

if this were all there would not be a marked difference in his labour as a cost factor against the average white laborer, but it is through his ignorance and indifference that he becomes a cheaper laborer, because through him the Company Store System flourishes, as it is absolutely impossible to flourish with any white labor. The negro in most cases is paid through the Company's store. Some few will have a large portion of their pay coming to them at the end of the month, especially in town districts, but in more remote districts there is no question but that any considerable amount of cash on pay day is a rarity. Owing to his ignorance the temptation arises to charge him heavy prices, and the result is that while our iron costs are more than those of the Southern iron, yet this is largely due to this peculiar labor condition, as you can readily see when you consider that the mining of coal, ore and limestone is almost entirely labor, and that it is just in these processes largely carried on in more remote places, that the conditions above mentioned of inordinate store profits cause the extreme cheapness with which those articles from which iron is made, can be produced. Canadian labor is so vastly the gainer by none of these conditions existing among it, that it cannot afford to lose sight of them for a moment in any discussion of our industrial systems.

The worst feature of the Southern labor conditions, however, is the contract prison labor, which is a virtual system of legalized slavery. All State prisoners are auctioned off to the highest bidder, usually a mining company, and then penned up in a camp near the mines and made to work, the company feeding and housing them, besides paying the stipulated price to the State per man. This system naturally allows of very cheap mining, for, while the men are usually treated quite fairly—yet, every effort is made to get the most work out of them for the least expenditure.

In regard to railroad facilities and distances from market, both sections are at a disadvantage as compared with the Northern and Central iron plants, but taking this long distance into consideration, the differences are not great, though Alabama has the advantage of 7 or 8 trunk systems, while you practically have but two. This not only gives occasionally more competition, but also a wider scope of market, This, however, is so purely a geographical condition of Canada, and

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