Current Business Conditions

(From the Monthly Letter Issued by The National City Bank of New York for September)

MUCH of the trouble which is being experienced over wage adjustments now results from the reckless methods which prevailed in governmental expenditures during the war. Governmental expenditures dominated the industrial situation, and they were met in the main by the use of credit. There was no pretense in governmental finance of making ends meet, but private business cannot be carried on in that way.

Even more of the present trouble results from the vague talk that was common in the war, and is common now, to the effect that a radical change was taking place in industrial relations and that the wage-earning class in the future would have a larger share of the industrial product than in the past.

This declaration doubtless has expressed a kindly wish or hope that the position of the wage-earning class would be improved, but those who utter it seldom have any definite idea about how the wish may be realized. They expect somebody else to realize it. The fact is that the distribution of current production takes place according to natural economic laws, and those laws are the same now as they were before the war. In Russia an attempt has been made to increase the distribution of wealth without regard to economic law, or the facts of human nature, with the result that industry has been paralyzed, production has come almost to a standstill, and the notion has been reduced to beggary.

Another error is in enormously exaggerating what might be done for the masses by seizing the incomes of the rich. In the first place the masses now get so large a share of all that is produced that if it was possible for them to get all the rest it would make no great change in their condition; and in the second place every attempt to seize the rest by arbitrary methods causes it to disappear, as it has in Russia.

The fallacy is in thinking that the leaders and managers of industry and business are not worth as much as they get, for every experiment in getting along without them shows that they are worth a great deal more than they get. Everything goes to pieces without them.

This does not, of course, mean that the individuals now holding positions of leadership and management are all indispensable. If they should all pass away others would be found to take their places, but there must be leadership and recognition of ability and reward for initiative and service, or society goes to pieces. Even the labor organizations find it necessary to have leaders, and pay them salaries much in excess of the average earnings of the members.

Professor David Friday, of the University of Michigan, has made a study of corporate incomes in the United States during the war periods, when profits are supposed to have been larger than ever before. He found that 1917 was the year of largest profits, and that the combined earnings or proceeds of the manufacturing, mining, railroad, and public utility industries in that year were divided as follows:

	Per cent
Wages and salaries	54.3
Taxes	11.5
Interest	5.8
Dividends	15.1
Surplus	13.4
Total	100

The total paid in interest and dividends was 20.8 per cent of the values created. That is what went as compensation to the people who provided the capital employed in these industries. It did not all go to rich people. The interest payments went for borrowed money, and many of the securities of these corporations are owned by savings banks, insurance companies, employes and small investors. The undistributed surplus is not personal income, but a part of the capital employed in the business. It is being used to enlarge the business, increase the product and afford employment to more labor. As long as it is so employed it is a common fund, rendering service to the employes and the public as well as to the owners.

Furthermore, it should be considered that not all of the 20.8 per cent which goes to interest and dividends is retained by the recipients for their personal use, as a part of it is reinvested for the development of industry. In fact all that the owners receive above their living expenses is returned to industry and disbursed in some form to labor.

After making allowance for that proportion of the 20.8 per cent which is a return upon personal savings, and that portion of the remainder which is returned to industry for the common service, how much of capital's remaining share can labor reasonably expect to get, and how much of a disturbance in industry can it afford to make in order to get it?

The great lesson of the present situation is that there is a certain fair and proper adjustment of relations between the people employed in all of the various occupations. It is a natural adjustment, made by the people themselves in selecting the work they shall do, taking account of their abilities, inclinations and all the conditions surrounding employment. When natural and just relationship is disturbed, the industrial organization slows down until whatever is wrong is made right. It is like an automatic loom which weaves cloth without a tender until something goes wrong, and then stops and will do no more until that something is fixed.

A GLANCE AT THE BUSINESS SITUATION

GENERAL CONDITIONS—Little change during August as compared with July. Numerous bad earning statements and dividend suspensions by big concerns show that industry and trade are taking their losses as well as the farmer.

STOCKS AND BONDS—Weakness of whole list of stocks indicates little general confidence in early business revival. Bond market showing good strength.

