

THE EUROPEAN WAR AND CANADIAN TRADE

A Time When Courage and Confidence Await the Dawn of Greater Opportunity

MAINTAIN BUSINESS

Every Incentive Should be Given in This Connection and Prepare the Way of Expansion, Export and Imports—Confidence and Optimism the Keynote.

In its last issue, the Winnipeg Commercial... Now that everyone has had the opportunity to express an opinion as to the probable duration of the war, the cost of it in men and money, its effect upon trade, and a dozen minor phases, there would appear to be some justification in taking a little time to sift the material—to separate fact from fiction, and to strike a midway course between the optimism of the one hand and the excessive pessimism prevalent on the other.

We are concerned with a brief consideration of the status and prospects of the trade of this country in relation to the struggle in Europe, but as an aside it may be observed that any close speculation as to the duration of the war is foolish at the present juncture. Precedent does not help us, the conflict being of an entirely new order; all that we can reasonably surmise is that the very magnitude of the operations to which the German Empire has committed itself will prove its undoing in a matter of months, however thorough its preparations may have been.

At the time of writing, the allied forces of France and Great Britain are now in line preparing to check the enemy's encroachments, and, with the Russian army looming up large on the horizon, and British mastery of the sea already asserting itself in the re-opening of trade routes, we can only wait with confidence that the potent forces of might and right arrayed against the German war fleet must prevail.

Confidence the Keynote. In taking stock of present conditions, it is gratifying to find that loyalty and confidence are the keynotes of the situation. One may point to projects suspended, to establishments closed, to reductions of staffs and salaries, and so on; but, after all, these are not a fair gauge of the people's attitude. Nine out of ten employers are firmly persuaded that Canada's prospects are as solid as ever, and they are prepared to make a temporary sacrifice with a view to sharing in the greater harvest that will be reaped after the war. In this attitude there is the truest patriotism. It is not given to every man to fight, but to every man who cannot fight is given the opportunity to do his share in maintaining the productive power and business stability of his country.

By such eminent economists as Sir George Paish the view is taken that the present war will open up a tremendous opportunity for Canada and the United States. It is held that if the tide is taken at the foot, it will mean not diminished but greater prosperity for us. Financial embarrassment must be experienced for a time, but this is an evil which will be common to the whole world. With the maintenance of ocean traffic and the opportunity to dispose of our farm products, the speediest recovery will surely come to Canada. New lines of activity will compensate in part at least for the depression in others. Far removed from the scene of hostilities, the internal trade of this country should suffer as little as any in the world.

Canada's Trade Mainly Within the Empire. An examination of actual facts and figures cannot but be reassuring to the manufacturing interests of Canada. We find that in the fiscal year ending March 31 last our exports and imports represented a total value of more than a billion dollars—the greatest figures in the country's history. In this period a great stride was made in our exports, which amounted to nearly \$432,000,000. The amount of trade done with the present enemies of the Empire was inconsiderable; our exports to Germany and Austria-Hungary combined amounted to less than four and one-half million dollars, while our imports from these countries were nearly four times as great. It is questionable whether it would not be in Canada's favor if the exchange of business were wiped out. Naturally the war will affect seriously the buying power of other European countries, but it must be remembered that our business with Europe constitutes only a small part of our external trade and that it is the other countries of the British Empire and the United States that are our best customers. Canadian exports to Continental Europe last year amounted to less than twenty million dollars, while our commerce with other parts of the Empire consisted of exports to the value of some \$239,000,000, and imports amounted to \$154,000,000—a total of \$393,000,000. With the United States our trade consisted of exports amounting to \$200,000,000 and imports valued at \$411,000,000, a total of \$611,000,000. Thus our trade with other parts of the British Empire and with the United States amounts to upwards of a billion dollars. With these things in mind, and the knowledge that Germany's merchant vessels are being driven off the sea, one may surely conclude that ultimately the war will have a good effect upon British (including Canadian) and United States trade. Depend upon it that much of the German competition which British and American manufacturers have had to cope with in the past will be wiped out and that Canada will share in the transfer of the trade which Germany will undoubtedly lose.

In a sane, well-balanced consideration of conditions and prospects, we must not overlook the fact that one of the most certain results of the war will be a world-wide scarcity of capital for investment purposes. It is impossible to foresee in detail the far-reaching results of the changes that are taking place in the value of capital, but a natural outcome is that the carrying out of construction works and public improvements will be considerably hampered. The activity will be all the greater when constructive enterprise finds its level. All the more vital is it for us to hold our ground.

