

HALIFAX AS A COMPETING WINTER PORT.

When Sir Hugh Allan told the citizens of Halifax that, if their city was to become a winter shipping Port for Western produce, there must be persons there prepared to handle grain, he did not necessarily mean that they must be prepared to buy it at their own risk. If freights from the West to Europe *via* Halifax can compete successfully with those *via* other Atlantic ports, and the time can be made to suit, there is no reason why Halifax should not get its share of the trade. In comparing competing rates of freight, insurance would have to be taken into account. Of course when a vessel is to load with grain at Halifax, it would be essential that the grain should be got there for shipment; and it would go there on the sole condition that the freight and insurance were low enough, and that the usual time allowed for putting cargoes on board was not exceeded. That time, between the purchase and the placing of grain on board, is usually reckoned at twenty-one days. A vessel, at New York, is prepared to take on a cargo of grain for Europe. A shipping agent notifies his correspondents at Chicago, Milwaukee and in Ontario of the fact, giving the rate of freight from any given point in the interior to Glasgow or some other British port. If the terms suit, the cargo is soon made up. It is not necessary for any one in New York to disburse a dollar for the grain. And the same thing could be done for Halifax in the same way.

There are buyers of grain stationed at every important point in the interior where grain is to be had. Some of them buy on commission, some on their own account. It is a mistake to suppose that none of the Chicago grain dealers ship on their own account. Much grain is purchased at Chicago and shipped to Europe by operators living in that city. Show them that the Halifax route can compete favorably with all others and they will have no prejudice against it. The location of the grain buyer is of very little consequence. Chicago buyers are constantly purchasing wheat in Ontario for shipment to Europe, and Ontario buyers are constantly buying in the Western States for the same purpose. All these parties will accept the best terms of shipment offered, whether it be *via* Halifax, New York, Boston or Portland.

Much grain is bought both in Ontario and the Western States on commission for English and Scotch account. A commission merchant in Toronto or Chicago receives an order from Glasgow or Liver-

pool to buy a certain kind and weight of wheat at a price named. Similar orders could be sent to Halifax, or anywhere else; and the persons who received them, if the grain was not in the city, could get their correspondents in the interior to make the purchases. Let not the Haligonians fret. It is not necessary for them to have command of half the bank capital in the Dominion to ensure for their port a fair share of the shipping of grain in winter. As a summer port of shipment Halifax is of course out of the question. No doubt it would be convenient to have grain dealers in that city on their own account; and the necessity would bring the men into existence. Banks are always ready to advance on grain, but the margin of risk must of course be with the operator. This implies the possession of capital by the operators. The business is not without risks, as all experience proves; but what business is uniformly free from all elements of hazard?

The best thing, as already intimated, to secure Halifax a share of the business of shipping grain to Europe, is an acceptable rate of through freight; and this once obtained all the rest will follow as a matter of course. Sir Hugh Allan has stated that, subject to the pleasure of the Grand Trunk Railway Company, grain can be sent from the West to Europe *via* Halifax at as low rates as by any other route. There is of course always the danger that rates will be lowered in other directions. To Halifax is undeniably a long rail route; and the long lines to be successful must compete with the short ones. In this way, they are more or less handicapped; but success is not impossible if paying rates are kept up on all the great lines. As a matter of fact paying rates are far from being the invariable rule; but it is natural to suppose that an abnormal condition of things cannot be made perpetual, and that paying rates must rule in the end. In that case, the chances of Halifax as a winter port are fair, and should save those more immediately interested from despondency.

COAL MONOPOLY.

It is doubtful whether the steps recently taken in the States to establish a monopoly of anthracite coal can, in the end, be successful. The proposal had all the elements of a monopoly, and a monopoly which would be illegal under the laws of Pennsylvania. The plan was to restrict, by mutual agreement, the shipment of coal to the general market, with a forfeit for breach of agreement; to fix a price on the 1st of April each year, with a gradual increase as

winter comes on. It has been said, and we believe truly, that such an agreement would be contrary to law and punishable as a misdemeanor. A reasonable restriction on sales which did not interfere with the rights of the public, would no doubt be allowable; but a general conspiracy among coal producers to raise prices artificially would not be of this nature. A combination among coal men similar to that recently proposed by Mr. F. B. Bowen, was made in 1866, to restrict the sale of bituminous coal. The Ring controlled nearly all this kind of coal in the northern part of the State of New York; and the combination gave them the entire control of the market. The conditions as to price, and time, and quantity, on which alone each member of it could ship, were rigidly prescribed by the combination.

When the legality of this Ring was brought in question, the courts decided against it. It was admitted that as individuals, each member of the combination could have forborne to sell when he pleased; but then competition would have given play to the natural laws of supply and demand, and no injury would have been done. It was otherwise when the men who controlled the supply of this kind of coal united to interfere with the natural laws of trade, and entered into a league to raise the price by limiting the supply below the demand; or, the supply being sufficient, to prevent sales except at a fixed price above what it would have been under the operation of the law of supply and demand. In this way, every one who used coal was injuriously affected.

Both in Pennsylvania and New York combinations of this kind are illegal; and whenever they are formed they are sure to be attacked on that ground. It is well it is so; for if a number of men controlling this article of prime necessity could raise prices to any figure they chose by conspiring to suspend the operation of the natural law of supply and demand, the public would suffer a grievous injury. Let us be thankful that there is not much reason to fear that the menaced coal monopoly will prove seriously disastrous to consumers.

FLUCTUATIONS OF STOCKS DURING 1877.

We print elsewhere in to-day's issue a table of average prices of stocks for 1877 furnished expressly for this journal by Messrs. Oswald Bros., stock brokers, Montreal. This table shows that the dividends of most of the banks have been reduced during the year. There have been heavy declines in quoted values, implying