

A NOVEL PLAN FOR THE RESUMPTION OF SPECIE PAYMENTS.

A BILL has been presented in the House of Representatives, at Washington, for the resumption of specie payments, which embraces some novel features that are worthy the attention of legislators and business men. It provides that the outstanding notes of the United States, when received in the course of ordinary transactions by the Government, shall be destroyed, and in lieu thereof shall be issued new notes of the same denomination and amount, which shall be payable in coin one year from date. The outstanding notes of the National Banks, when received at the Treasury Department, shall be returned to the respective banks issuing them for redemption in legal tender notes, and the latter, when they reach the Treasury Department, shall be destroyed, and in their place the new notes authorized under this Act shall be issued, redeemable in gold as provided, one year from date. But the entire number of new notes issued shall not exceed the total volume of the present circulation.

The notes thus issued are to be a legal tender for all purposes except for the payment of the coin interest of the debt, and also, except before maturity, shall be received in payment of duties on imports. Notes of the new issue received by the Treasury Department before maturity, shall be reissued, or new notes of the same denomination shall be circulated. When the period of the redemption in specie of the new notes shall have arrived, the Secretary of the Treasury, at his discretion, may issue notes authorized by this Act, for periods of not more than a year nor less than three months, which shall be redeemable in specie as provided. The Secretary is also authorized to purchase coin for the redemption of these notes, and may issue, at his discretion, bonds to an amount not exceeding \$50,000,000, bearing interest at the rate of not more than six per cent in coin, or seven three-tenths per cent in currency, and redeemable after three years or not more than forty years, at the pleasure of the Government. After the passage of this Act no specie shall be paid out by the Treasury Department except for the payment of the coin interest of the National Debt.

Such, in brief, are the provisions of a bill which, if adopted at the close of the war, would by this time have resulted in the general return of specie payments. Among the objections to it the more important is that it is too complicated and remote. It cannot be acted upon by the present and probably not by the next session of Congress. It has the advantage, however, of anticipating and providing for all contingent embarrassments that may occur during the transition state. It is also objectionable so far as it seems to be based on the general but erroneous assumption that specie payments require the possession by the Government of a dollar in coin for every dollar in currency.

As this bill is not likely to be acted upon before the winter session of Congress, if, indeed, it does not go over to a new Congress, the adoption by the Senate of the House bill legalizing specie contracts in gold would be desirable.

THE PETROLEUM TRADE OF CANADA.

(From the London Free Press.)

A REVIEW of the present condition of the crude and refined trade of Canada may not be uninteresting at a time when the oil market, both in England and the United States, has rapidly advanced. The comparison between the trade here and the other side of the line is certainly not very flattering to us, either as regards our energy or business acumen. Thus, crude oil can be bought at our wells in Petrolia for 35c. per barrel, while in the States the same article is held at \$4 per barrel, in gold, at the wells! Why this absurd difference? Simply because our efforts are confined to the bounds of Canada; while the Americans have established their markets all over the world, and the Canadians are content to sit down indifferent, as it would seem, to the enormous mercantile advantages that they lose from lack of energy and enterprise.

During the last two years the article of crude has ruled lower and lower until "bottom" has been reached. When we say "bottom" we mean the actual cost of pumping the oil, to say nothing of the original investment of capital. In July, 1886, crude was freely selling at \$4 per barrel in gold; in December of the same year it fell to \$1; in the spring of 1887 it rallied to \$1.50, and during the summer and fall receded to 50c. This year it has been sold by the thousands of barrels as low as 25c. per barrel, or a gallon of crude oil for about half a cent. The enormous yield of the wells last year attracted American and home capitalists, and about 285,000 barrels of crude oil is stored away in vast underground tanks awaiting the time when a "rise" shall reimburse the confiding speculator. But time slips away, and still the wells hold out, baffling the calculations of the shrewd, and supplying the market with the cheap 30 cents per barrel oil, to the dismay of those who have invested their tens of thousands of dollars in tankage. But there is an end to all this, for the reason that the lunatic has not been discovered who will, in the face of the low prices and accumulated stocks, venture to put down another well. Hence it follows that, when the present pumping wells are exhausted, the time for the tank men will have arrived.

