year by year, the value of such imports in 1905 having been only \$20,804. The total imports of brick and tile in 1910 were valued at \$1,755,773, showing an increase in 1911 of about 35 per cent.

Table and Sanitary Ware

The imports of earthenware and chinaware, of which the most important class is tableware, were valued in 1911 at \$2,516,536, as against \$2,283,116, an increase of about 10 per cent.

There is also a considerable annual importation of "chalk, china or cornwall stone, cliff stone and feldspar, fluorspar, magnesite ground or unground," much of which is no doubt used in connection with the manufacture of clay products.

The value of these imports during 1911 was \$147,640; of which \$90,119 was from the United States, \$54,548 from Great Britain, and \$2,973 from other countries. The value of the imports under this item during the calendar year 1910 was \$121,959.

There is also an annual importation of "baths, bath tubs, basins, closets, lavatories, urinals, sinks, and laundry tubs of any material," the value of such imports during 1911 being \$285,847, as compared with \$262,667 during the year 1910.

From Many Sources

Imported clay products are derived chiefly from Great Britain, and the United States, although considerable quantities of earthenware, china, and porcelain ware, white granite or ironstoneware, etc., are brought from Germany, France, Austria-Hungary, and Japan.

Of the brick and tile imported, 76.7 per cent. was from the United States and 23.2 per cent. from Great Britain; and only \$578 worth from other countries.

Of the earthenware and chinaware, 62 per cent. was imported from Great Britain; 15 per cent. from the United States; 9 per cent. from Germany; 7 per cent. from France, and considerable values also from Japan, Austria-Hungary, and other countries. The crude clays were imported principally from Great Britain and the United States.

NEW COMPANY CHARTERS

The secretary of state has issued the following table, showing the expansion of Canadian business by the number of new companies formed with Dominion charters, and the amount of capital obtained for their development during the past 12 years, the years ending on March 31st:

	No. of com- panies.	Total cap'n of new Co.'s.	Increased cap. of existing Co.'s.	Grand total.
	(3 ciphers omitted).			
1900.....	53	\$ 9,558	\$ 3,351	\$ 12,909
1901.....	55	7,662	3,420	11,082
1902.....	126	51,182	5,055	56,237
1903.....	187	83,405	5,584	89,259
1904.....	206	80,597	3,366	83,963
1905.....	293	99,910	9,685	109,595
1906.....	374	180,173	32,403	212,576
1907.....	378	132,686	19,091	151,778
1908*.....	64	13,299	865	14,164
1908-9.....	366	121,624	72,293	193,917
1909-10.....	493	301,788	46,589	348,377
1910-11.....	544	458,415	24,715	483,131
1911-12.....	658	447,626	42,939	490,565

*First three months.

An interesting compilation of charters issued during the twelve months of 1912 will appear in The Monetary Times annual number next week.