

STEEL CONDITIONS SHOW IMPROVEMENT

More Strength and Activity was
Shown During the
Past Week

PRICES ARE HIGHER

Price of Bars Advanced One Dollar a Ton and Billet
Prices Are Very High—Large Railroad Car
Orders Are Being Placed in the Market.

New York, July 22.—The steel market showed further evidence of increasing activity and strength during the past week. The price of bars was advanced one dollar a ton to \$130 per 100 pounds by the United States Steel Corporation and several of the large independents and one concern remained firm and producers expressed confidence that if the present improvement is kept up much higher prices will prevail toward the last of the current year. Demand continued heavy.

There was active buying of raw steel. The United States Steel Corporation entered the market for a large tonnage of billets and is said to be seeking additional supplies. Billet prices are very high and many eastern makers are practically out of the market. Structural steel works continue to grow and important work has been placed and much work is in prospect. In manufacturing extensions a considerable volume is pending.

The steel plate mills are comfortably filled with work for structural car and ship work, but the last week was somewhat slower than several weeks preceding. The car work on hand is now quite large, but not equal to the capacity of car shops. Orders in June were 17,000 cars, of which 9,000 came from Russia and 2,500 from France. Total orders for cars for the first six months were 13,550.

The Baltimore and Ohio R. R. is in the market for 2,000 cars, and the New York Central and Erie are expected to put out definite inquiries shortly for a considerable number of the new type of heavy cars with 70 tons carrying capacity. Foreign inquiry continues for ship and boiler plates, but it is only in the lighter and narrower plates that mills are especially seeking business.

An independent steel company is offering an inquiry for 5,000 to 6,000 tons or 50,000 to 60,000 dog-head spikes for Russia. Bulgaria is inquiring for ten locomotives and the Italian Street Railways for a small number, understood to be the preliminary to the buying of extensive railroad equipment in this country. June orders exceeded those for a single month in a long period, being swelled by the 450 ordered by Russia. The Worth Bros. Company has received an order for 20,000 tons of plates for the Panama Canal.

Tin plate specification from the domestic trade are fair but the foreign demand continues to be enormous, some 60,000 boxes having been sold during the past week for export, and inquiries for shipment abroad involve heavy tonnages, prices have improved and not much tin plate can now be had.

SHIPMENTS OF MANGANESE FROM INDIA AND RUSSIA ARE REDUCED

Washington, D.C., July 22.—The production of manganese ore in the United States in 1914 amounted to 2,635 long tons, which was 1,413 tons less than the output of 1913, according to the United States Geological Survey. The manganese ore shipped in 1914 was derived from mines in Virginia, South Carolina, and California. The domestic output was small when compared with the imports of manganese ores, which amounted in 1913 to 345,090 long tons and in 1914 to 283,294 long tons.

India, Russia and Brazil have been the principal countries from which manganese ore has been imported. In 1913 the largest imports were from India, amounting to 141,587 tons, and the imports from Russia were 124,337 tons. The closing of the Dardanelles and probably the scarcity of vessels for transportation from India in 1914 had the effect of reducing the imports from Russia to 52,681 tons and those from India to 103,583 tons. These decreases were partly compensated for by the increased shipments from Brazil, which were 70,200 tons in 1913 and 113,924 tons in 1914.

The marketed domestic production of ferromanganese in 1914 was 100,731 long tons, or 18,764 tons less than in 1913, and the imports of ferromanganese were 82,997 long tons, as against 128,070 tons in 1913. The marketed domestic production of spiegeleisen decreased from 106,980 long tons in 1913 to 76,625 tons in 1914, and the imports increased from 77 tons in 1913 to 2,870 tons in 1914.