If we turn from the crude to the refining interest, greater depression and gloom exists. The trade is utterly prostrate. A stock of from 35,000 to 40,000 barrels of refined is in the market seeking buyers and finding but few, while abundance of cheap crude offers daily. But the refiners are, as a body, "very sick." They have, by relentless competition cut down the trade to such a bare margin, that there is no profit in the business, and hence, like drowning men on a wreck, they have, one by one, gradually dropped

their hold, and shut down their works. The five cent per gallon duty, of course, will tend further to depress the trade, for, with the large stocks of free oil in the market, it is impossible to sell the new oil bearing a duty of five cents a gallon in competition. There is, then, nothing but a period of stagnation before the oil men. Their only hope is patiently to wait the absorption of stocks by consumption, and then to recommence the hopeless business. But "while the grass grows the steed starves," and to all appearance the "occupation" of the refiners is gone dead for many months to come. Refined oil can be had in large quantities for 14c to 15c per gallon—a price it cannot be made for, seeing that the duty and inspection is equal to 5c per gallon.

Attempts have been made to convert the oil business into a huge monopoly, in the purchase by a company of all the oil territory and wells, but the attempt soon fell through. A similar movement to "corner" refined was also attempted, but the jealousies of refiners, and the enormous capital required, would probably render such attempts abortive. But there is a hope for the revival of the oil business in Canada by looking abroad. We alluded at the commencement of these remarks to the activity of the oil business in the States and Europe. This arises not from any speculative demand, but simply from the increased demand for petroleum abroad, together with the decrease of the yield of the wells in the States—exactly the opposite conditions to those which prevail here. The market in England, in the middle of July, is higher than it was in December last, and the same phenomenon is observable at Antwerp. The present price of refined in England is 1s 6d. per gallon, or 37 cents in gold for the imperial gallon, or 28 cents for the Winchester, equivalent to the Canada gallon. Now our oil can be made, suitable for the English markets, less duty, for 15 cents, leaving a margin of 15 cents per gallon, or \$6 per barrel, for the cost of shipment and profits. The tendency of oil, abroad, is upwards, and if our refiners, crude holders, and Eastern merchants and shippers, could only understand each other, every refinery in Canada could be running for the British markets with large profits. The fact is demonstrated that an oil equal to the best "straw to white" American can be made from Canadian crude. The opportunity now offers to strike and secure a portion of the foreign trade, especially now that our markets, as we have shown, are hopelessly glutted. The tendency of petroleum in Europe is upwards, and before the winter refined promises to touch 1s 7d. to 1s 8d. per gallon, at which rates, with the low-priced crude, shippers could make fabulous profits. As a class, the refiners have not the means to attempt foreign shipments, as their capital is mostly absorbed in their works. The Montreal and Quebec merchants and shippers should have the courage to open the markets abroad between now and the close of navigation.

THE SILK TRADE OF LYONS.—The *Salut Public* of Lyons, in speaking of the silk trade, says:—"Business last week assumed all the development possible with stocks in such a state of exhaustion; all articles were in demand, and the official quotations show a marked rise. The consignments from Asia have participated in the movement, and will probably be still more inquired for in presence of the enormous advance in the price of silks in Europe. Nevertheless, the most important transactions of the week consist in sales for delivery at very high rates. The cause of the briskness lies in the opinion, now general, that the crop will be inferior to that of last year both as to quantity and quality. In the factories, an activity is observed which appears wonderful when we consider the price of the raw material. If any persons two years ago had said to the trade, then in utter stagnation, 'You will never again have a brisk market until the price of silks has risen 50 per cent,' the dealers would have been seized with a fit of laughter; and yet such is the exact truth at present, as the rise just mentioned has been realized; hands are short; material is bespoke before it reaches the warehouse; and the high prices, readily accepted, do not for a moment arrest the consumption. From Paris and London orders arrive in swift succession, and even America seems disposed to return to our market. This situation is altogether unexpected; yet a grain of sand on fortune's wheel might suffice to change the whole aspect of affairs. There are so many causes of disquietude in Europe, so many rifled cannons, so many loaded rifles, that people ask themselves what will become of the high prices of silks and the consequent activity if a single shot were fired at this moment in Germany, Italy, or elsewhere. Let us not forget that Sadowa caused a fall of 80%."

ARRIVALS FROM SEA, AND TONNAGE.

Comparative statement of arrivals from sea, at the Port of Montreal, for the week ending July 11, for the years ending 1887-'88:—

1887—Steamships.....	4	Tonnage.....	2,645
Sailing vessels.....	12	Do.....	1,631
Total arrivals.....	16	Total Tonnage.....	4,279
1888—Steamships.....	5	Tonnage.....	4,762
Sailing vessels.....	11	Do.....	2,342
Total arrivals.....	16	Total Tonnage.....	7,104
Increase for 1888.....	00	Increase do.....	2,825
1887—Total arrivals.....	182	Total Tonnage.....	10,663
1888—Do.....	186	Do.....	78,503
Increase for 1888.....	3	Increase do.....	67,840

CONSUMPTION OF SUGAR.

