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Business Prospects in the United States

The economic condition of the great Republic to the South is of more than ordinary interest to the people of this country. For three thousand miles and more our frontier marches side by side with that of the United States. Geographically, and according to all the laws of nature, the United States and Canada were destined to form an economic unit; and notwithstanding all that has been done by the two nations on this vast continent to restrain and hamper trade between them, the fact remains that the United States finds in Canada its second greatest customer, while in turn Canada has in the Republic its greatest market after that furnished by the United Kingdom. Gradually, however, we may expect that economic barriers between the two peoples will be brushed aside. When that day dawns, there will be an enormous impetus given to the trade and commerce both of this nation and of the United States.

For the last two years, business in the United StSates, as well as in Canada, has been in a state of doubt and hesitation rather than one of depression. In the Republic, there has not been any crisis or panic due to overproduction, over-trading or the over-expansion of credit. Competent observers in the United States insist that the depression has been brought about mainly by proposed changes in the tariff law, in the banking and currency system, and in the laws for the regulation of great organizations of capital employed in trade and in commerce. The doubt arising as to what would be done by Congress, disturbed calculations for the future and held new enterprises in check. Apart from this doubt as to what was to happen and how soon, there was the certainty that there would have to be adjustments to the changes, however beneficial the final result might be.

The new tariff has been in effect the better part of a year, and no doubt some industries have suffered in the readjustment which they have had to undergo. The new banking system has not yet been put in operation, and little has been done to disturb the banking of the country. Legislation for the regulation and restraint of large scale business is still pending. It is difficult just at the present, to know what the effect of this legislation will be, but there is a growing hope that official requirements will be such as can be complied with without serious difficulty and with possible benefit. Meanwhile, in spite of all sunshine arguments and pleas to cheer up, business is forced to mark time. Teh situation has been somewhat aggravated by the fact that the big railroads have not been able to adjust their rates to the needs of their traffic and credit, without the permission of the Interstate Commerce Commission. That Commission has too long delayed in passing judgment upon the general five per cent. increase of rates of eastern railroads. However, it is easy to exaggerate the fact of this influence upon the general industrial and commercial situation. It does not depend so much upon the railroads as they depend upon it. While, of course, the railroads may be deterred from extending construction, renewing equipment and so forth, for lack of adequate resources, there is danger here of confusing cause and effect. The lack of adequate income for the railroads is more the result of bad business than the cause of it.

What are the prospects for a speedy return of prosperity in the United States? The crops promise to yield a bumper harvest. This will supply traffic for railroads, abundant commodities for trade, for surplus export, and will provide money for farmers to purchase goods. In general, it will give a renewed impulse to manufacturing industries. A condition that is favorable to a speedy trade revival lies also in the fact that for a year or two business has been under restraint, and has met only specific orders without taking risks and chances by producing goods to meet an anticipated demand. There is very small stocks on hand, no orders in excess of needs, and no over-extension of credit except in isolated cases.

The same conditions hold largely true in Canada. Mr. A. O. Dawson, General Manager of Canada Cottons Limited, in an interview given to the Journal of Commerce a few days since, emphasized the fact that the jobbers were buying to meet actual needs only, as was evidenced by the fact that the manufacturers were doing an extraordinarily large express business. Retailers also have kept their shelves clear of surplus stocks and so are in a position to buy heavily from the jobbers at the first favorable turn in the economic condition of the country. The prospects for a bountiful harvest in Canada are extremely good. Hundreds of millions of dollars will, in a very few months, be in the control of the farmers throughout the length and breadth of Canada. This will mean added purchasing power, the payment of notes to implement firms and the like. This will put the manufacturing industries of the country on a sound basis and permit them to extend their operations. The process of liquidation through which the country has gone during the last year has meant much for the sane revival of trade and industry. The period of depression in Canada has almost passed, and we may confidently look forward to a revival of business shuch as Canada has never experienced before in her history. The slowing down in our economic progress has been but temporary. Our resources are vast, our people aggressive and progressive and retaining the goodwill of the capitalists of Europe and especially of the United Kingdom, we may confidently look for an area of prosperity which has never been equalled before in this nation's march forward.

