The Week.

Dun's Review.

The trade recession, although plain, continues irregular. Among the larger divisions the dry goods trade makes about the best showing, while the iron and steel trade is running much below capacity. Measuring by producing capacity may, however, not give the truest test of the situation, as in nearly all branches of industry producing capacity has in recent years been carried to the highest point of possible consumption. Actual business for immediate needs is in most branches large, but there is comparatively little buying for future or speculative requirements. In dry goods this tendency is manifesting itself, and as it serves to keep stocks low it makes for a strong economic position, especially as retail distribution aggregates large. It is notable in view of all these conditions that building operations, although falling behind somewhat in some localities, are, taking the country over, so large. Recent census figures reveal the rapid growth of our cities; this is an era of home building. Market conditions continue to be dominated by financial developments and the advance in the rates of discount by the Banks of England and Germany is the most important event of the week, as these banks so largely control the money market throughout the world. Our own national bank returns have, however, been on the whole reassuring, and the new activity in bonds, the sales of which during the past fortnight are estimated at $50,000,000, a considerable part of which were placed abroad, is an encouraging incident. The belief in a bumper crop of corn is confirmed by the recent weather reports, and this would naturally fix the state of trade during the coming year, but for other developments, which tend to keep the situation confused and doubtful. September failures show liabilities much larger for the month than last year although far less than in 1908. Manufacturing makes a less favourable showing than the trading class. Railroad earnings in three weeks of September increased 2.7 per cent. Bank clearings outside New York declined 0.5 per cent. and in New York fell behind 18.9. Foreign commerce of New York in the latest week aggregated $28,030,386, against $27,743,125 in 1909 and $25,430,992 in 1908. Imports were $3,843,420 in excess of exports as compared with $7,311,239 excess last year.

Some tendency toward firmness is apparent in certain departments of iron and steel, although in general the outlook is sufficiently uncertain to make consumers cautious in contracting for future requirements, and most of the present demand is for immediate needs only. Encouragement is afforded, however, by the insistence of buyers for prompt deliveries on finished materials and by the liberal tonnage of rails being booked for export. These foreign orders include an additional 10,000 tons to be shipped to Mexico, and while domestic business is not heavy, some reinstatement of postponed contracts is reported. The situation in pig iron is confusing; both producers and consumers hold divergent views in the matter of prices. A substantial volume of business has been placed for wire goods and contracts for structural material aggregate a good tonnage on the basis of $1.40 at Pittsburg. Demand for plates is somewhat lighter, with a tendency toward slightly lower quotations.

Contradictory conditions prevail in dry goods markets. Dress goods and men's wear for immediate shipment are in better demand, while spring business is limited. Dress ginghams and sub-count prints in cotton goods are being ordered freely, but staple domestics are very quiet, although there is a moderate demand for print cloth yarn goods for printers and converters' use, sales at Fall River last week running ahead of production. A contraction in trade, influenced by financial conditions, is plainly visible and jobbers are making unusual efforts to keep stocks low until stock taking time. Mills continue to curtail in cotton centres and until the cotton crop is matured selling agents are slow to move on prices for staples. Yarns rule generally quiet, with some improvement noted in the call for worsteds. The silk trade shows steadiness and better tone.

Eastern footwear manufacturers are receiving larger orders for certain kinds of goods and business again shows improvement this week, but other lines are as slow as ever. Some New England factories are operating full time. The price question is no longer the disturbing element that it has been, as values are firm. Trade in sole leather is improving, with sizable sales of union backs reported recently in the Boston market and tanners asking firmer values on about all tannages. Upper stock, on the other hand, continues quiet and unsatisfactory. Belting butts are selling well, with a sale of choice tannage in the Eastern market at 46c. as a basis for No. 1 light weights. Packer hides continue strong and some varieties of branded stock are about ¼c. higher, but country hides are weak and unsettled, with a variety of quotations given on buffs. Foreign dry hides are strong, but European auctions are lower.

Expectations of a bullish government cotton report on Monday have been engendered by recent advices from private sources. Depression in wheat continues in response to bearish statistics and slack cash demand. European supplies are much larger than a year ago and *stocks at domestic points steadily accumulate, while export* bids are still out of line. Receipts at the West, however, were much smaller than in 1909, 7,116,842 bushels this week comparing with 12,496,410, and shipments from all ports of the United States, flour included, amounted to only 943,921 bushels against 1,762,025 last year. Corn continues to recede in value because of a general belief in a bumper crop. Frost has appeared in scattered localities, but without serious effect and practically all of the crop is now beyond danger. Arrivals of 3,598,923 bushels compared with 3,411,585 a year ago, while Atlantic coast exports were 223,367 bushels, against only 35,435 in 1909.

Liabilities of commercial failures thus far reported for September amounted to $11,686,542, of which $7,021,516 were in manufacturing, $4,369,411 in trading and $295,615 in other commercial lines. Failures this week numbered 219 in the United States against 236 last year, and 28 in Canada compared with 28 a year ago.

