

The Chronicle

Banking, Insurance & Finance.

ESTABLISHED JANUARY, 1881

PUBLISHED EVERY FRIDAY

Vol. XXXII. No. 51

MONTREAL, DECEMBER 20, 1912.

Single Copy 10c.
Annual Subscription \$3.00

IMPERIAL DEFENCE. THE main objection to the naval policy of the Opposition at Ottawa is that it isn't a naval policy at all. Nobody who has paid the slightest attention to the conditions which present themselves in modern naval warfare, can see any practical connection between the establishment of a baby fleet on the Pacific Coast and another one on the Atlantic Coast and the defence of Canada or of the Empire. Any great naval war of the future will be decided when the battle fleets of the fighting powers meet. If a foreign fleet beats the British Navy in the North Sea or the Mediterranean the fate of Canada or of the Empire will not be affected in the slightest degree by the fact that there is an undermanned tin-pot navy off British Columbia, and another off Nova Scotia. To the victor will belong every inch of the British Empire that it is thought wise to take. Industrial conditions in Canada are such that we cannot find enough men to recruit the present "Canadian Navy" or the permanent military corps. This does not mean that Canadians cannot be depended upon in time of emergency to do a great deal for the defence of the flag, but it does mean that we must cut our coat according to our cloth. We can have a nation in arms and a nation of marksmen, always ready for defensive purposes, but we cannot get trained man o' war's men "Like trousers ready-made" just at a day's notice. The proposed twin navies would have no more effect on the next war than a ferry boat, and no more moral effect upon the nations than the present debate will have upon the electors. The sentiment of the people of Canada is overwhelmingly in favor of doing something real for the defence of the Empire. It does not need stimulating and will not be weakened by floods of oratory.

OUR PILOTAGE SYSTEM. NO wonder the Shipping Federation of Canada is asking for a royal commission to investigate the pilotage system on the St. Lawrence below Quebec. During the last ten years there have been twenty-five accidents, some of them involving very serious losses and in all but few cases the pilots have after careful investigation been held to blame and have been punished or censured. The law as it stands seems to be more for the benefit of a close corporation, than for the protection of the shipping. It would pay the shipping interests to pension the present pilots and all their

relations to the third generation if the business could thereby be thrown open to the best men for the work. They would save millions of dollars in the next ten years. The change would avert shipwrecks and bring down the insurance rates. The record as it stands is enough to account for the bad reputation of the St. Lawrence route. It is of no use to spend money on deepening, straightening or lighting the channel if the great steamships are to be left at the mercy of incompetent pilots.

ANTHRACITE TRUST ILLEGAL.

THE Supreme Court of the United States has cancelled the contracts under which the railway-owned coal companies of Pennsylvania have purchased for all time the output of the independent mines. The Government attacked these contracts as being in violation of the Sherman Anti-Trust Act. Canadians as well as Americans have suffered from the unholy alliance between the railway companies as common carriers and the coal owners, or in many cases the railway companies as coal owners in Pennsylvania. Attorney-General Wickersham expresses the opinion that the decision will so completely destroy the combination which now controls the price of anthracite that it must result in a distinct measure of relief to the public. The relief cannot come too soon. Judge Lurton spoke strongly upon the great factor of the six railway companies and their coal company associates owning over ninety per cent. of the entire unmined area of anthracite. Imagine six companies which supply over seventy-five per cent. of the anthracite put upon the market and are interested in making this article of prime necessity as dear as possible, also owning ninety per cent. of the unmined anthracite and holding it for no other purpose than to prevent anybody else working it and competing with them in the market! They have not even the justification of the much-abused Standard Oil monopoly, which made oil cheap to the public, if it did also incidentally crush out its competitors. The hard coal monopoly has inflicted untold hardship upon the public. To-day the supply of coal is inadequate, the quality in many cases bad, and the cost to the public atrocious. Conditions are said to be as bad in Philadelphia as in Montreal. Such a state of affairs, as exists in the anthracite trade would justify almost anything in the way of remedial legislation—even government ownership, which is generally to be deprecated.