

ESTABLISHED 1866

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**TORONTO, FRIDAY, FEBRUARY 8, 1895.**

### THE SITUATION.

Newfoundland, in petitioning the British Government to appoint a royal commission to enquire into the affairs of the colony, seeks to make a condition which is, we venture to think, unprecedented. The proposal is that the British Government should purchase the acquiescence of the islanders in the appointment of the commission by the payment of a sum of money, in return for which the petitioners will accept the recommendation of the commission, whatever it may be. That any such condition will be agreed to by the Imperial Government is improbable. Newfoundland is in serious trouble, financial and political, and she will accept of advice from people likely to be able to offer such as will be of service, if the adviser will only consent to pay for the privilege. The notion is in the last degree incongruous. To look at the other side: How could the Newfoundlanders agree in advance to accept a conclusion of which they can know nothing? The implied expectation may be that the remedy proposed will be federation with Canada; but if this is intended, it would be better to have it understood in direct terms than to take a leap in the dark. In the hour of disaster, the tendency to disintegration is general. Sir William Whiteway's party is represented as being in the throes of dissolution, at a moment when it is essential that it should hold together. There is one consolation: things in the island have reached that pass that they cannot well get worse.

At a recent public meeting attended by members of the Dominion Government, the fact that the United States is now producing pig iron cheaper than any other country was dwelt upon. The price, in Alabama, was stated to be \$6.75 per ton. The statement is, we believe, correct. But as much cannot be said for the reasons given for this cheapness. It is not true that Alabama has been able to compete with the world in the production of pig iron because of any tariff policy affecting iron that has been acted upon. Alabama produces the cheapest iron, because she has the best facilities for doing so; the iron ore, the coal and the limestone, the three things necessary to the production of iron, are all found in close proximity to one another, and negro labor is not dear. In other places, coal and iron ore are sometimes found close to one another, but even then the limestone necessary for the flux, is wanting. This explains

why Alabama can produce iron cheaper than it can be produced anywhere else. Alabama iron masters need no protection, because they can meet the competition of the world in foreign markets as well as at home. Their competition has troubled nobody more than the iron men of Pennsylvania, by whom strenuous efforts have been made to prevent their rivals making use of the ordinary channels of distribution, and who refused to sell their wares to men who dealt in the Alabama product. In this way, the Alabama iron has gone direct to founders and others who work it up, when it has not found its way to the retailer. And so one class of retailers have been dispensed with. Canada gives a bounty of \$4.48 per ton on pig iron produced in the country, when for \$1.77 more a ton can be bought in the open market of Alabama. Special advantages such as Alabama possesses have often, in the past, produced a revolution in particular industries, to the ruin of those which are handicapped by some want which is supplied at less cost by the latest triumphant rival.

During the week the Canadian public has been a little startled by the announcement from England concerning a new railway scheme, the Atlantic & Lake Superior. The news did not attract much attention, because faith in the possibility of present realization is wanting. The statement was accompanied by a story of a Government guarantee of bonds, which was a real puzzle. How and when was such guarantee given? It is now said that certain guarantees were promised to some roads some time ago, and that those who are interested in the promise or promises have been dealt with. Are the projects in question still really alive? Has there been compliance with the conditions of the guarantee, in point of time and expenditure? Or is the whole thing a shadowy reminiscence? We are told this: that the lines to which the guarantees were originally promised have made a free gift of their claim to the Atlantic & Lake Superior company. As a rule, men, and of all men, railway men, do not give anything valuable for nothing. What is the value in this case? Is the thing given capable of being transferred in this way? There will probably be time to answer these and some other questions before the wild scheme is ever put upon its feet. One of the sponsors for it is J. R. Thibaudeau, a senator of the Dominion and a well-known Montrealer. Another, less favorably known, because more visionary, is C. N. Armstrong. That Mr. Andrew F. Gault has resigned from the provisional board is significant.

A Vancouver correspondent, Mr. Nicolai C. Schon, points out some difficulties that would stand in the way of Canada joining in the British treaty with Japan. It is assumed that, in such an arrangement, Japan would insist upon the unrestricted right of her subjects to emigrate to the Dominion and make their home here. We are not, in fact, assured whether the treaty in question contains any such provision; we must therefore assume that the question, in its present shape, is only capable of being treated on a hypothetical basis. The objection brought against Japanese labor is the same as that which has largely succeeded in prospectively excluding Chinese labor: both kinds of labor are cheap. A Japanese laborer, in British Columbia, it is assumed, would be willing to work ten hours a day for fifty cents. It is natural that white laborers should object to a competition which would require them to accept a lower scale of living than that to which they have been accustomed. The immigration of cheap labor has precisely the same effect upon the labor market that an excessive natural increase in the native laboring population has, so far as the jostling of