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PROSPECTIVE AMERICAN LEGISLATION.

Intent as we are upon our own domestic affairs, the great Pacific Railway question occupying our attention to the exclusion of almost everything else, we may still find some interest in what is going on at Washington, as well as in the course of events at Ottawa. We notice, then, the introduction by Senator Wood, of Iowa, of a bill to aid "The United States Postal Telegraph Company," a corporation which is apparently designed to work with and for the Government, and to supersede the existing companies. The threatened amalgamation of these companies, the prospective ceasing of all competition, and the handing over of the country's whole telegraphic business to the control of a few such men as Mr. Gould and Vanderbilt, appears to have created a feeling of alarm among business men; and various schemes for checkmating the intended gigantic monopoly are being considered. Among them is that embodied in the bill above mentioned, which authorizes the new company to construct lines of telegraph throughout the entire United States, and in all the waters embraced in treaties made by the United States with other governments, and to enter into and occupy any and all postoffices for the establishment of stations therein, and the performance of postal telegraph service, during a period of 100 years, with the right of renewal. This looks like a mild way of introducing gradually the system of Government control of the telegraph business, not to alarm too much at first those timid souls who fear to see government entrusted with anything that companies can be got to do. The bill further provides that a Fourth Assistant Postmaster General shall be appointed to exercise a supervision over the affairs of the company; that the charges shall not exceed 20 cents for the transmission of twenty words or less for any distance in the United States, and where delivery is made through the postal department the Government shall assume all responsibilities attached to the same, and charge 1 cent per message for drop letter delivery, 2 cents for carrier delivery, and such rates as may be fixed by the Postmaster General for special delivery, when a receipt may be demanded by the sender. The work of making connection between the principal cities is to be commenced within ninety days; within three years there must be 30,000 miles of wire in use, within seven years 70,000 miles, and thereafter such annual increase as Congress shall direct. The capital stock of the company is to be limited to one hundred million dollars. Now, whether this particular scheme is or is not to be realized remains to be seen. But it is evident that our neighbors are getting awakened to the danger of gigantic monopolies in private hands; and it may be looked for that some plan or other for securing efficient government control will be devised and acted upon ere long. Another proposal on the cards is Mr. Blaine's bill for subsidizing an American ocean mail service, to which more than usual impor-

ance attaches, from the general expectation that the author of the bill will soon take a leading position in President Garfield's Cabinet. It is provided that owners of American steamships of 3,000 tons and upwards, constructed after approved models and equipped in safety, accommodations and speed to the mail-carrying vessels of any nation, shall be entitled to receive for ocean mail service \$30 per nautical mile for the distance one way for twelve trips per annum; \$15 per mile for twenty-four trips; and \$60 per mile for forty-eight trips per annum; contracts to extend for fifteen years. Only American built vessels can receive these subsidies; they must be manned by crews of whom at least three-fourths are American citizens; they must pass government inspection; and officers of the American navy may be given five years' leave of absence to serve on board these vessels. Both these measures indicate the increasing force of the demand upon government to do something more for the country than it has been doing—the demand that Government should assume more responsibility instead of less for the direction and promotion of business generally. In fact, the very reverse of the fly-on-the-wheel view of the powers and duties of government. The popular demand for more and more of government responsibility, direction and control of business generally, for the good of the nation at large, is not weakening, as Free Traders would have us believe, but is yearly gaining force in all civilized countries. Take, for instance, the new French law for the encouragement of French ocean shipping, which has now passed both Chambers, and which is of a very efficient and thorough-going character. The example of France will surely tell on public opinion in the United States; and therefore there is all the more probability that Mr. Blaine's bill, or another having the same object, will not be long delayed. This is the way the civilized world is going; the foremost nations of the earth are consciously taking their path in a direction exactly the opposite of that which has been prophesied for them by Free Traders. The present example of France, Germany and the United States is a standing fact of the time, which outweighs volumes of Free Trade theories. If it be asked, what are these three great nations doing in matters of trade and industry?—the answer may be given in a word—they are each one of them creating and developing for itself a National Policy. The great railway problem is another that is making urgent pressure upon the attention of the "assembled wisdom" at Washington; and two bills proposing to deal with it are now before the House of Representatives. One, reported by the Committee on Commerce, is supposed to embody such changes and concessions as will be acceptable to the railway corporations, and to the adoption of which they would not demur. The other bill is a substitute offered by Mr. Reagan. The objections to the first named, says the *New York Economist*, are that they are largely indefinite in their provisions, and leave unremedied, in a great measure, the serious points in which the commercial public are most deeply interested, such as drawbacks, rebates, poolings, and other manoeuvres by which discriminations in freight charges between individuals and between places are carried on. The same commercial authority, which may be supposed to give the views of the business community generally, says that the Reagan bill is unquestionably the best for the public and commercial interests of the country, as it directly attacks the objectionable features just referred to, and deals with the greatest abuses from which the public are now suffering. And to the following extent our contemporary defines itself on this great issue of the present and of the future—the railway problem:—