The Ebb and Flow of Prosperity. Prior to the outbreak of hostilities, we had entered upon a period of depression. The explanation of this depression is not hard to find in economic theory. The value of all products is dependent upon the demand; while manufacturing facilities and outputs had been increasing by leaps and bounds there had been a number of extremely grave developments tending to diminish the demand. The greatest development of all, unforeseen though it was, was the preparation that was being made for the present war.

As a matter of fact, history shows us that trade depressions travel in cycles. Ever since Britain became a manufacturing country she has encountered an almost constant ebb and flow of activity in trade.

WORKINGMEN USED TRAMS LESS IN MONTH OF AUGUST

Normal Increase in Riding Has Not Been More Than Sufficient to Make Up Losses From This Cause.

New York, September 12.—It is not expected that earnings of the electric lines of the country for August will show much, if any, increase over August, 1913. Electric railway earnings, on both urban and interurban lines, have been affected by the depression in general business conditions, as these companies always secure a large amount of traffic in the mornings and evenings from workmen on their way to and from their places of employment.

Reports from lines which have a large amount of this class of business indicate that there has been a material falling off from August of last year and the normal increase in riding has not been more than sufficient to make up losses from this cause. In addition Labor Day in 1913 fell on September 1 and the heavy travel which always takes place on electric lines on the Saturday and Sunday before Labor Day last year fell in August.

This year Labor Day fell on September 7 and earnings for August did not receive the benefit of the pre-holiday travel. Some cities are reporting fair gains for August, 1914, over August, 1913. Among these are St. Paul, Minneapolis, Denver, Kansas City and some other Western towns. Cincinnati electric lines have been hard hit and the company there has been asking that it be permitted to curtail service on some of its lines where there has been a heavy decline in traffic.

Electric lines which parallel lines of the Pennsylvania and Reading railroads are expecting to profit on local travel materially from the advance in mileage and round trip rates which west steam roads propose to put in effect October 1. These new rates will be much higher than the electric fares and the trolley men believe that the result will be in the defection of much local travel from the steam roads to their lines.

Lehigh Valley Transit Co., which serves a good section of Pennsylvania, is an example. At present this company is charging a fare between Allentown and Philadelphia of \$1 and a round trip rate of \$1.88 as compared to a one way fare of \$1.58 and a round trip fare of \$2.86 on the Reading. Under the advanced rates the Reading probably will charge \$3.14 for the round trip fare and Lehigh Valley Transit officials believe that under the increased steam railroad rates their line will get substantially all this local traffic.

ALBERTA MOVING AHEAD

Premier of Western Province Foresees Era of Prosperity in Spite of Depressing Influence of the War.

Edmonton, Alta., September 12.—Notwithstanding the unexpected shock to the machinery of credit, our financial institutions are sound and as strong as ever. Business generally is holding well throughout our province. Securities, including provincial, railroad and municipal are unassailable, and investors have absolutely no cause to worry with respect to the future of their holdings in Alberta.

Hon. Arthur L. Sifton, Premier of Alberta, said this in discussing the profits and losses resulting from the European war. The detrimental results, he said, are represented by the checking of permanent financing and stopping new projects or construction not yet financed, and the probable diversion of large amounts of European capital that would otherwise come to us. This is offset in a large measure by imposing greater economy and industry upon the people and compelling them to make the most of their natural resources, which cannot be impaired by even a prolonged war.

The spirit of speculation incident to every new and rapidly growing commonwealth has been arrested. The great material prosperity of the province for the last ten years has raised it to such a position of economic strength that it is now able to produce many times the equivalent of what may be necessary to borrow by either private or public corporation. The profit of Alberta is represented by an increased production of all our agricultural products. Our essential industries, grain, live stock, and other forms of agriculture, are stimulated and as a result our farmers are receiving greater returns for the capital and labor invested. The immediate effect of the war has been to encourage a rural movement from the urban centres and a larger area will be under crop next year than at any previous time in the history of Alberta.

The prevailing high prices for the crop of this season, and the high prices which are practically assured for that of 1915, are bound to result in a measure of prosperity that the duration of the conflict overseas will only enhance.