A Stiff Upper Lip.

London Globe.

"Tell your people to keep a stiff upper lip and they will get better treatment from the United States," is the message to Canadians of Mr. Eugene Foss, one of the members of Congress from Massachusetts, and leader of the New England movement for better trade relations with Canada. Mr. Foss, in the course of an interview with Mr. Hammond, put his views very emphatically, and it will be well worth while to remember his advice. The New England leader believes that the United States should reduce her duties to a level with those of Canada as an evidence of good faith and as a basis of negotiation for further extension of trade. He does not suggest that this should be done for the benefit of the Canadian people. He is in favor of the removal of the duty on food and other classes of our exports to the United States whether we take off the corresponding duties or not, because the United States needs those things, and Congress is only standing in its own light when it subjects them to any duty.

As Mr. Foss speaks so thousands of influential men in New Zealand think. They quite understand Sir Wilfrid Laurier's attitude toward Washington. They admit that in holding to moderate rates of duty Canada has chosen the better part, and they want their own rulers to lower the duties of the United States on Canadian products, not as one would lime a twig for an unwary bird, with the intent of catching Canada, but as evidence that they recognize the value of better trade relations to the people of the United States.

Canada had already determined to keep a stiff upper lip. Sir Wilfrid Laurier made that plain when he announced that the preferential tariff on British goods would remain in force so long as the Liberal party remained in office. He made it plain when he declared that Washington must initiate any future negotiations, and he is certain to make it plain when the negotiations are begun and the respective positions of the two nations are stated. Canada has her own national destiny to work out, and if there is still any lingering belief in the minds of the public men of the United States that Canada can be bribed into giving up her high destiny by a favorable trade treaty Sir Wilfred Laurier and his colleagues may be trusted to dispel it. If the exchange of products between the United States and Canada is to be in greater volume than in the past it must be altogether because each country needs something that the other can most conveniently supply. We do not import the products of the United States as a token of esteem; we buy them because we need them. The sooner we rid our minds of the idea that sentiment governs international trade the sooner will this whole matter of better trade relations be placed upon a proper basis. Great Britain and Germany find in each other's territory very great markets, but no one has ever suggested that this huge interchange of trade menaces the political independence of either country. When we in Ontario warm ourselves with Pennsylvania coal we are not destroying Canadian nationality by stealth. When thousands of operatives in our cotton factories are kept busy manufacturing raw cotton that we must for all time import in large quantities from the Southern States because we cannot grow it ourselves they are not promoting annexation. They are doing precisely what Mr. Foss wants the United States to do—importing foreign products because they need them for *their own benefit.*

Of our imports from the United States, those imports that seem to many honest men to be a menace to the country's national life, a very large proportion consists of things that we could not do without. Canada's imports of duty-free goods during the year ending in March, 1910, totalled $148,568,000, and of this immense sum no less than $104,667,000 consisted of duty-free goods from the United States. Even of the $118,834,000 of dutiable goods from the United States a large proportion consisted of absolutely necessary things that we cannot get elsewhere. Of this nature is bituminous coal, which we imported last year to the value of over $13,000,000, taxing ourselves on every ton of it, although hundreds of Ontario factories depend on it for power. Does anyone suppose that the fabric of Canadian nationality will crumble to pieces if we make a bargain by which Nova Scotia coal shall be given free entry into New England and soft coal from Pennsylvania shall come into Ontario duty free? The idea is absurd.

Take some of our other big imports from the United States. We brought in of green and dried fruits $6,475,000 worth. Does patriotism require us to do without oranges, grape fruit, lemons and other fruits we cannot grow for ourselves? We took $9,361,000 of raw cotton, almost sixteen million dollars' worth of hard coal, over five million dollars' worth of Indian corn, over five million dollars' worth of rubber or rubber goods (of which over four millions was crude rubber), hides to the value of $1,760,000, and no less than $6,921,000 worth of unmanufactured iron, so necessary to our industries that it came in duty free. Included in the totals of free imports from the United States were $7,613,000 of settlers' effects, nearly three million dollars' worth of tobacco leaf, and over eight million dollars' worth of wood of various sorts used in our factories. It is not too much to say that without the supplies they draw from the United States half of our industries would close down to-morrow. We cannot live to ourselves in an industrial sense any more than can the United States. The two nations need each other. The interchange of foodstuffs, of raw materials, and of manufactured goods must inevitably increase year by year. It is because we in Canada know that the United States needs the articles we can send them as much, and perhaps a little more than we need the things we get from them, that we shall take the advice of Mr. Foss and keep a stiff upper lip.

The shipments of the Dominion Coal Co. for the year show a very substantial increase over 1909, as is indicated by the following figures:

Shipments 8 months, 1910.....	1,972,344
Do., 1909..................	1,701,362
Increase, 1910...............	270,982