"The railroad interests of the country have assumed a character of national importance. Each successive year witnesses the marvellous extension of these powerful aids to our national development and commercial growth, and there is being concentrated in the hands of railway managers a power which is too often grossly abused. During the past year not less than 7,027 miles of new track were laid on at least 234 different lines. These figures show a mileage greater than has been constructed by the United States, or any other country, in any previous year. The rapid extension of railroads has also enlarged beyond safe bounds the powers of the corporations which control them. This evidently is the era of monopolies. Practically, these different companies are welded into one immense organization, which plays fast and loose with the commercial interests of the nation as best subserves their selfish purposes. The great industrial and commercial centres of our land have oftentimes been seriously and injuriously affected by their unjust schemes, and the time has certainly come when the quickened public opinion and aroused sense of the people as to what is just and right calls loudly for such legislation as will protect us from the rapacity of these powerful companies. That the State has the right to make just and equitable laws for the regulation of transportation cannot be denied. But the problem seems to be one no longer in the power of the States to solve, and that from the simple fact of the almost impossibility of securing from the different States through whose several territories these trunk lines pass such an unanimity of feeling and

interests as would secure the passage of a law that would effectually protect the people against the encroachments of these corporations. There is some sentiment in railway managers than to other men, and, without clerical aid, it is to be presumed that the wealth and influence these magnates represent would not be unprofitable or without weight in the legislative halls. That railroad corporations have rights is not denied, but the people have rights as well, and it is as true to-day as it was when the truth first came through the brain of man that the welfare and prosperity of the many should not be sacrificed to the individual benefit of the few. We share with the Massachusetts Railroad Commissioners the grave doubts they express, in their communication to the Chamber of Commerce of this city, as to the advisability of placing under the control of the National Government the vast material wealth of the railroad corporations, and should prefer to see such unanimous action on the part of the different State Legislatures as would effectually remedy the evils complained of. The difficulties in the way of wise legislation are so many and such vast interests are involved that this railroad question remains the great problem of the future."

The *Economist* sees clearly enough how gigantic an evil the subjection of the country a business to railway corporations has already become, and that it threatens in the future to increase far beyond its present proportions. But apparently our contemporary still "lingers, shivering on the brink, and fears to launch away"—has not yet mustered resolution enough to advocate the real, radical remedy for the evil—the ownership and control of all railways by the National Government. Still dreading this last resort, it seems to seek a half-way resting place in giving the necessary power to the various State Governments. Even this is unquestionably a considerable step in advance, and the American public are to be congratulated that an influential commercial journal, reflecting the views of business men, is able to go even thus far. Under the pressure of the gigantic abuses committed by railway corporations, public opinion will rapidly go the rest of the road. The alarm felt by the public generally is further reflected in the following paragraph, from the *New York correspondent of the Montreal Gazette*—

"The recent great telegraph consolidation seems to point to a union of, at present, conflicting interests, which, if effected, will lead to results of vast importance to the country. I refer to the alliance between the Vanderbilt and Gould parties, which many believe will not be confined to the narrow limits of telegraphy, but will eventually include the two great railroad systems as well. Gould and his associates wield a capital of 300 or 400 millions of money, representing 10 or 12,000 miles of railroad; the Vanderbilt party at least as much. If these two cliques can be brought together to work in unison with a joint interest, the combination will be irresistible, grasping as it will the control of the principal highways of traffic between New York and San Francisco and south to Mexico. If Mr. Gould can be kept from kicking over the traces, there is nothing to prevent this consummation. Mr. Gould has grown within the last few years to a mighty power in the land. He is everywhere. Scarcely a day passes but he buys, or leases, or secures control of a railroad, which he quietly welds into his system, apparently carrying out a previously conceived plan. He goes on in his borrowing way, adding link by link to his chain, and people ask themselves where this sort of thing will end. One can conceive him sitting over a railroad map of the United States, as another man sits over a chess board, quietly playing his game, only his chessmen are railroads, and his board is the nation. His moves are as inscrutable as fate itself. While he plays this game, he is as ubiquitous as ever in the stock market, and a mere notion or fear of what he is going to do or not going to do will often produce results equally as important as if he did it. Scarcely a day passes but he is given to man as he exercises by this sombre little millionaire. Commodore Vanderbilt seems to have foreseen the approach of an antagonist like Gould when he made a will leaving his vast interests almost intact in the hands of one son, with the idea, perhaps, that their magnitude and weight would be sufficient to retain for his successor a position of commanding influence and power in the railroad world. He never could have believed, though, that the Erie speculator, whom he despised, would in a few years build up a railroad system and fortune as great as his own, and become a standing menace to Vanderbilt interests everywhere. It is not likely that W. H. Vanderbilt can follow the example of his father. He has sons, and daughters, and sons-in-law, all in society, and all with great establishments and great positions to uphold, and when he dies the great inheritance he has managed so well will certainly be divided into seven or eight parts. In the nature of things these parts will not be used to a common end. It is well it should be so, for if the family estate should be kept intact for a few generations, its final possessor would be financially omnipotent. It is a very lucky thing even now for Wall Street that W. H. Vanderbilt is not an erratic, restless, ambitious man like Gould, for he could play the very deuce with things if he chose."