The Tariff and the Cotton Industry in the United States

The Underwood Tariff Act instituted great reductions all along the line in the United States, but particularly upon cotton and woollen goods. For the last three months, a persistent effort has been made by various manufacturers to spread the opinion abroad that the textile industrfes of the United States are suffering very keenly the effects of foreign competition, and especially of English and German competition. The deductions which they wished to draw from these statements were that the lowering of the tariff had harmed labor and capital in general, and the textile industries in particular. It must not be forgotten that the American tariff is on the average still considerably higher than the Canadian tariff—averaging about 10½ per cent. higher on woollen goods and 15 per cent. higher on cottons. In this connection, readers of the Journal of Commerce may be reminded that a few days ago Mr. A. O. Dawson, General Manager of Canada Cottons Limited, expressed the opinion that Canadian manufacturers were satisfied with the present rate of duties and that under the protection which they now receive, the cotton industry, at least, has flourished. Nevertheless, in the United States with its much higher tariff, with its cheaper machinery, and with its cheaper capital, cotton manufacturers are bitterly complaining against the injustice done to their business by lowering the tariff on cotton goods, to an average of 45 per cent. ad valorem. It should not be overlooked, either, that in the New England cotton mills, the average rate of wages is not as high as that paid by our Canadian manufacturers to their workmen. But let us for a moment glance at some of the facts and figures in the case to discover, if we can, whether American manufacturers are making a fair report upon the state of the cotton industry in the Republic.

In the month of June last, mills in the United States consumed 445,635 bales of domestic cotton as compared with 441,157 bales in June, 1913. The number of cotton spindles in full operation were 30,538,752, or about 900,000 more than were in commission at the same time last year. The increase in the spindleage goes to show that the mills are running on finer yarns, and this indicates that the New England mills which produce such yarns are doing very well. Nobody has the temerity to deny that the southern mills are prosperous. Therefore, the whole argument turns around the condition of the cotton industry in the north, and particularly in the New England States.

In the first ten months of the present cotton crop year, 4,745,390 bales of domestic cotton were consumed as compared with 4,588,729 bales for the corresponding period of the preceding year. In addition to this, there was an increase of more than 27,000 bales of Egyptian cotton imported, all of which was probably consumed in American mills. From month to month, the gain in consumption over last year has been steady, nine months out of the ten showing an actual increase. A writer in the New York Commercial remarks that "as the price of coal has not advanced sufficiently to make it more economical for the mills to burn cotton in their furnaces instead of the fuel to which they have been accustomed, it is hard to account for this increased consumption of cotton if it does not mean an increased production of goods."

It has been recently admitted by a prominent cotton manufacturer that the worsted mills have been doing well; but he maintained that cotton and woollen mills were in bad shape. However, the figures quoted show that he was mistaken, and that the whole textile trade in the United States is prosperous. He was careful to say nothing about silk mills, which have so many orders that they do not know what to do with them. The plain facts are that some manufacturers in the Republic have been accustomed for so many years to shelter themselves and their inefficiency behind a high tariff wall, that they now feel the strain when compelled to rely more upon their business ability and organizing capacity. The truth that Sir George Foster hammered home at the banquet of the Canadian Manufacturers needs to be emphasized both in Canada and the United States—viz., that however justifiable a protective tariff may be in a new country whose industries are still in the stage of early development, this in itself gives no excuse for such a tariff as will permit inefficiency, slothfulness and greed to dominate the industrial life of the nation. The simple truth is that a further cut in the tariff on cottons and woollens in the United States would probably, in the long run, do more to make the American manufacturers formidable in Europe and in neutral markets than the highest protection which those industries enjoyed in the halcyon days of old ever could have accomplished.

Lloyd George is a master at coining expressive phases. As is well known the House of Lords is his pet aversion and his latest definition of that august body is delighting his radical friends. It follows, "The House of Lords is made up of men choosen by accident from the ranks of the unemployed."

The driver of an auto-hearse was recently arrested for exceeding the speed limit. Sort of mixing the quick and the dead.

During 1913 the Province of Quebec produced minerals valued at $12,918,000, of which asbestos took first place, cement second, limestone third and brick fourth.

James J. Hill says that the United States will have a population of 200,000,000 by the middle of the century. Last year 1,376,000 immigrants arrived in the country. If this influx keeps up together with the natural increase the railway magnate's prophecy may not be far astray.

A scientist has estimated that a fly can haul 170 times its own weight. As there are 742,869,951,387,295,387,465,428,473,452,116 flies in the world it is obviously plain that much fly power is going to waste.

"A new revolution has broken out in Mexico," says a newspaper headline. It would have been the decent thing to have deferred this outbreak until Huerta had left the country far behind. As it is now he will feel slighted to know that they can stage a real war without his aid.

At the present time 44,750,000 square miles of land out of a total world area of 51,500,000 square miles are under the domain of the white races. In population the same relation holds, the white races rule over 1,190,000,000 out of a total world's population of 1,750,000,000. Is it any wonder the Yellow Peril has arisen?

"A LITTLE NONSENSE NOW AND THEN"

A man is known by the company he keeps—at a distance.

After he resigned hundreds of Mexicans kissed Huerta. This explains his reluctance to take the final step.—Kanesburgh Illuminator.

She—Papa preaches on "Love One Another" this evening. Shall we go and hear him?"

