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The Close of the Year in Cape Breton.

In the *Canadian Magazine* for December, under the heading "Canada for the Canadians," some information is vouchsafed to business men which will have created some consternation among many of those interested in the iron and steel industry at Sydney, Cape Breton. The writer, with a sublime indifference to truth, being gotten of a total ignorance of the subject he so airily discourses about, tells the *Magazine's* readers that the directors of the Dominion Iron and Steel Company are crying out for immediate protection against the U. S. Steel Corporation, which is said to be selling steel rails in Canada at \$28.00 and making \$10.00 per ton profit out of the transaction, while the unfortunate Canadian company (which, by the way, as every decently informed person knows, is not making rails) cannot live under the aggressive competition, even though it is assisted to the extent of \$10 or \$15 per ton by duties and bounties! It is marvellous that a reputable magazine should permit a contributor to get off such absolute drivel as this under the guise of information for business men. Nor is this all. This cockshure writer can see deep beneath the surface of things, and professes to know that the trouble is not at all with the competition from the U. S. Steel Corporation, but is something quite different. The *Canadian Magazine's* Munchausen is plainly "in the know," and now gives it out that some time ago (in 1899 we presume) a smart Bostonian of the name of Whitney, went down to Cape Breton and erected some structures of iron and brick on novel and executive lines, added some smokestacks and tall chimneys, painted the whole red, and sold out, before operation, to some bright Canadians, at a very handsome profit. The bright Canucks find that they have a white elephant (painted red!) on their hands, and in their blind rage are lashing out at things in general and the U. S. Steel Corporation in particular. We would in all seriousness counsel the editor of the *Canadian Magazine* to carefully revise in future the information served out by this very imaginative writer to business men. Such pernicious nonsense cannot be anything but mischievous in its effect. Every one knows, or should know, that the bulk of the capital subscribed for the Sydney works came from Canada. Moreover, in justice to the "smart Bostonian of the name of Whitney" we may state that recent Sydney papers were full of a visit paid to that town by the gentleman in question after an absence of two years, and that he appears to have been received by the community in general with every mark of welcome and esteem. In fact it is evident from the comments of the press and from descriptions of the receptions accorded to him, that Mr. Henry M. Whitney occupies a very secure

niche in the hearts of the people of Cape Breton. They know that if at the inception of the great enterprise which he set on foot, he, with others, was over sanguine as to results, and made miscalculations as to time and cost, he cannot be held blameworthy for the fatal policy of paralysis and drift of the past two years, which has brought a great and promising industry perilously near to the ragged edge of bankruptcy.

To review the Sydney iron and steel situation at the close of this year is not a very cheerful task. 1903 goes out under a cloud of depression and uncertainty, which must to some extent curtail the enjoyment of the Yuletide festivities. The staff has been very materially reduced, and the salary list and pay-roll have been subjected to a severe pruning. For a while in the early days of December it looked as if the reduction in the pay of ordinary laborers would not be submitted to without a struggle. The P.W.A. delivered an ultimatum, which was met by the management with a calm statement that any attempt at a strike would be the signal for a total suspension of operations for the winter. The business community, already affected by the laying off of a large body of men, was aghast at the prospect, and largely through the good offices of a committee of citizens, the P.W.A. was induced to recognise the seriousness of the step involved by a strike, and to withdraw from what was, under the circumstances, an untenable position.

To the average onlooker, untutored in the mysteries that enwrap the workings of great corporations, the wonder is not that the company is now weeding out its staff and making wholesale reductions in salaries and pay rolls, but that this policy was not put into operation a year, or eighteen months, or even two years ago. The works at Sydney during this period of time might have been likened to a large stable of high-priced hunters eating their heads off during a prolonged frost. However the hope that springs eternal has by no means left the breasts of those whose fortunes are bound up with the steel works. The present situation, unpromising as it may appear at first sight, is in reality more hopeful than it has been at any time since 1900. With the depletion of the exchequer, the policy of drift appears to have at length been abandoned for one of action and common sense. In the new president, Mr. J. H. Plummer, has appeared a man who seems to appreciate what is required to save the situation. After January 1st, the local management is to be placed in the hands of Mr. Graham Fraser, who has for so long been identified with the fortunes of the Nova Scotia Steel and Coal Co. His past record may be taken as an assurance that the days of sky-rocketing at Sydney are over, and that business will henceforth be conducted on lines of caution and economy.