MONEY—New demands light. Bank clearings off about ¼ as compared with last year. Evidently people have their minds fixed on getting out of debt.

IRON AND STEEL—Activity still low, with both wages and prices yielding to the strain of under-consumption.

TEXTILES—Industry shows conspicuous exception to prevailing depression, and is making very good showing. Prices, particularly for cotton goods, have moved upward.

GRAINS—Late estimates make total yield of wheat for U. S. and Canada about same as last year. Movement to markets unusually heavy. Corn crop about 3 billion bushels, with large carry over and market price unprofitably low.

COTTON—With acreage reduced about 25%, and low yield per acre, predictions are that this year's crop will be from 7 to 7¼ million bales. Estimated that carry-over of some 7 million bales is held in this country, but much of this is low grade.

LIVE STOCK—Market recovered during July but lost in August. Undesirable feature is light movement of feeders and stock cattle from central markets to farms.

TO-DAY'S MESSAGES.

EXPLOSION AT HALIFAX.

HALIFAX, Sept. 12,

One man is missing, two are injured, and six of a battery of twelve pressure stills, completed last year by the Imperial Oil Co. at a cost of one million dollars, are in ruins as the result of a series of explosions which rocked Halifax shortly after three o'clock this morning. The conflagration which followed the detonations lit up the harbor and the eastern slope of the city and drew hundreds from their homes many of whom feared a repetition of the disaster of 1917. Doctors and nurses were immediately despatched by special boat to the scene but fortunately their services were not required. Shortly before five o'clock officials at the plant reported that the fire was under control and that all danger had passed. Officers of the Rosalind which arrived this morning from St John's said flames were visible thirty miles off Halifax harbor.

FORMER PRESIDENT HONORED.

GENEVA, Sept. 12.

Gustave Ador, former President of Switzerland, will be elected Honorary President of the Assembly of the League of Nations to-day.

DECLINES RESPONSIBLE POST.

GENEVA, Sept. 12.

Elihu Root has definitely declined to be considered for election as judge of the International Court of Justice. He said it was too great a responsibility for him to assume at the age of 76.

Here and There.

Eat Mrs. Stewart's Home-made Bread.—apr18,6mos

EXPRESS ARRIVES.—The incoming express with the Kyle's mails and passengers, arrived on time to-day.

See the FANCY COLORED TAPESTRY and VELVET PILE TABLE COVERS at BOWRING'S. All prices reduced. VALUE HARD TO BEAT. sep9,3i,eod

VAGRANT SENT DOWN.—A man charged in the police court with not having a home was sent down for 10 days, or until such a time as a home can be found for him..

It will pay you when buying LINEN TABLE COVERS and NAPKINS to look in and see BOWRING'S STOCK. All clearing at Slaughter Prices. sep9,3i,eod

"Laugh and grow fat" is an old axiom. We advise the use of a good tonic, named "Brick's Tasteless". Price $1.00; postage 20c. extra.—apr26,tf

League Football, St. George's Field, this evening at 6.30 sharp: C. E. I. vs. C. L. B. Admission 10c. Ladies free. Grand Stand 10c. extra.—sep12,1i

EXAM. RESULTS.—The results of the Lower grades of the Council of Higher Education Examinations will probably be given out in a day or so. The work of a great many schools is being delayed until these results are made known.

TO-NIGHT—C. C. C. Promenade Band Concert, Prince's Rink. See programme in this evening's paper. Admission 10c. Dancing items extra.—sep12,1i

Mr. F. J. King, Organist, etc., C. of E. Cathedral, will resume teaching on Sept. 16th. Terms for Organ, Piano, Vocal and Theoretical lessons on application to Studio, 235 Theatre Hill. sep12,6i

To Responsible Agents.