The Pacific Railway Contract Bill passed its third and last reading in the House of Commons on Tuesday night at 11 to 10. In Committee of the Whole, over twenty amendments were moved by the Opposition, but each one of them was lost. The resolutions were read a second time and reported on Thursday morning of last week, after a very amusing all night session. The third reading of the Bill was moved on Monday last, and, as already stated, the final result was reached on Tuesday evening. The debate was one of the most prolonged that has taken place in the House of Commons of Canada. The Bill will now be discussed in the Senate.

THE QUESTION OF A NATIONAL TARIFF CONSIDERED—GENERAL RESUMÉ OF RESULTS.

It may not be out of place to briefly review in a series of articles the main points connected with legislation upon the tariff. In the spring of 1878, when Sir Richard Cartwright moved the House into Committee of Supply, the Right Hon. Sir John Macdonald moved in amendment substantially "that the House do not now go into Committee of Supply, but that there should be such a readjustment of the tariff which, whilst not imposing any unnecessary burdens on the people, would stimulate and protect the agricultural, manufacturing, commercial and other industries of the country." The amendment was voted down, and apart from the principle of Conservatism as against Radicalism, on which the great constitutional Party of Canada always appealed to the electorate, they went to the country in 1878 on a great national issue, viz., a protective as against a so-called revenue tariff for Canada. Now, the first question which presents itself to the mind of the superficial student of political economy, and the one which Sir John was asked to explain in his amphitheatre speech, is how can the customs duties of the country be doubled, or even tripled, without imposing heavy and unnecessary burdens on the people? The answer to this question is, "by transferring the duties from the necessities to the luxuries of life." For instance, take the American tariff of 1842. This imposed a duty of 50 per cent on plain cotton, and 90 per cent on plated cotton. Now, what was the effect of this tariff? To increase the price of cotton to the consumer? Certainly not. The consequence was—1st, to exclude from the American market nearly all foreign cotton goods of the same kind as those made in American mills; 2nd, to give the manufacturer in the United States a certain market for his goods; 3rd, to induce the manufacturer to obtain the best machinery and most skilled operatives, and experience perfecting the machinery and the operatives, whilst the result was, as we said before, to exclude nearly all foreign manufactured cotton, competition so protected the consumer, that we find in 1843, within one year after this policy was inaugurated, cotton manufactured goods were in the United States sold 10 per cent lower than when the tariff was imposed. But again we find by this tariff an additional duty of 20 per cent was imposed on foreign hardware. What was the consequence? The English manufacturer to get a market for his surplus goods, found it necessary to reduce his profits; 2nd, to lower the price of labor to his operatives; 3rd, to improve his machinery; in a word, to take the means necessary to overcome the obstacles against which he had to contend and the fact remains that even foreign hardware sold 9 per cent cheaper in Albany and New York in '43 than '42, within one year after the tariff was imposed, and the United States making rapid strides in her industries of iron and steel presents to day the remarkable spectacle of paying more than one-half more for capital and labor than England and at the same time rivaling her both in quality and price in best productions of steel and iron. Just as sure as water will seek its own level will capital seek such channels as promise good remuneration. But how does this apply to Canada. We all know that under the 17½ per cent tariff of Mr. Mackenzie we were importing American manufactured cottons, paying that duty, and that whilst the Americans were paying more for labor, more for capital, more for agriculture, they were actually selling cotton manufactured goods 25 per cent cheaper and 25 per cent better than we were or could in Canada. What has been the result of doubling the duties on foreign cottons?—1st. To exclude from our home market nearly all foreign cotton goods of similar makes to those we are producing at home. 2nd. To attract capital and labor, by the guarantee of a certain market and fair remuneration, and, most important of all, to reduce the price of these goods to the consumer, and retain in our own country the millions which we annually sent abroad to sustain foreign labor, and the result is to-day, that having doubled the Customs duties, we are selling cotton cloths as cheap and of as good quality as in the United States, and woollen cloths both better and cheaper. How is this? Capital and labor is as cheap in Canada as the United States; intellectually and physically, we are the equal of the Americans. We have theegis of a protective tariff thrown around us to guard us against the slaughtering prices. We can make a thousand yards of cotton cheaper than we can ten or a hundred. We are developing the moral