

we abstain from using them unnecessarily. Whether the telephone service is a good point at which to begin depends, as already remarked, on the effectiveness of the appliances which can be used for doing the measuring.

## Business, Locality and Politics

One of the most serious difficulties which beset the carrying on of any form of business by the state is being exhibited in the workings of the Shipping Board of the United States. This Board is now operating various ocean-going steamship services in preference to selling the large amount of tonnage which has accumulated under government ownership during the war, and which cannot now be disposed of at advantageous prices. Admiral Benson, the chairman of the Shipping Board, has recently made a statement that in planning steamship service to carry America's foreign trade the Shipping Board proposes "to break up the monopoly heretofore held by New York." Services will be maintained from the various American ports, with the idea of running ships from the sources of the products exported and with a view to relieving the congestion of the railroads by bringing in goods to the ports nearest to the point of consumption. He stated that one influence which had operated previously against the development of American shipping was that New York had a monopoly. He scored the bad facilities for the loading and discharging of vessels in New York and stated that this monopoly had fostered a spirit of indifference on the part of its commercial enterprises. He asserted that the Shipping Board was being charged outrageous prices for docking facilities in that port, and added that a report soon to be made public would show this. By scattering shipping a spirit of competition will be engendered among the various American ports, he added, and ocean commerce be benefited.

All of those charges may be correct and justified. On the other hand, some of them, or all of them, may not be. The shipping interests of New York naturally deny them with all their might. If the charges are true, it is good economic policy to strive to overcome the New York monopoly by establishing services from other points—always providing that the striver be sufficiently strong to contend against the New York shipping interests with a reasonable prospect of success. But the striver should be an individual or an organization which can reap the fruits of its own success or pay the penalty of its own failure. The Shipping Board cannot do that, being a creature of the state, whose profits go to the people and whose losses must be made good by the people.

What right has the Shipping Board to use the credit of the people of the whole United States in an effort to break up a monopoly alleged to be exercised by a certain portion of the United States? If the courts had passed upon this alleged monopoly and declared it to be a monopoly and subject to the repressive action of the national government, it would be perfectly correct for that government to spend any amount of the people's funds to put a stop to it, but it has never been so investigated or so convicted. It has not had the chance to defend itself. The Shipping Board is not a court before which alleged monopolies can appear and defend themselves. It may be that the alleged monopolies of the New York shipping interests is due to the natural superiority of that port and not to any conspiracy on the part of its shipping authorities. In that case, what justification can there be for the spending of Government money by the Shipping Board in an effort to establish competing facilities in other and less advantageously situated ports?

The whole affair seems likely to bring into the conduct of a great government enterprise an amount of local jealousy and peanut politics which must be fatal to efficiency in the operation of the business and detrimental to the government of the country. New York can defend itself against such attacks only in one way, and that is by fighting against the party which sustains the Shipping Board in power. It is highly undesirable that New York, or any other section of the United States, should have to fight on one side or another of a national political conflict simply according to the dictates of its own local interests. The questions which are agitating New York today are the questions which may be agitating Montreal—or other ports in rivalry to Montreal—tomorrow. They are questions which could not arise if governments were abstaining from the effort to carry on various forms of business which have hitherto been pursued by private individuals for their own profit.

## Cutting Off the Nasal Organ

It is proposed in Toronto to cancel a few restaurant licenses "just as a warning to profiteers that the public are tired of being robbed." It does not sound like a very bright idea. If prices in Toronto restaurants are excessive, it is because there are not enough restaurants in Toronto to supply the demand for meals. It is very probable that this is the case. The increase in the numbers of the wage-earning population, due to the extensive transfer of women workers from domestic to industrial and commercial occupations, and the increasing difficulty for all workers to get home for meals, and to get meals decently provided

when one gets home, has caused an immense increase in the demand for restaurant services in the last few years. There are few places of this kind which are not crowded up to their effective capacity at the noon hour and frequently also in the evening. How the Toronto people expect to improve their situation by closing up some of these establishments is more than one can well understand. The only hope for an eventual betterment of the situation lies in the establishment of more restaurants, which in itself involves more lively competition for the services of cooks and waiters, hard enough to obtain at the present time. If these Toronto people who think that their restaurants are charging too much would themselves abstain from going to them and would endeavor to secure their meals at home, or to bring a dinner pail with them when they leave the house in the morning (the dinner pail itself, as a badge of servitude, is being rapidly abandoned even by the moderately paid workers), they may hope to effect something of their object. They would leave the total capacity of the restaurants unimpaired, and would somewhat reduce the demand for meals. The proposal to reduce the restaurant capacity while leaving the demand for meals unaltered is pure insanity. Not only would it reduce the present facilities for looking after those who want to be fed away from home, but it would permanently deter new capital from adventuring into what is otherwise at the present time a fairly attractive business.

## NOTES OF THE WEEK.

Coal miners the world over are acting on the assumption that their services are indispensable to human life and can therefore be charged for at a monopoly rate. For the moment their assumption is true, but in the long run it is not. A continuance of this policy by the miners would in a few years turn half the coal consumers of the world to other fuels, of which many are easily available, but require certain adaptations in the combustion mechanism. Oil and peat need no specialized labor for their production.

The Montreal Trades & Labor Council are to be congratulated on their decision not to call a school-children's strike. Last week's meeting showed an appreciation of the value of education, which speaks very highly for the men in charge of the labor interests of this district.

Discussions about buying gold as a means of improving the exchange rate are a waste of time. Only one thing will improve the exchange rate of any country, and that is producing and selling more and buying less.

There is one great advantage about having a depreciated exchange rate; it is always open to improvement. An exchange rate which is higher than that of all one's neighbors cannot in the long run do anything but come down, and the process of coming down may be somewhat uncomfortable.