The price of ferromanganese was subject to considerable fluctuation during 1914 on account of the European war, and if the demand from the steel industry had been as active as in the preceding year prices likely would have been much higher than they were. For several months prior to August the price of standard 80 per cent. ferromanganese was about \$40 a long ton. During August prices ranged from \$110 to \$140 a ton, and although quotations were as low as \$62 in November the price advanced to \$80 in December. If the domestic production of steel and steel products increases considerably on account of the temporary elimination of competition from European steel products, the sources of manganese supply may be abnormally taxed to meet the demand. The increased price, however, will stimulate domestic production and permit the mining of manganese ore which, under normal conditions, could not be profitably worked in competition with the higher grade foreign ores.

BICYCLES INSTEAD OF BEING ENAMELLED WERE ONLY PAINTED.

Ottawa, July 22.—The Commission on War Supplies, having terminated its session in this city, left today for the Maritime Provinces.

The only feature of yesterday's evidence was the testimony of Major Owen Thomas, truck expert for the second contingent, that the bicycles supplied to the first division by the Canada Cycle and Motor Company were only painted instead of being enameled.

Mr. T. A. Russell had testified that an extra item of expense to fit the bicycles for military purposes had been their enameling with a green color.

Major Thomas said that they were only ordinary black bicycles painted green and that the color would easily wear off, allowing the bright parts of the machine to show.

Far-Reaching Consequences of the Colossal Conflict to British Interests

By A. H. Gibson in the "Bankers Magazine" of London --- A Reduction in the Rate of Increase in Population --- Temporary Reduction in Productive Industry --- Rise in Commodity Prices

What are economic and what are purely financial consequences of war is sometimes difficult distinction to determine, but the following consequences of war are considered in the present article: (1) A reduction in the rate of increase in population; (2) a temporary reduction in productive industry; (3) a temporary rise in commodity prices; (4) an increase in taxation; (5) a reduction in the rate of increase in national wealth; (6) a temporary raising of the rate of interest, and (7) a reduction to below normal in future bank rates.

A Reduction in the Rate of Increase in Population.

It does not require much foresight to predict that, generally speaking, the belligerents in a great war must be prepared to experience a diminished birth rate for some years to come as one of the natural consequences of hostilities, a factor which, owing to its cumulative action on the future population, is far more serious than any losses in number through soldiers being killed in action, or dying of wounds or disease. Apart from the number of husbands or prospective husbands killed in action, dying of wounds or of disease, there is the question of the subsequent invalidity of a large number of the men called up to be considered. The present great war must, therefore, bring in its wake a reduction in the birth rates and a lowering of the average vitality of the living communities of the belligerents. Considering only the three great powers—Germany, France and the United Kingdom—Germany is likely to suffer the most, in fact, to be exhausted for generations, owing to the large and growing forces arrayed against her. France will certainly suffer, but nothing like to the same extent as Germany. A compensating factor, in part, to France will be the recovery of Alsace-Lorraine, which by its compulsory cession to Germany in 1871 meant a loss in population to France of about 1,500,000. The United Kingdom is likely to suffer least in the matter of population, owing to reasons which will shortly be explained.

The following table, showing the respective approximate populations of France, the German Empire and the United Kingdom in 1911, compared with the numbers a hundred years ago, in 1811, proves that the exhaustion of a country due to great losses through war in the effective male population may be felt for generations:

	Population, 1811.	Population, 1911.	Increase in 100 years.
France	29,000,000	37,000,000	8,000,000
German Empire ..	24,000,000	64,000,000	40,000,000
United Kingdom ..	18,000,000	45,000,000	27,000,000

It will be observed from the table that, comparatively speaking, only a small increase is recorded for France, in which country there has been no increase, since 1870. The stationariness of the population of France is mainly attributable to the exhaustion of that country by the protracted wars of a hundred years ago, though moral influences have admittedly had some influence. The experience of France during the last hundred years is an omen of what will now probably happen to Germany for several generations.

To all countries losses and reduced vitality in the male population are of more far-reaching consequence than any immediate material losses through war. Production and the accumulation of national wealth are, in advanced communities, largely dependent on population. Any serious reduction in population would obviously reduce the total capital value of existing factories, railroads, houses, land, etc. A material reduction in the birth rate must eventually affect the rate of increase in national wealth.

