SOO LINE SURPLUS WAS CUT IN TWO

Railroad Felt the Effect of the Small Crop Gleaned in 1913

FIXED CHARGES THE SAME

Coincident With a Reduced Volume of Business Expenses Were Heavier—Many Factors Account For the Reduction in Gross Earnings.

Minneapolis, St. Paul & Sault Ste. Marie has issued its pamphlet report for the year ended June 30, 1914, and we compare the important income and operating statistics over a period of 10 years in the tables above.

Compared with the record figures of 1913 this report makes rather a poor showing. Few roads in the country, however, experience such gyrations in earnings as Soo.

While there has been favorable progress made in increasing gross revenue during the past 10 years, this period has been marked by many ups and downs. For example, 1906 earnings amounted to almost $3,000,000 more than in 1905. In 1907 the progress kept up though the increase was less marked, the gain being but little over $1,000,000.

In 1908 gross earnings fell off $1,700,000 and in 1909 there was a gain of about $1,200,000, bringing the volume almost up to the 1907 level. In 1910 occurred another remarkable jump in gross, the gain figuring about $2,700,000, but in 1911 earnings slumped off to almost the 1909 level and as expenses kept up the amount earned on the stock was the smallest on record.

Carries Diversified Tonnage.

Favored by bumper crops gross earnings in 1912 increased $4,000,000 and a gain of about $3,000,000 more was made in 1913.

Products of agriculture and lumber together make up 57 per cent. of the tonnage of the Soo so that prosperity or depression in these lines away earnings violently one way or the other. This is not so much the case where a road carries a diversified tonnage.

In 1914, gross declined $2,692,983 and reflected a light grain crop in 1913. On the other hand expenses and taxes increased $289,618. An increase of $212,192 in "other income" somewhat offset the gain in expenses.

Fixed charges amounted to about the same as in 1913 and were earned about one and three-quarters times over. Surplus income amounted to $2,673,913 less than in 1913 and after payment of preferred dividends the sum remaining was equivalent to 11.26 per cent. on the outstanding common stock as against 18.43 per cent. earned on the same stock last year.

The average stockholder will not be so much disappointed at the falling off in gross earnings in 1914 as in the fact that despite the reduced volume of business expenses were heavier.

Reduce Expenses Immediately.

Of course it isn't possible to reduce expenses immediately to compare with a sharp reduction in gross, but most companies this past year were able to cut the cost of conducting transportation much more than was shown by Soo. Transportation expenses were reduced only $444,737 in the latter case and maintenance expenditures were increased by $587,749.

Going back over the figures of past years, however, it is found that in the slump in gross earnings in 1911 a similar advance in the operating ratio occurred. In 1911, operating expenses and taxes consumed 10 per cent. more of gross than in 1910, and in the two good years which followed this ratio dropped about seven points. In other words, Soo's expense account apparently remains about the same, except that wages and the cost of fuel, etc., have advanced, in years of large traffic or light business.

The report says: "Dealing with the entire system and comparing the year's results with those of the preceding year, the gross earnings decreased $2,998,439, the total income decreased $2,838,321 and the surplus income decreased $3,249,568.

"The percentage of gross earnings required for operating expenses for the year was 66 per cent. The preceding year it was 59.8 per cent.

Loss of Grain Tonnage.

"Analysis shows the decrease of gross earnings to be the result of several factors; first and principally, the loss of grain tonnage caused by the lighter crop of 1913; a coniderable loss of manufactured products and merchandise tonnage resultant from the depressed business conditon; a loss of passenger revenue on account of lower passenger rates established by some of the states through which the lines operate, and the refunding of overcharges, both passenger and freight, in consequence of the court's decision in the Minnesota rate case.

"A substantial increase in revenue from livestock and other miscellaneous farm products handled, supports the theory that the agricultural development of the northwest is becoming more diversified in its character and should be an encouragement for the future.

"The increased cost of operation is found principally in the increased cost of maintenance of way, structures and equipment, and reflects the higher cost of labor and materials, the necessity of displacing temporary structures, and the increasing cost of depreciation in obsolete equipment. The increases in the other items of expense denote the increasing cost tendencies occasioned by the higher cost of materials and constant pressure for higher wages.

"During the year the mileage was increased by completion of the extension from Ambrose, N.D., to Whitetail, Mont., 35.77 miles, by the Iron Mountain Branch and the Ironton Branch in the Cuyuna Iron Range, 11.57 miles. The only new construction in progress at this time is an extension wastward from Plaza to the Missouri River, a distance of thirty-three miles.

Controlled By Soo Line.

"The freight terminals at Chicago were completed and have been in operation since April first last. These terminals are the property of the Central Terminal Railway Company, an Illinois corporation owned and controlled by the Soo Line, and report of that company is therefore embodied herewith.