We have a limited number of openings to offer right men to travel Newfoundland selling a household appliance that is sold as soon as demonstrated. Can be sold everywhere. The only one on the market (patented) and a line that experienced solicitors will find most profitable. Ten dollars a day easily made—every day. If you have fair education, a clear record and are willing to work eight hours a day, we want you. State age, experience if any, and give references in first instance. Applications confidential. Write SOLICITOR, P. O. Box 664, St. John's. sep2,eod,tf

MOTOR CAR OWNERS—A few Tires left, selling very cheap to get clear of them, 32 x 4, 33 x 4, 34 x 4. E. D. SPURRELL, 365 Water Street. eod,tf

AUCTION WELL ATTENDED.—The auction sale of stores at Goodridges premises this morning was well attended. Messrs. Dowden & Edwards obtaining good prices. Ships findings, however, in some instances sold at bargain prices and amongst the lot was 2,100 lbs. chain which sold for $80.00.

Tired Metals.

It is not generally known that metals—iron and steel in particular—are subject to fatigue after constant strain, and need an occasional rest, just as an everworked human being requires a holiday every now and then to recuperate from his toil.

A case in point occurred recently at Wapping Station, where two lives were lost through a runaway goods wagon colliding with a stationary motor train.

The disaster was caused by the draw-bar hook coupling the wagon to the remainder of the goods train breaking on a gradient, leaving the wagon free to run back on its course with increasing impetus.

Experts who examined the broken pieces of the hook could find no flaw of any kind in the metal, and were unamimous in declaring that the metal, brittle through fatigue, had collapsed beneath excessive shock, possibly received during shunting operations.

It was impossible to know beforehand that the hook needed a rest, although had fate ordained that the wagon should be held up for a few days, the rested metal would in all probability have recovered and the catastrophe have been averted.

A good rest will work wonders with a piece of metal suffering from fatigue, and give it a new lease of usefulness.

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A few years ago a Bessemer steel rail collapsed under the weight of a goods train and broke into several pieces. It was found that the rail had done gallant service for 22 years and badly needed a rest.

Had it been replaced by another it would have returned to its normal it would have returned t oits normal state and done duty for many more years.

Lord Kelvin was the first to make this discovery, and, by experiments, prove its truth.

By keeping iron wires in a state of constant oscillation for six days he discovered that they had lost a considerable amount of their elasticity. A day's rest was given, when the wires were found to have returned to their original condition.

Repeated experiments proved this result to be an absolute fact with regard to wrought iron and steel.

Singularly enough, although a wrought iron bar will recover 10 per cent. in elasticity after a three weeks' respite from hard work, cast iron improves in strength if subjected to constant shocks—so much so that experiments have demonstrated that cast-iron bars will gain as much as 100 per cent. in strength after being subjected to a succession of shocks.

There have been instances in the past of buildings giving way through the sudden collapse of a supporting girder owing to the unceasing strain the metal has had to endure.

Happily, in this age of concrete and steel, such cases are rare, as the metal used nowadays is invariably tested to withstand a far greater strain than it will be called upon to bear when in use.

The knowledge has undoubtedly benefitted the travelling public, as the railway companies now make a point of taking up the rails on all much-used lines every few years to give the old metals a needed rest and restore their elasticity for another period of years.—Daily Mail.

Let us put a smile on your countenance. Try a bottle of Brick's Tasteless at Stafford's Drug Store. Price $1.00; postage 20c. extra.—apr26,tf

The New Eyes of Science

(By a Harley Street Doctor.)

A weapon of immense value in the great fight against disease has just been forged. It is a new kind of microscope which is as much stronger than the old kind as the big telescope in the Greenwich Observatory is stronger than a pair of opera glasses.

The story of the new microscope is a romance, strange and fascinating. The things which it may accomplish for all of us can as yet only be guessed at. But we know that they will be great things, amazing things.

The doctor's most powerful weapon against disease is his eye. Once he can see where the danger lurks, what it is, what it looks like, he is halfway towards preventing it. Microscopes are the new eyes of medicine, with which our healers are able to keep a constant and a splendid watch on our deadliest enemies.

Fighting Deadly Germs.

Imagine an army to-day with areoplanes, or an army of the past without scouts! They would be on the same footing as would medicine without microscopes.