The extent to which the birth rate of the United Kingdom will suffer by the war is a problem not easy of determination. As already stated, there are reasons for thinking that of the three countries, the United Kingdom, France and Germany, the United Kingdom is likely to suffer least in the matter of future population. The United Kingdom has now about ten times as many men under arms as she has normally in times of peace. The greater number of these men had not had military training of any moment previous to the war. The open air life and exercise have wrought wonders already on the vitality and constitutions of the new volunteer forces, and though the war will take its great and lamentable toll of lives, the bulk of the men now under arms will return to this country, to their former employment, with materially improved constitutions. The point for determination, therefore, is, will the increased vital power of those that return from the war, and of those now left in training in this country, compensate from a national standpoint for a great part of the immediate losses in life and invalidism owing to the war? The reply is probably yes, though time must necessarily be the determining judge. It is, of course, quite possible there may be an increase for some years after the termination of the war in the rate of emigration from the United Kingdom, because the volunteer forces are partly composed of men drawn from sedentary occupations. The open air life of war will unsettle thousands of these men, of whom many will doubtless eventually emigrate to the colonies.

One of the worst features of the war has always been considered to be that it necessarily devotes a large amount of labor from productive to non-productive industry. The reason that the United Kingdom has not suffered more owing to the war is due to the fact that in peace times the real productive power of the country has been, for a long number of years, much greater than the actual production requisite for the current standard of living. Reduction in the hours of labor has been going on for years, and few factories have been running at their maximum possible output. There has been, it is true, a gradual raising of the standard of living, but this might have been much greater except for the increasing desire among all classes for ease and amusement.

A Temporary Rise in Commodity Prices.

Whatever the preparations made by a country for war, it is unavoidable that there should be some rise in commodity prices after the outbreak of hostilities. The following table shows the monthly index number, since January, 1913, of commodity prices, the number being that compiled by the "Statist" (in continuation of, and on the same basis as, the numbers previously compiled by A. Sauerbeck):

Index Number of Commodity Prices.	1913.	1914.	1915.
JANUARY	86.4	83.6	86.4
February	86.1	83.8	100.9
March	86.7	82.8	103.7
April	86.2	82.3	105.9
May	85.7	82.3	107.6
June	84.1	81.2	...
July	84.2	82.4	...
August	85.0	87.9	...
September	85.7	89.3	...
October	84.5	89.8	...
November	83.3	88.8	...
December	83.8	91.6	...

From the numbers given in the table it is clearly obvious that a pronounced fall had set in in commodity prices from April, 1913, until the outbreak of war at the end of July, 1914, from which time there has taken place an almost continuous rise. Comparing the index number for May, 1915, with that for July, 1914, the rise represents 30.6 per cent.

Though the rise in commodity prices has so far during the present war been severe, there are, notwithstanding, hopeful reasons for thinking that the whole of the rise will not be maintained for any length of time, provided the British fleet retains its full command of the seas and its effective blockade of German ports. One influence beneficial to the United Kingdom is the deviation thereto of a large part of the foodstuffs and raw materials which in peace time would have been purchased and imported by Germany. Another influence is considerably more powerful, and arises from the fact that the United Kingdom has at least four thousand million sterling of its national wealth invested abroad. The greater part of the interest thereon, amounting to about two hundred millions per annum, necessarily reaches the United Kingdom in the form of imports of foodstuffs and raw materials. Moreover, shipping and other service rendered to foreign countries, and the colonies, and exports of manufactured goods, also, of necessity, compel in exchange large quantities of foodstuffs and raw materials to be sent every year to this country. Comparatively speaking, this financial force driving in foodstuffs and raw materials was non-existent during the Napoleonic wars of a hundred years ago. While the war lasts part of the interest and other payments due to the United Kingdom from abroad will admittedly be received in the form of ammunition and other war stores required by the Government, but it has also to be recognized that the food and raw material producing countries must find a market for their surplus produce.