PRESIDENT VETOS BILL

Washington, September 12.—President Wilson vetoes House Bill recently passed, amending the postal savings system measure, so as to allow larger amounts of deposits.

LIVERPOOL CLOSE

Liverpool, September 11.—Wheat closed off 2 1/2 from Thursday, October 8 5/16; Dec. 8s 9d. Corn, October 6s.

TENDERS ACCEPTED WEDNESDAY NEXT

London, September 12.—It is officially announced that tenders for treasury bills to the amount of £15,000,000 will be accepted Wednesday by the Bank of England, half payable in six months, and the other half at the end of twelve months.

THINGS CHANGE INEVITABLE

Boston, September 12.—It is understood that during the last few days plans have been completed which will undoubtedly give the American Locomotive Company an influx of new blood into its directorate at the annual meeting in October. The outgrowth of this will undoubtedly be some radical changes in the management, with a nearly complete list of new officials at the helm.

The case which the Gate interests have made against the company's management have converted the most influential portion of the directorate to the opinion that it is better judgment to bow to the inevitable than to attempt to follow a "stand pat" policy. Even in periods when there have been no outstanding disturbances like the present one, the cyclical movement has been definitely marked. It has been observed that from 1887 to 1896 the cycle ran in the order of revival, marked revival; and from 1897 to 1906—prosperity, great prosperity, culmination of prosperity, slow ebb, depression, distress, revival, prosperity. History establishes clearly that the cyclical movement is part and parcel of the normal system of industry.

BUSINESS MEN AT THE FRONT



CAPTAIN G. ERIC McCUAIG, of the 5th Royal Highlanders. Captain McCuaig is a member of the firm of McCuaig Bros., Stockbrokers.

MARITIME PROVINCE SECURITIES

Table with columns: Miscellaneous, Asked, Bid. Includes entries for Acadia Sugar, Do. ordinary, Brandram-Henderson, etc.

ABANDONS GOLD POOL PLAN

Washington, September 12.—Federal Reserve Board has for the time being abandoned the consideration of the bankers' plan to form a gold pool for \$150,000,000 to meet the country's obligations abroad. This action is taken in view of the fact that the situation has been so materially relieved by the arrangements in New York City to meet its \$82,000,000 foreign indebtedness.

MAP MAKERS LIKELY TO SUSTAIN LOSSES

Change of Boundaries in Europe Will Involve Expenditure of Thousands

PRICES NOT ADVANCED

Manager of Prominent Firm Says That They Had Only Gotten Through Changes Made Necessary by Conclusion of Balkan War.

While just now trade for the map-makers is brisk, if any boundaries are changed as a result of the war, the loss to the big firms making maps will be tremendous.

All of their old maps covering territories which change hands will have to be re-made, and changing a boundary on a map means a great deal more than shifting a line and adjusting the color processes. All good maps are printed from wax plates, one of the most expensive processes of engraving, and if the political changes are great entire plates may have to be thrown away.

But for the past month the map-makers have been pushed to their uttermost to provide maps for those who wanted to buy. Men and women of many nationalities and classes are so thoroughly interested in the war that they want to follow every move of the armies reported in the newspapers. Stationers say that whenever they sell a map to a customer they can almost always sell him sets of colored pins, so that he can shift the positions of the armies as reported.

All Official Changes

"In all new editions of our maps, atlases and geographies we will have all official changes," said Willis Anderson, manager in New York City for Rand, McNally & Co. "But the only official change that has been made so far is renaming St. Petersburg. The new maps will undoubtedly have the new name, and the old name in smaller type, and in parentheses. "While we are selling many more maps than usual now in the end this war will cost us thousands of dollars. The making of a map is a matter of infinite detail, is costly and requires a long time.

"On a good map every tiny curve in the line of a river means that the river actually curves in that degree, even if it requires a microscope to notice the curve on the map. The thickness of lines denoting rivers are all in proportion.

"It takes highly paid engravers months to complete a map. If the war only means that we have to change the name of St. Petersburg to Petrograd it could cost many thousands of dollars. The engravers would not have to be thrown away, but a small section could be cut out and a correct section could be fitted in, but we would have to make the change on all sizes and all grades of maps.

Only One Cancellation

"We sell many maps to school boards, and we have had only one cancellation since the war began. That

CAMPAIGN STARTS MONDAY

Army of Convassers Will Start Out After One Million Dollars for the Patriotic Fund Next Week.

