

## THE ETHICS OF AMALGAMATION.

To Editor of The Chronicle:—

One can hardly take up a Montreal daily newspaper without seeing in it an article about some financial, commercial or industrial amalgamation or consolidation already effected, in process of formation or purely imaginary. Many regard these amalgamations with favor, and many, on the other hand, with suspicion and alarm.

Those who favor these amalgamations can adduce unanswerable arguments, in nearly every instance, in support of their attitude. Operating expenses are considerably reduced by combining a number of companies under one management. Useless officers and unproductive middlemen are dispensed with. The systems of purchasing and distributing are simplified; economies are effected by direct purchase of material in large quantities, or by adding to the amalgamation a department for the acquisition and control of the resources from which raw material is drawn. The question of the opportuneness or desirability of some proposed or rumoured consolidations, however, remains open and can only be settled by prudent considerations of mutual advantage. As to the interests of the consumers, these are, it seems obvious, promoted by the lower prices which an amalgamated institution can afford to quote, since in order to assure a steady and profitable income a large and permanent market is necessary.

As to the attitude of those who are opposed to consolidations, a quotation from an article written by the well-known English iron-master and economist, Sir Richard Tanjé, recently cited by Mr. Russell Sage, may be given as an example of their extreme and unjustified views: "America," says Sir Richard, "will one day make up to a stern reality of the evil, and when its terrible nature is fully realized some strong legislation must follow. I believe that, if legislation does not step in and treat these men as it would treat other deadly enemies of the state, there will be such an uprising in the States as has not been since the accession of Abraham Lincoln to supreme power. There is no tyranny in the world to be compared with the active, scheming gold tyrant. It is inconceivable that 70,000,000 of free Americans will bend their necks to such a despotism. If they do, they will deserve to be enslaved." Yet, as a result of a very large amalgamation, these "70,000,000 free Americans" are to-day paying only eight or nine cents a gallon for coal oil, whereas their fathers had to pay over forty cents a gallon for an inferior quality of the same commodity.

Sir Richard Tanjé, however, mentions himself the remedy for any abuses that might possibly occur—legislation. The very thought of his safeguard ought to have banished his fears. For example, a high export duty on finished iron and steel products would cripple the latest iron and steel amalgamation in the United States. But this would deprive immense numbers of working-men and mechanics of employment and lower the wages of those of them who were employed; and how would this benefit the country as a whole?

### COMBINATION.

NOTE.—We presume our correspondent refers to Sir Richard Tanjé, F.R.G.S., though the name he gives is differently spelt. Sir Richard is head of one of the oldest and probably the largest engineering works in the world, at Birmingham, England, which has branches in Johannesburg, South Africa, and in Sydney, Australia. He is the author of "Travels in Australia and America," "Growth of a Great Industry," etc., etc. He is an enthusiastic collector of the relics of Cromwell and his era. His judgment on an economic question relating to labour has great weight, as Sir Richard is an employer of skilled labour on a great scale, as his family have been for generations, and he has proved himself an earnest and distinguished student of such questions. We should not care to cross swords with so powerful an antagonist. The price of steel in the United States is kept up by the power of the great combines in order to pay dividends on an enormously inflated capitalization. Sir Richard Tanjé knows America thoroughly, and shares the apprehensions of most thinking men in regard to the future labour troubles in the United States.—ED.

## Notes and Items.

### At Home and Abroad.

THE ALLAN line running between Liverpool and this port is to be increased by putting the new steamer Australasian on the service. This vessel's tonnage of 7,765 tons, is 457 feet long, and has unequalled refrigerator facilities, which occupy 260,000 cubic feet of space.

SABLE ISLAND which is little more than a huge sand bank, is about to be planted with trees with the hope of binding the sand and preventing any more such changes as have been disastrous to shipping in the past.

THE EASTERN TOWNSHIP'S BANK has begun operations in its new offices in Temple building. The staff is composed of Messrs. B. Austin, manager; E. L. Stewart-Patterson, accountant; W. E. Moorehouse, first teller; J. M. O'Halloran, collection and exchange; A. G. Bonalli, discount clerk; J. E. Thompson, deposit ledger, and G. G. Richardson messenger.

THE CANADIAN SPOOL COTTON COMPANY applies for letters patent giving it authority to manufacture cotton, silk, wool, linen and other threads, cloths, etc., to make the necessary fixings of such a business, and generally to perform such other acts as the company finds desirable. The capital stock is \$200,000. Messrs. Stuart Auchinloss Coats, New York, William Wilson, of that city, Walter Wilson, John Beattie, Montreal, and W. C. McLeish, are the applicants. The manufacture will be established in this city.

THE ANNUAL REPORT of The Miners' Federation of Great Britain, as quoted by the "St. James's Gazette," contains figures which show that the output and consumption of coal increased during the last half of the nineteenth century as follows: In Belgium, from 4,900,000 to 21,000,000 tons; in France, from 4,141,167 to 32,000,000 tons; in Germany, from 3,500,000 to 101,000,000 tons; in United States, from 4,000,000 to 226,000,000 tons; in Great Britain, from 31,500,000 to 220,000,000 tons; in all other parts of the globe, from 1,700,000 to 50,000,000 tons. England positively must economize her coal supply. The best steam engines are utilizing only one-twelfth of the energy available by the combustion of fuel, while the ordinary steam engines utilize a far less proportion. Whether our coal supply is sufficient to last for some centuries or, as in the opinion of many competent authorities, a serious coal famine will begin to be felt within the lives of the present generation, economy in the use of coal is unquestionably of the utmost importance, and the investigation of the best means of effecting such economy would repay even a large expenditure. If the result of such inquiry were merely to effect an economy of one per cent. in the consumption of coal, this would mean an annual saving to the coal consumers of this country of nearly one and two-thirds million tons, worth at last year's prices about \$3,125,000.

TO CORRESPONDENTS.—An interesting letter on Automatic Sprinklers will appear in next issue.—ED.