The Chronicle

Banking, Insurance & Finance.

ESTABLISHED JANUARY, 1881

TORONTO PUBLIC LIBRARY

PUBLISHED EVERY FRIDAY

R. WILSON-SMITH, Proprietor

Single Copy - - 10c
Annual Subscription $2.00

Vol. XXX. No 2. MONTREAL, JANUARY 14, 1910.

THE COST OF LIVING.

THE classic story of the Arkansas legislator who moved that the "law of supply and demand be hereby and forthwith repealed" is recalled by a New Year resolution offered last week at Washington. Representative Hull, of Tennessee, moved for a joint committee of seven members of the House and five members of the Senate to investigate and report upon conditions affecting the increase in cost of living.

The resolution sets forth that during the past twelve months there has been an advance in the prices of commodities of from 11 to 30 per cent., and during the past thirteen years of more than 56 per cent. The resolution further states—but this is more open to argument—that the advance is entirely disproportionate to the increase in wages, making it difficult for millions of people to procure food, clothing and shelter consistent with their needs.

WORLDWIDE ADVANCES.

BY some, the phenomenon of rising commodity prices is explained as due chiefly to increasing gold output; by others as arising from a lessened production of "beef and wheat"—relatively, that is, to the world's demands. Others more vaguely refer to it as "a resultant of many economic forces," and discreetly leave it at that. To make the Payne tariff the scape-goat-in-chief for America's price advances of recent months, is to overlook the fact that in free-trade England, the rising price-trend has been well nigh as manifest. Indeed the London Economist's index number of average commodity prices for January 1, was 2,390, the highest since 1907, an advance of 57 points over December 1 and of 193 over a year ago. The December rise was chiefly in cotton, but iron, copper, tin and lead all contributed. For the year the principal contributors to the rise were cotton, hemp, flax, wheat, sugar, tallow, tin and iron. The January number is the record since November, 1907. Except for the single year from October, 1906, to November, 1907, it is the highest in thirty years.

From which will be seen that the year's advance in The Economist's price-average for commodities was practically 9 per cent.—the corresponding rise in Bradstreet's American index being about 12 per cent.

Not a few observers look upon the continued rapid rise in commodity prices as the most disconcerting factor in the present financial and commercial situation.

WORKMEN'S COMPENSATION.

WITH the cost of raw materials and of wages both advancing, prices of manufactured products necessarily keep pace. And compensation for workmen's injuries is likely to become an increasingly important factor in the cost to the ultimate consumer. In Canada itself, legislation has been enacted in four provinces, of late years, imposing upon the employer of labour the obligation to compensate his employees when injured, irrespective of whether the accident could or could not have been prevented by the employer or the injured workman.

Mr. W. G. Falconer, in addressing the Insurance Institute of Toronto yesterday, dealt with the Compensation Acts that are now in force; in British Columbia since 1902; in New Brunswick since November, 1908; in Alberta since January, 1909, and in Quebec since the 1st of January of the present year. In Manitoba a similar compensation bill is at present under advisement. The Workmen's Compensation Act of Ontario (1886, amended in 1889) is less extreme than those more recently passed, since in that province, the workman must show some negligence on the part of the employer. It is in reality, therefore, a Liability Act rather than a Compensation Act, as the term is now generally used. In the United States the question is also being widely discussed, with the probable result that on the other side of the line legislation on the same basis may soon be law. Workmen's Compensation also in Europe has for some years been an established principle. As a humanitarian proposition, it is hard to dispute the principle, but as a question in economics it may raise many points of dispute. In Mr. Falconer's opinion, the principle is a right one, and manufacturers themselves seem pretty generally in favour of it. The wisdom of placing the increased cost of this legislation—because it is admitted that it means largely increased cost—upon employers in a young country, he considers as open to question.