Her Beau—No; let's stay at home and practice what he's preaching.—Philadelphia Ledger.

"Do you give money to your wife?"

"No, sir. I have no bad habits whatever."—Minneapolis Journal.

The fair collegian looked worried.

"I nearly made an awful break last night when Arthur proposed," she said.

"What did you do?" asked her alter ego.

"Nearly let out the college yell."

Howard.—"Every book in my library has the author's autograph."

Coward.—"How did you manage it?"

Howard.—"I never borrow any other kind."

Willie—Paw, what is an autobiography?

Paw—An autobiography is a record of a man's career that doesn't give him any the worst of it, my son.—Cincinnati Enquirer.

MY ORDERS.

My orders are to fight,
Then if I bleed and fail,
Or strongly win, what matters it?
God only doth prevail.

The servant craveth naught
Except to serve with might,
I was not told to win or lose,
My orders are to fight.

THE SLUM PROBLEM.

(By Hon. Clifford Sifton.)

"One hundred years ago Macaulay said that the time would come when one-half of the population of the United States, after getting their breakfast in the morning, would not know where the next meal was coming from. That is a condition which will come if matters are left to themselves to proceed as they have proceeded at other times and in other ages, and in other countries. History will repeat itself unless something is done to prevent it, and I put it to you that the problem that is up to the intellect of this twentieth century is whether we have brains and capacity enough to free ourselves from the prejudices and the shibboleths with which our minds are encumbered, and grapple with these present problems so that society shall control its own destinies, and avoid the evils which have dogged the footsteps of progress in the past.

"You, perhaps, are not called on to deal directly with the question of economic policy, but you must necessarily study the economic condition under which your work is to be done. You can give us what we want on the technical, the local and the municipal side. You can give us the framework into which the ideal conditions, when discovered, are to be fitted. As to the answer to the question which I have propounded, there is in my own mind no doubt that it is impossible to give any single answer to the question. No one theory explains the fact. It is a composite problem; it requires a composite answer. So far as the physical questions involved are concerned, it is beyond a doubt that until lately the growth of congested districts followed by the growth of slums and the habits of living, which have resulted by reason of people for generations living in undesirable circumstances, has been in the main due to the lack of transportation facilities which would enable the residential area to be extended. Other obvious reasons are the lack of systematic oversight and foresight, crowding, and the rapid growth of population for which no adequate provision has been made. We have now arrived at the period at which if any large or growing city has not a proper system of transportation, it has only itself to blame; the remedy lies at hand, and as to other difficulties, the experience which has now been acquired is sufficient, if properly applied, to eradicate most of the evils.

"We have invited you here to help us begin the attack on broad, comprehensive principles, and the purpose that we have in view is to secure the basic legislation which will enable the whole question of town planning and housing to be carried on in Canada in a scientific, systematic and orderly fashion. What is the best legislative foundation for this purpose will be for your consideration and discussion, and I have no doubt that the result will be of the greatest value.

"What I desire to say to you in closing is that the question you are engaged upon is the greatest material question in the world to-day. It is more important than flying machines or wireless telegraphy, battleships or gunnies. It has to do with the health and happiness of the average citizen, with the abolition of wretchedness and unhappiness. The solution of it will bring health and happiness to increasing thousands of our fellow men."—The Building World.

THE WORLD'S POPULATION.

	Population in millions.			
Continent.	1761	1811	1861	1911
Europe . .	130	180	280	450
Africa . .	80	90	100	150
America . .	26	30	70	175
Asia . .	520	600	675	820
Oceania . .	...	...	25	55
Total . .	750	900	1,150	1,650

Thus for 1911 the population of the world is estimated at 1,650,000,000, an increase since 1861 of 500 millions, or 43 per cent., the increase shown between 1811 and 1861 being 250 millions, or 28 per cent., and between 1761 and 1811, 150 millions, or 20 per cent.

COLLEGE MEN IN BUSINESS.

Once it was the fashion for hard-headed, self-made merchants and tradesmen of the older generation to scoff at the colege graduate and to disparage his "high-faluting" ideas but that sort of talk is seldom heard nowadays. The college degree may not mean that the holder is any better prepared with special knowledge to fit him for a business life, but the four years of mental broadening do figure as an asset in the sum total of his qualifications as a general guarantee of his intelligence and ability to learn, provided the boy has improved his opportunities. He can make his experience valuable or negligible as he sees fit to apply its lesson; the degree of success must depend on the stuff that is in himself after all.—Philadelphia Evening Bulletin.

EDUCATION AND ENDOWMENTS.