Thirdly, there is an influence of great importance and likely to be of long duration which had commenced to operate to reduce commodity prices about a year before the war commenced, but since the outbreak of hostilities has been suspended or largely nullified by other factors. The influence referred to is that, owing to the enormous amounts of capital attracted during 1907-1913, in particular from the United Kingdom, to food and raw material producing countries, there must necessarily follow a considerable increase, for many years to come, in the world's production of foodstuffs and raw materials. Consequently, a fall in commodity prices will later be inevitable.

An Increase in Taxation.

During the present war there has been already a considerable increase in taxation in the United Kingdom, and further increases are not improbable. Part of the increased revenue is designed to meet immediately some of the war expenditure, and part the interest payments on the great war loans that have been and will be raised before the unprecedented conflict is brought to a conclusion favorable to the Allies.

An important factor to remember when considering the ultimate net effects of the war on taxation is that, provided the United Kingdom and her Allies finally deal crushing blows to Germany and Austria, one probable outcome of the war will be a reduction in the rate of increase during recent years, if not an actual reduction, in the armaments of Europe. Such a reduction would be an important offset to interest payments on loans necessitated by the war.

A Reduction in the Rate of Increase in National Wealth.

The war is bound to affect the rate of increase in national wealth, which, in the case of the United Kingdom for some years past, has been estimated by various authorities to amount to between three hundred millions and three hundred and fifty millions sterling per annum. But the present war expenditure is not likely to make any serious inroads into the total capital wealth of this country. It is impossible to estimate exactly the present total capital wealth of the United Kingdom, but calculations by different statisticians place the amount between seventeen thousand millions and twenty-three thousand millions sterling, according to the basis of calculation. Probably twenty thousand million sterling is not far from the true amount.

While fully recognizing that the present war must check, for the time being, any further considerable additions to the capital wealth of the United Kingdom, it is evident that the annual interest payments on loans necessitated by the war cannot materially reduce the rate of national savings after peace is declared.

When considering war expenditure it has always to be borne in mind that the total amount is not altogether lost to the nation. There is a readjustment of financial burdens, it is true, and often the heavier burden is felt by shoulders least able to bear it. As for instance, salaried and professional classes will see their incomes ranging from £120 to £500. Capital and labor usually suffer less in war times after the readjustment necessitated by the new conditions. A large number of manufacturers, importers and other people make considerably greater profits, some their fortunes, under war conditions, and the working classes, owing partly to the scarcity of labor, usually receive an increase in wages, which increase often more than compensates for the higher cost of living.

Looking at war expenditures from a national standpoint, it may be said that part of it goes in the form of profit to manufacturers and others engaged on war materials, and is not therefore altogether lost to the nation; part of it is represented by ammunition and other Government stores, which the community has produced by working more strenuously and by overtime at the factories and mills, but by energy which would not have been expended in peace times; and part of it is represented by ammunition and other Government stores, the energy to produce which has

been diverted from productive industries. It is for this latter diverted energy, owing to war conditions, that the nation has really to pay the bill. Taking the present gross war expenditure of the United Kingdom at £2,250,000 sterling a day, say, £800,000,000 sterling per annum, the net national expenditure is probably about £400,000,000 sterling per annum. If this estimate be approximately correct, and if the annual national savings in peace time be from three hundred millions to three hundred and fifty millions sterling, the capital wealth of the nation will be practically left untouched by the war, except for the element of temporary depreciation.

A Temporary Raising of the Rate of Interest.

The extent to which the rate of interest will rise in the United Kingdom, as a consequence of the present war conditions, will depend on the total amount of war loans issued and their dates of redemption. The loans in themselves are a measure of the disturbance and dislocation caused by the war to productive industry. If the total loans do not much exceed one thousand millions sterling, and are not issued in too large amounts at one time, and bear early dates of redemption, even for conversion purposes, the average rate of interest to be paid by the Government for the successful issue of the loans should not exceed 4 per cent.

