dealers, everyone in the trade urgently needed supplies of new wheat and flour. The sellers ahead have found it much more easy to sell freely in large blocks than to make up enough for their contracts in buying in small lots from numerous producers, who have shown a decided objection to parting freely with their grain. While higher prices, therefore, do not appear to be warranted just now, in view of present large supplies, it is probable that prices will be much higher later on in the season when there will be less movement.

IRON AND STEEL BOUNTIES.

Producers Talk of Their Effect in Relation to Competition.

Monetary Times Office,
Montreal, October 21st.

At various times during the past few years, the question has been raised as to the effect which the abolition of Government bounties will have upon the earnings of the different iron and steel companies of the Dominion. The Monetary Times has discussed the question with people familiar with conditions in the iron and steel trade, and it would seem that the effect will not by any means be such as is frequently feared. In fact, the earnings may not experience any decrease whatever. The point was brought up recently in connection with a discussion upon the prices of pig-iron. An authority claimed that the price of pig-iron would be much higher in 1910 than in 1909, the price of ore having advanced 50c. per ton, and of coke, $1 per ton. This would mean that the cost of producing pig-iron would be fully $2 more than in the past. To this again must be added the reduction which wi'l take place on the Government bounties, this causing the makers to add yet another dollar to the price of pig-iron.

Foreign Competition or Bounties?

Being asked if it will be possible for the makers to add the amount of the reduction in bounty to the price at which they would sell pig-iron, a producer replied:—"Unquestionably we will do so. Owing to the Government bounty, it has been costing the furnace men less to produce pig-iron than it will in the future. As you can easily see, the furnace men will be compelled to make up, from some source, the proportion of the cost which was formerly supplied by the Government. This proportion the purchasers will in future be compelled to pay."

Asked if the price in the past had not rather been made by foreign competition than by any consideration of the Government bounty, he replied:—"The foreign competition