The campaign for a million dollars to be waged next week in Montreal for the Patriotic Fund continues to promise well. Archbishop Bruchet with an invocation will support Sir Thomas Shaughnessy, the three-minute speaker at the daily luncheon of Captains and their teams on Monday. Mr. Charles H. V. Meredith will be the speaker on Tuesday, supported by Bishop Paré. Mr. H. S. Holt will preside on Wednesday, Mr. Martin Davis on Thursday, and Mr. H. B. Ames on Friday. Some of the Captains have not yet completed their teams, but it is expected that many members of the Canadian Club will volunteer for team work at the luncheon on Friday, which will be attended by H.R.H. the Duke of Connaught, the President of the Patriotic Fund. Saturday will be Salvation Army Day. The members of that body have undertaken a street collection to close the campaign, fifty officers being put in charge of fifty posts at busy street corners. Between the hours of five and seven each evening, bands will parade the various districts of Montreal urging the citizens to "Bear Your Share of the Empire's Burden."

In addition to the names of Captains already announced, Messrs. V. J. Hughes and Herbert Kingston have been asked to organize a team. The Organising Committee finds the success of the "One Day's Pay" so far-reaching and successful in its results, that it is approaching a large number of firms suggesting that they adopt this idea.

Three clocks, each of twelve feet diameter, in prominent positions throughout the city will announce the progress of the campaign during each day of the week.

In order to meet the wishes of many members and the general public interested in the campaign, the Committee has decided to reserve a hundred seats for each of the first few days at the Campaign Luncheons which will be held at the Windsor at one o'clock. These tickets, the price of which will be a dollar, will be sold at the door of the luncheon room.

was done by the school board, but when the principal of the school affected heard about it he nullified the cancellation, saying that he wanted the maps more than ever now, so that if any changes of boundaries take place his pupils can watch them.

"Even if the war ended to-morrow, the final changes of boundaries would not be made for two years or more, so Professor Richard E. Dodge, of the Teachers' College, Columbia University, told me the other day. So our present maps are good for a long time yet.

"The worst of it is that all our European maps have been adjusted recently following the changes of the boundary in the Balkan states and Turkey. That cost many thousands of dollars."

Mr. Anderson said that the prices of maps are the same now as they have been, that in remote cases dealers might raise the prices somewhat, but the map-makers are providing the dealers at the same prices. He said that in cases where sharp cuts in price have been made it is because the maps are old now, and will be more out of date than ever at the expiration of the present war.

Advertisement for Canadian Patriotic Fund. Text: 'Left Behind! DESTITUTE FAMILIES OF HEROES AT THE FRONT'. Includes illustration of a family and a Union Jack flag. Text: 'CANADIAN PATRIOTIC FUND President - H.R.H. The Duke of Connaught K.C. SPECIAL CAMPAIGN WEEK Commencing in Montreal Next Monday'. Includes details about the campaign and contact information for J.W. Ross, Montreal Headquarters: 112 ST. JAMES ST.

AMERICAN WOOLLEN BUSINESS BETTER

An Interview With President W. ---Boom Times Not Here, But Business Has Improved

SOME NEW FALL ORDERS

No Foreign Competition Worthy of the Name of Germany, England, France, Belgium and Austria For Some Time to Come. Foreign Finances Also Tied Up.

Boston, September 12.—President William M. V. of the American Woollen Company has returned from a trip of several months to Europe and a sojourn in Maine and is at his desk in Boston. He says: "Business with the American Woollen Company recent weeks has undeniably improved a great deal, and I expect that improvement to go further, and I expect that boom times are with us in the impression that boom times are with us in accordance with the facts. The volume of sales more than normal this far."

"American Woollen, as every one knows, is partly a men's wear proposition and it is not this of the worsted business that the European war has abnormally stimulated. It is the women's wear dress goods mills that have benefited most in common with such mills we have gained a good number of orders in this direction. The movement is healthy and should continue."

"Many of the dress goods orders represent business that would not have come to us in all probability if not for the war, and we can trace some of the orders to this cause. The strength of foreign competition on staples and medium worsteds that were expected in full force for the first time in this season has been not only arrested, but substantially removed."

"There can be no foreign competition worthy of the name from Germany, England, France, Belgium, Austria, all possible competitors on certain lines, and I expect that boom times are with us in the impression that boom times are with us in accordance with the facts. The volume of sales more than normal this far."

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