It is inconceivable that the present war can last for several years. The population of the United Kingdom is now about three times as great as it was at the commencement of the nineteenth century. The national accumulated wealth is certainly ten times as great as it was at that time, and of this wealth, as already stated, at least four thousand millions sterling is invested abroad, and the interest thereon reaches the United Kingdom in the form of imports of foodstuffs and raw materials. If the final cost of the present war to the United Kingdom be one thousand millions sterling, it will represent only about five per cent. of the national accumulated wealth, whereas the cost, eight hundred and thirty-one millions, of the Napoleonic wars to the United Kingdom represented about thirty-three per cent. of the national accumulated wealth at the time of these wars.

The following table, showing the extent of the fall and rise in British Government credit during and subsequent to the Napoleonic wars, is particularly interesting as illustrating how quickly Government credit was restored after the termination of these terrible wars, and lends support to the opinion that the present rise in interest can be but temporary, and a rapid fall will take place after the termination of the war.

For Period:	Consolidated 3 Per Cents.	Average	Yield at
	Price	Average Price.	£ s. d.
1792.....	84 1/2	3	10 9
1793.....	75 1/2	3	12 2
1794.....	67 1/2	4	8 9
1795-1799.....	58 1/2	5	2 4
1800-1804.....	63 1/2	9	14 9
1805-1809.....	63	4	15 2
1810-1814.....	62 1/2	4	16 0
1815-1819.....	69 1/2	4	5 10
1820-1824.....	78 1/2	3	15 9
1825-1829.....	84 3/10	3	11 2
1830-1834.....	85 1/2	3	19 2
1835-1844.....	92 1-5	3	5 1
1845-1854.....	94 1/2	3	8 8
1855-1864.....	92 1/2	3	4 7
1865-1874.....	92	3	5 2

(War period, 1793-1815.)

The quick rise in Government credit after the great wars of a century ago terminated, and until the year 1835, explains why the great conversion schemes of 1822, 1824, and 1830, all of which involved a material reduction in the rate of interest, passed off so successfully. After 1835, for a period of about forty years, the credit of the nation, as represented by the yield on Consols, then became almost stationary, at about £3 5 per cent. The most important fact, therefore, to be drawn from the above table is that all loans issued during the present war should bear early dates of redemption, thus permitting of conversion to lower rates of interest when warranted by the state of Government credit.

A Reduction to Below Normal in Future Bank Rates.

There are two influences that, as a result of the war, should make for a reduction in bank rates below normal, after peace is declared. First, the relaxation of the financial tension brought about by the war; second, there should be no necessity for further accumulation of war chests for a long period of years.

As is well known, enormous amounts of gold have reached and been retained by this country, or been earmarked at certain depositories, since the outbreak of war. The Bank of England on June 9 of this year held, in the issue department, £58,207,000 in gold coin and bullion, as against £36,671,000 on July 29 of last year. The gold now in circulation is also considerably above normal. It is evident that a large amount of gold is being hoarded by the public at the present time, though some of the absorption is undoubtedly due to the increased currency requirements consequent on the extensive military mobilization. The greater part of the gold accumulated during the war will be eventually released, and will have to be attracted abroad.

The eventual disposal abroad of the large accumulations of gold made by the United Kingdom since the outbreak of war can only be effected by a period of low English bank rates, unless Continental bank rates remain abnormally high after peace is declared, which is very unlikely. The United States, may take part of the surplus gold, but the new banking laws of that country make for economy in gold rather than for further additions to existing stocks.

The second influence tending to lead to a low period of rates below normal in the future, provided the present gold production is maintained, is that already stated, namely, there should be no necessity for further accumulation of war chests for a long period of years; hence, there should in future be a lesser Continental demand for gold. This factor will obviously be dependent on the decisiveness of the defeat administered to Germany and Austria and the nature of the peace terms, which, it is to be hoped, will provide for limitation of armaments, and will make it impossible for another great European war to occur for at least another hundred years.

SUMMARY OF YEAR'S CANADIAN TRADE

Total Imports of Merchandise Amount-
ed to \$446,825,298 While Exports
Aggregate \$474,303,822

TRADE WITH U. S.