Are great endowments injurious to education? An unexpected resolution of protest against the gifts of Mr. Carnegie and Mr. Rocekefeller was drawn up at the convention of the National Education Association now in session in St. Paul. It is said to have been shaped mainly by representatives of the smaller schools, and the principal contention is that such endowments may impair efficiency by removing the incentive to effort which is found in competition. The teacher once well established may relax completely, knowing that a pension is waiting for him and education generally is in danger of becoming somewhat otiose. That is the view of the protestants, and of course, it is far from new. It is but returning, in some measure, to the old laissez faire idea that everybody should pay for what education he thinks worth paying for.—Springfield Republican.

DEAR THINGS ARE CHEAPEST.

All works of quality must bear a price in proportion to the skill, time, expense and risk attending their invention and manufacture. Those things called dear are, when justly estimated, the cheapest. They are attended with much less profit to the artist than those things which everybody calls cheap.

Beautiful forms and compositions are not made by chance, nor can they ever, in any material, be made at small expense.

A composition for cheapness, and not for excellence of workmanship, is the most frequent and certain cause for the rapid decay and entire destruction of arts and manufacture.—Ruskin.

FRENCH FINANCE.

An American, who has travelled in Europe rather extensively, says:

"We know very little of true finance compared with the French. If there is any nation in the world that is volatile or subject to panic it is the French, and yet you never hear of French panics in finance. French panics are always political.

"Some years ago I was travelling from Paris south, and noticed a strong military guard on the train. I inquired, and learned that 50 million francs were on that train to relieve a financial strain at Marseilles.

"I thought what a mighty fortune of gold that must be—$10,000,000—and then I inquired again, and learned that this mighty fortune consisted of packages of 100-franc pieces of the Bank of France—all in paper.

"Of course, all Bank of France notes are payable at the bank on demand, but they are good currency all the way from Marseilles to Paris. When they are wanted in the south of France they are sent there, and when they are no longer wanted they drift back to the bank and are promptly redeemed in gold if there is no disturbance, but in heavy silver 5-franc pieces if anybody wants to make trouble."—Wall Street Journal.

"SKY-HIGH" MEAT PRICES.

There are indications that the prices of meat will surpass the record high marks of recent years, according to the representatives of many of the great packing plants of America. The present tendency of the market appears to bear out this prophecy.

The cattle needed for the ample beef supply of other years are not on the ranges and the farms of this or any other country. There is a meat shortage but it is a world shortage. The statistics gathered by State and national experts show that the cattle swept from the ranges by the settlement of the old grazing States have not been replaced. The farmers who hold the old grazing lands are crop growers and not growers of live stock, and the passing of the ranges meant the passing of cheap and plentiful beef.

In brief, beef and meats are rising in price for the same reason that diamonds are valuable—because of the comparative scarcity of the commodity. We may get some relief from the beef of the Antipodes and the Argentine, but in the Argentine at least the supply is handled by the same concerns that handle American beef and the prices cannot be much lower. Possibly the placing of meat on the free list under the Underwood tariff will have a tendency to hold the prices level, but the world-wide shortage will greatly nullify this effect.—St. Louis Republic.

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FOR SEA SAFETY.

It ought not to be beyond the capacity of seafaring men to devise a far more complete and specific set of signals that can be uttered by a steam whistle than there are now. The importance of this has been impressed by the many recent collisions in fog. If all steamers were equipped with wireless outfits it would not be necessary to depend upon the steam whistle, but it will probably be long before all the colliers and tankers and other freighters are so equipped, and it is of no use to a passenger steamer to talk wireless to a steamer that can't understand anything that is said. It must be possible to develop signalling by whistles.—Philadelphia Record.

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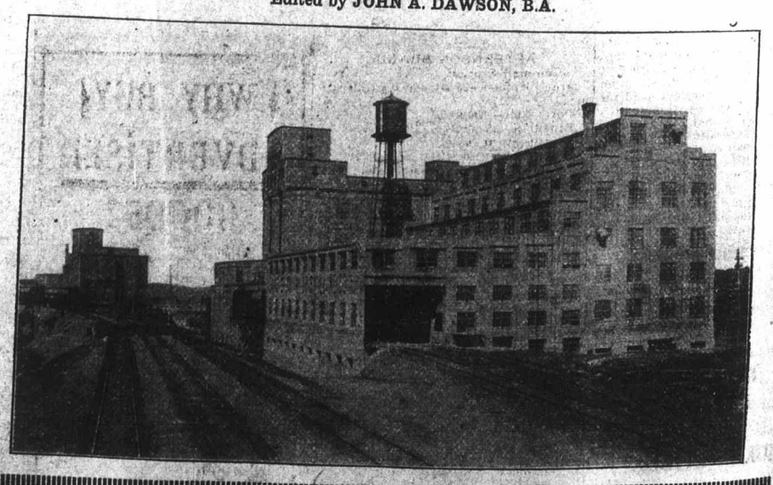
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