

APPENDIX.

SYNOPSIS OF SOME OF THE REPLIES RECEIVED, AND OF THE
ORAL EVIDENCE.

IRON

HAMILTON, ONTARIO, April 9th, 1874.

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DEAR SIR,—I take the liberty of placing before you the present position of the pig-iron market, as compared with the past, and our views as to its consequences in relation to Canadian consumers. We have been consumers of pig-iron in Canada during the past thirty years, and, until last year, looked only for our supply to Scotland. There being none made in Canada, we of course could not supply ourselves at home, which is a state of things that does not exist in any other part of the civilized world where similar conditions exist. All acknowledge the prime necessity of the article itself, and it is not even questioned that the materials exist here for its cheap production; indeed, it is known that our ores are equal to any, and it is a fact, though not so generally known, that these ores are not situated at so great a distance from the fuels commonly used for smelting purposes, as some of the American ores are. We last year purchased for the first time a portion of our stock from American makers, and this year we, in common with all the consumers of pig-iron in Canada, will purchase nearly half our entire stock from thence, for the very simple reason that it is cheaper and as good as that hitherto imported from Great Britain. At first, we thought that this arose from an abnormal state of the market, resulting from financial distress, but after thorough personal investigation, we find that the causes are natural, and that for the future we must look to the United States for a portion of the iron consumed here, and that if Scotch iron is used in view of its greater cost, it will only be for mixing purposes; and we find that in the United States it, even for this purpose, is being superseded by the mixture of their own iron. To rightly understand the causes referred to, we must give you a few statistics. In the years preceding the rebellion of the Southern States, a very large proportion of the iron used was from Scotland. The government, in the suppression of that unhappy struggle, were compelled to increase the tariff on imports of all kinds, and a duty of seven dollars per ton was imposed on pig-iron. After recovering somewhat from the first struggle, the production began very gradually to increase, until at the last year of the war, it had reached about nine hundred thousand tons. Since then the increase has been more rapid, as will be seen by the record, which shows a production during last year of between three and four million tons, and to-day their furnaces numbering eight hundred (800), have a capacity of over five million tons per annum. The result in a word is that an American stove-maker can purchase his stock and lay it down in his yard as cheaply as can the stove-maker in Liverpool or Manchester, and very much cheaper than he could import it into the United States, taking off all duty. This cheapness arises from home competition, their capacity of production exceeding very largely that of their market, so that immediately they *must* become exporters to the markets hitherto supplied from Great Britain. Before going further, we wish to assure you that we are not interested either personally or relatively in the iron mines or pig-iron furnaces of Canada. Now the bearing of this on our business is very plain; encouraged by the protection of an accidental character afforded by the war, Canadian founders increased the capacity of their furnaces three hundred per cent., and they derived further encouragement during that period, from the fact that the materials of their trade were higher in price in the States than here, for while pig-iron ranged in price here from \$22.50 to \$23.50, there it was fully \$10 higher. Now, however, iron and most other foundry materials are cheaper by the freight there than here. (We can recollect how bitterly, during the time alluded to, the American founders com-