Imports of \$423,824,662 and Exports of \$221,012,228—
Imports From Germany Decreased From
\$14,465,089 to \$4,324,227.

A summary of the trade of Canada during the twelve months ended April last, just issued by the Department of Trade and Commerce, shows total imports of merchandise amounting in value to \$446,825,298, and exports of merchandise of \$474,303,822. This compares with \$606,778,307 imports and \$450,930,246 exports in 1914.

The following table shows the figures for the past year in comparison with the 1914 returns:—

Imports For Consumption.	1914.	1915.
Dutiable goods	401,643,627	272,387,490
Free goods	205,184,680	174,437,808
Total imports, merchandise	606,778,307	446,825,298
Coin and bullion	15,044,237	132,231,434
Total imports	621,822,544	579,056,732
Duty collected	105,139,340	78,711,850

Exports.	1914.	1915.
Canadian produce—		
The mine	58,790,551	51,854,627
The fisheries	20,532,356	19,868,383
The forest	42,797,161	42,708,384
Animal produce	53,468,137	75,842,575
Agricultural products	193,349,922	131,889,582
Manufactures	58,260,653	91,465,969
Miscellaneous	129,467	753,113
Totals, Canadian produce	427,324,629	420,357,854
Foreign produce	23,605,616	53,948,148
Total exports, merchandise	450,930,246	474,303,822
Coin and bullion	24,130,865	32,194,486
Total exports	475,061,111	507,498,308

Aggregate trade	1,096,883,675	1,086,465,047
Imports by Countries.		
Australia	718,602	466,827
British Africa	504,248	329,417
East Indies	7,172,199	8,412,232
Guiana	3,377,462	2,940,192
West Indies, including Bermuda	4,437,444	6,178,431
Newfoundland	1,830,379	1,232,509
New Zealand	3,231,806	2,968,296
United Kingdom	128,932,483	88,196,171
Other British	1,478,286	2,483,119
Argentine Republic	2,546,142	2,661,897
Belgium	4,377,154	1,698,507
France	14,025,037	7,991,047
Germany	14,462,050	4,324,227
Holland	2,790,854	1,659,212
Japan	2,634,477	2,788,848
United States	402,985,329	423,824,662
Other foreign	26,214,800	19,917,309

Exports by Countries.	1914.	1915.
Australia	4,914,199	5,553,282
British Africa	4,045,079	4,412,096
East Indies	7,045,575	8,754,764
Guiana	6,441,411	8,909,129
West Indies, including Bermuda	4,929,604	4,341,227
Newfoundland	4,796,749	4,412,096
New Zealand	2,038,292	2,568,682
United Kingdom	217,960,827	222,949,316
Other British	1,296,514	2,306,682
Argentine Republic	2,114,023	419,824
Belgium	4,750,739	3,207,113
France	3,857,048	13,714,451
Germany	4,338,303	1,963,582
Holland	5,490,172	3,468,146
Japan	1,594,877	991,161
United States	200,836,674	211,012,228
Other foreign	10,670,895	10,922,940

CRAFTY GERMANS HAVE BEEN FREELY BLEEDING THE BRITISH.

Melbourne, July 22.—An Australian metal exchange is to be established. The step will be taken in order, as Andrew Fisher, the attorney-general, told the House of Representatives today, "to bring to an end German influence regarding the disposal of Australian metals."

W. M. Hughes, the acting Premier, declared that the metal market was dominated by Germans, who he said, had "bled Great Britain to the extent of millions of pounds sterling."

The fact that the successful business man is an advertiser is usually incidental. He is an advertiser because he is wise and possesses of good, sound business sense and an analytical mind. At some time or other he came to the conclusion that advertising could be made one of the mightiest factors of his business organization, and having arrived at this conclusion, he just naturally went to it and advertised.

COTTON SITUATION MORE ENCOURAGING

The Market has Been Steady
Prices Have Rallied Since
70 to 75 Points

CENSUS STATISTICS

These Figures Show That the Consumption of Cotton Has Increased, Proving That Linters, Which is Being Used by Powder Manufacturers.