"The company's funded debt was increased during the year by the sale of $4,638,000 Minneapolis, St .Paul & Sault Ste. Marie Railway Company first consolidated mortgage bonds, $1,280,000 equipment trust notes and $150,000 Wisconsin Central Railway Company first and refunding mortgage bonds; $753,000 of the last named bonds were authorized and issued.

"One million, ten thousand, nine hundred and ninety-three dollars equipment trust notes, $56,000 Wisconsin Central Railway Company first general mortgage bonds and $7,000 Marshfield and South Eastern division bonds were retired during the year.

"The early prospects of the season promised a record-breaking grain crop in the northwest this year, but the indications are that only an average crop has been matured. While the business conditions in the northwest seem sound and have the factors for local prosperity, under the present general financial and political complications prevalent throughout the world, superhuman wisdom and courage would be required to predict the business probabilities for the current year."

HALT IN BOYCOTT ON GERMAN FIRMS

Internationalism of Capital Renders it Impossible To Go To Extremes

OUTCRY WAS INDIGNANT

Success of Campaign, it Was Found, Would Increase the Evils of Unemployment—Many German-owned Firms Operating in Great Britain.

London, September 28.—At last a little good reflection is modifying some of the enthusiasm with which the "trade war" with Germany was started. The original proposal for an immediate boycott of all articles of German manufacture produced an indignant outcry from British wholesale and retail traders, who had already bought German goods to the value of millions of pounds, and were faced with the prospect of having these wares left on their hands. The attack on "the pipe-line of British gold to Germany" has also met an unexpected obstacle, whose discovery would be of special interest to Norman Angell. For several days the papers were giving particulars of manufacturing concerns in England whose shares were largely owned by German capitalists. These, too, should be boycotted, for if you bought any of their products you were putting money into the pockets of the enemy.

Presently it occurred to some one that the success of this campaign would increase the evil of unemployment at home, against which it is especially necessary to guard. One petroleum company, mainly owned in Germany, employs in its British works 3,000 persons. A German tube company similarly employs 1,750, and a German electric lamp company 1,500. These conditions are the direct result of recent legislation which compelled German owners of patents, in default of forfeiting their patent rights, to manufacture the patented article in this country. This law was passed for the express purpose of enabling British workers to derive employment from British purchases of the article in question.

A peculiar case is that of Messrs. Siemens, the electrical manufacturers, who have founded and developed large industries at Woolwich and Stafford. It is reported that certain Government requirements have been standardized by this firm, and that the standard articles could not be manufactured by other firms for several months, as new plant and tools would be required. The whole story shows once more that civilized nations must make their choice between the conditions that make international trade possible and the conditions that permit war. They may have the one or they may have the other, but they cannot have both.

SHOE MARKET OPTIMISTIC

Prospects For Future of Industry Are Much Brighter Than They Were a Few Weeks Ago.

Boston, September 28.—Shoe manufacturers are much more optimistic as to the outlook than they were a few weeks ago, and while orders are behind last year on the average it is believed business is on the mend. This was the apparent sentiment of tanners, shoe manufacturers, shoe wholesalers and retailers who attended the recent meeting in New York. A big Boston shoe manufacturer who was present says:

"Prospects for the shoe business as a whole are much brighter than they were two or three weeks ago. The middle West and the West are having a good business, and it is believed that those sections will be able to place more orders in the near future. As far as the South goes the situation is still somewhat doubtful, but there is certainly a better feeling there. At the meeting in New York it was brought out that what was needed in the South was courage, patience and co-operation to relieve conditions.

"There is of course considerable uncertainty about prices and this naturally makes for conservatism. Shoe prices have already advanced anywhere from 10 to 20 cents a pair, which has been made necessary by the depletion of the hide and skin supply consequent upon the shutting off of importations due to European war. Shoes are likely to be still higher in the next six months.

"For the last six weeks the shoe manufacturing industry has not been running over 50 per cent of capacity, and, in fact, ever since the first of the year the shoe business of the country has not been over 75 per cent of normal. As to the future I am inclined to think that business is going to increase. The financial situation is clearing up a little and this gives manufacturers a more hopeful feeling.

"Cloth and other materials are being used quite extensively for shoe uppers now, but this is dictated more by style than necessity. Nevertheless manufacturers look with favor upon this development as it helps to relieve the demand on an already depleted supply of calf skins and kid, importations of which have been cut off."

MARITIME PROVINCE SECURITIES

Quotations furnished by J. C. Mackintosh & Co., Members Montreal Stock Exchange, Exchange Building, Halifax.