All our knowledge of the germs of disease, of diphtheria germs, of typhoid fever germs, of suppuration germs, we owe to the microscope.

Once upon a time diphtheria killed about ninety out of every hundred children it attacked. Then, by the aid of this great, all-seeing eye, a doctor found the germ of diphtheria. He studied its shape, its way of living. It became, as it were, a "marked man," so that its appearance was known to all doctors. In the Scotland Yard of medicine—the laboratory—they had its description complete. After that it was not very difficult to prepare an antidote to this poisonous fellow, so that whenever he appeared steps could be taken to destroy him.

That antidote is known to everyone as "Anti-diphtheria Serum." And since we found it, few—very few—children have died if the dreadful white growth that limes at the back of the throat, and is called diphtheria. Once the serum has been given, the growth peels off and comes away.

Too Small to See.

That is what the microscope has done for one disease. Unhappily, there are other diseases which remain to be conquered. One of them is measles. No man has ever yet seen the germ of measles, and yet that germ certainly does exist. Measles kills far more children now than does diphtheria. Measles is, therefore, a more deadly disease now than diphtheria.

Why has the germ of measles never been seen? The answer is that it is too small to be seen. The microscope is not able to magnify it, to enlarge it sufficiently to allow the human eye to detect it.

In the words of science the germ of measles lies beyond the microscope. It is "ultra-microscopic."

And here we come to the new microscope. The old microscope was thought to be absolutely perfect. Manufacturers of the exquisite glass lenses with which it is fitted said that the very limit of its possible powers had been reached. Lenses could not be made to give a greater enlargement.

New Light on the Subject.

That idea has lasted for ten years. Doctors thought that no further improvement was possible in their wonderful "eye," and so had given up all hope of seeing the very minute germs which probably cause measles and other familiar diseases, such as whooping cough, scarlet fever, chicken-pox, and so on; for no one has yet found the germs of these commonplace ailments.

But the new microscope brings new hopes with it. It is no less than twelve and a half times stronger than the old one. That is to say, that an object which looked no larger than a pea under the old microscope looks as large as a penny-piece under the new one.

The new microscope, like most great ideas, makes use of a new principle which is yet beautifully simple. Its discoverer, Mr. Barnard, whose name is known all over the world for his knowledge of this subject, thought that equally as important as the glass lens in a microscope was the light which enabled the eye of the person using the lens to see through it.

Suppose that, instead of trying to make better lenses, one tried to use a better kind of light?

He began to work on that simple idea, and employed coloured lights instead of the ordinary daylight.

The daylight, as most people know, is made up of seven different colours. Sometimes it gets split up into these seven colours again. This happens when it passes through rain—the rainbow—and when it passes through cut-glass of a special shape—for example, the blue and red lights seen at the bevelled edge of mirrors.

The colours, when daylight is split up, always come in an exact order, violet being at one end of the raw, and red at the other end. The order is: violet, indigo, blue, green, yellow, orange, red.

Mr. Barnard used quartz glass, so cut as to split up the daylight and send only one colour at a time into his microscope. He found, by making trials, that violet light gave him the results he was looking for. So he arranged his quartz glass in such a fashion that only violet light should fall on the specimen he had under examination.

Studying Living Specimens.

And by this means and other technical changes he forged his great new weapon. His new microscope, with its violet light, can enlarge any object it looks at no less than the enormous amount of twelve and a half million times its natural size. That would make an ordinary house-fly bigger than the dome of St. Paul's.

It is easy to see what this must mean to doctors and to the science of medicine. A great new future opens out, full of all sorts of astonishing hopes. Moreover, the use of this violet light allows us to see germs alive. Up till now with the old microscope we could see them after they had been stained with various bright dyes—that is to say, after they were dead.

This is very important, as the natural living germ must afford far more real information than the dried, stained, dead one.

Mr. Barnard believes his discovery is only the beginning of a new advance in knowledge, for there seems to be reason to think that other rays, including the mysterious X-rays, may be able to give even greater results than the violet light rays. That, however, is a matter still didhen in the future.—Answers.

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