STATISTICS, although they present but uninteresting reading to the generality of people, are invaluable to the political economist, as producing an irrefutable evidence of the well-being of different classes of populations and next in importance to bread-stuffs and wines and spirituous liquors we must class the consumption of sugar as denoting the increase in wealth of a community. From an elaborate review of the sugar trade in the *Produce Markets Review* we extract the following estimate of the consumption of sugar in different countries. Roughly dividing the nations into classes, the interesting fact is shown that Great Britain with her Colonies, with the United States, are the most important sugar consumers, as they use 1,420,000 tons per annum, or 16s, 41 40 per head. France, Italy, Spain, Belgium, Portugal and Switzerland use 506,000 tons per annum, or 16s, 12 34 per head. The third on the list is the great Teutonic race, but with the great impetus given to its national life, and the much greater scope for enterprise and commerce, Germany, with its domestic social life will soon rise in the sugar scale. The Zollverein, Austria, Holland, the Hanseatic League and Denmark consume 262,000 tons per annum, or 16s, 7 30 per head. Last comes Russia, Poland, Turkey and Greece, and the deliveries in these countries amount only to 125,000 or 16s, 3 30 per head.

The quantity of sugar used in the rich countries depends upon its price, and the low rates of the last few years have given an extraordinary stimulus to the deliveries. What effect the reduction of stocks may have upon prices we cannot of course predict, but we certainly do not anticipate that the prices prevailing before the American War will ever be kept up again for any length of time. The sources of supply at present worked are so numerous, the cultivation of sugar can be so indefinitely extended, and even at the late and present low rates is so remunerative, that all possible demands can be met; and, as the wealth of civilized communities increases, we anticipate a progressive increase in the use of sugar. In fact, the figures that we consider so large at present, will, if the late rates of progress be maintained, soon be considered utterly insignificant. In round numbers the British consumption for 1887 may be estimated at 625,000 tons. On the scale of New South Wales it would amount to 1,250,000 tons per annum. The total consumption of the 313,000,000 souls from whom returns can be obtained, is 2,035,000 tons per annum, or 15 lbs per head. On the British scale consumption it would amount to 6,150,000 tons; on the New South Wales scale to 12,900,000 tons; the growers of sugar, therefore, need have no fear of extending cultivation too far.

NEW ENTERPRISE.—The *Sarnia Observer* mentions a new enterprise started in Wallaceburg by Messrs. C. J. & I. S. Farrell & Co., which deserves a passing notice. This is the manufacture of spade handles, of the description used in the common English garden spade. The Messrs. Farrell have during last spring, erected a manufactory of the kind referred to, the machinery being of the most perfect description. The Messrs. Farrell had lately at the Grand Trunk depot, at Point Edward, 500 dozen of these spade handles, and they have made arrangements for sending all they can manufacture to that market. The handles are made of white ash, of which there is any quantity in the neighborhood of Wallaceburg.

THE CROPS IN EUROPE.—Accounts from England relative to the condition of the growing crops are generally favorable, the only exceptions being such as are peculiarly the capital of the "grumblers" whom no circumstances can satisfy. The weather has been favorable, and harvesting in some of the earlier wheat districts will be general before the middle of July. Reports from France say that the wheat-fields are already fast ripening for the sickle. If the next month hold equally good, "corn, wine, and oil" will be once more plentiful in *la belle France*. Both from north and south, as well as from the rich plains of the Beauce in the west, the accounts are every day more favorable, and the price of cereals is steadily falling.

EUROPEAN AND NORTH AMERICAN RAILWAY.—The *Times* of the 22nd June says:—"The Committee of the Stock Exchange have granted an official quotation to the issue, through Messrs. J. C. Morgan & Co., of £411,000, first mortgage 6 per cent bonds of the European and North American Railway Company constituted under a subsidy from the British Province of New Brunswick to connect the province with the entire railway system of the United States. The subscription was made at the end of last month at the price of 73, and the instalments extend to the 1st of September next."

FARNWORTH AND JARDINE'S TIMBER CIRCULAR.

Liverpool and London Chambers,
And 9 Canada Dock,
Liverpool, June 19, 1888.

THE arrivals from British North America during the past month have been 8 vessels, 5886 tons.

The import to this time has been only about half of that of the two preceding years, and stocks of nearly all woods are unusually bare; notwithstanding there is a want of animation in the trade, which checks all tendency to any advance in prices; on the contrary, our market during the past month has been rather on the decline.

CANADIAN WOODS.—Beyond a few deals brought by steamer, the import season has not yet commenced, and sales have only been by retail. There are few