Miscellaneous:	Asked.	Bid.
Acadia Sugar, Pref.	100	95
Do., ordinary	65	60
Brandram-Henderson, Com.	30	25
East. Can. Sav. and Loan	145	140
East. Trust Co.	163	158
Mar. Nail, Pref., with 40 p.c. com. stock bonus	100	98
Mar. Tel. and Tel., Pref.	102½	100
N. S. Underwear, Pref.	98	...
Do., Com.	35	30
Stanfield's, Ltd., Pref.	95	90
Trinidad Electric	73	...
Bonds:—		
Brandram-Henderson, 6 p.c.	97½	92
Eastern Car, 6 p.c.	100	95
Mar. Nail, 6 p.c.	100	98
N. S. S. and C., 6 p.c. Deben. Stock	98	...
Porto Rico Tel, 7 p.c.	105	100
Stanfield's, Ltd., 6 p.c.	95	90

RIFT IN THE CLOUDS IS NOW DISCERNIBLE

Belief in Wall Street Is Gaining That War Will Not Be a Long One

RE-OPENING OF EXCHANGE

Rumor Has it That at the October Meeting of the Steel Trust Directors the Dividend on Their Common Stock Will be Reduced—Decline in Money Rates Wanted.

(Special to Journal of Commerce.)

New York, September 28.—It there a rift in the clouds? Do the financial skies give signs of brightening? I believe many discouraging observers are inclined to asnwer affirmatively. The better tendencies recently noted in this letter are more marked. Exports are larger, imports smaller. Idle railway equipment has decreased. Finally the deadlock in international finance is in a fair way of being broken.

For these reasons banking opinion is more optimistic. In such quarters, I may add, the feeling deepens that if Wall Street is not out of the woods the worst is behind it. Both in New York and London the belief is gaining that the war will not be a long one. Lord Kitchener, a fighting man, said, a month or so ago, that it would last three years. Sir Edward Grey, statesman and student, intimates it may be stopped much sooner and by a greater force than all the beligerents combined—namely, economic conditions. The want of supplies, food, clothing, money—in short, exhaustion— if the British Foreign Secretary argues soundly, will be the inevitable peacemaker before many months.

Important international bankers lean to this view more positively as the days pass. They, like many leaders of industry, earnestly hope that hostilities will cease before spring. For in Big Business the weight of opinion is that real trade revival will hardly set in till peace is made. This means, of course, that the task of substituting new buying power for the vast purchases of Britain and the Continent is proving more difficult than at first supposed.

By Concerted Efforts.

Had the Wall Street crisis of 1914 arisen a decade ago the figure of the late J. P. Morgan would have towered above all others in the work of relief. There is a new order of things. This year's emergency, graver in some respects than that of 1907, is being straightened out slowly but surely not by any one man but by the concerted efforts of financial leaders everywhere working along with the Administration and the Federal Reserve Board. Look at the diversified personnel of the committees having in charge the plan for a $100,000,000 gold pool. In it the names of bankers from all the leading centres are conspicuous. On these committees, I may add, are men comparatively young, who have already won their financial spurs—for example Francis L. Hine, Benjamin Strong, Jr., and Albert H. Wiggin.

When President Cleveland wanted the government's gold reserve restored and gold exports stopped he did not consult the country's clearing houses—he sent for J. P. Morgan, who raised it from forty odd millions to a hundred millions and stopped the flow of metal, for a time at least, to the other side. Things, are remarked at the start, have changed. In the present measure to furnish a hundred millions of the yellow metal for export we find a committee of five—James B. Forgan, L. L. Rue, Benjamin Strong, Jr., Thomas P. Beal and Sol Wexler—representing respectively the clearing houses of Chicago, Philadelphia, Boston, New York and New Orleans.

Daylight in Copper Industry.

Despite such pessimism in the trade some authorities think daylight in the copper industry is not far away. Reduction in Anaconda's dividend, of course, is taken to mean that the cutting of copper dividends precipitated by the war is not over. Amalgamated, I understand, is to follow in the wake of the companies which have curtailed distribution during the past month. But a better consumptive demand for the metal, both domestic and foreign, seems to be in sight unless close observers are in error. And friends of Utah continue firmly of the belief that while it may go lower temporarily (when the stock market re-opens), it is one of the cheapest copper stocks going.

Question of Re-opening.

The old question, when will the Stock Exchange resume, remains unanswered, but well informed people think resumption will occur by the first of November. I asked the head of one of the largest stock and cotton houses for his opinion. "Why," he replied, "I do not believe the Stock Exchange will open for six months." This broker's firm is still under much expense, though like others it has lopped off most of the usual outlays. Naturally he is extremely pessimistic.

But the views of the average representative broker are quite different. Existing conditions being intolerable it is felt that necessity will devise a way to remove them. The Stock Exchange has been closed now for an unprecedented period—nearly two months. Every week it remains shut from now on demand for its re-opening will become more urgent. I believe the banks appreciate this. Restoration of stock exchange facilities rests with them rather than with the stock exchange governing committee. I understand they are more favorable to resumption on a restricted basis than they have been at any time since the shutdown was ordered.

Trust Bills Overshadowed.

Interest in the trust bills continues dwarfed by the conflagration in Europe. But as they will soon be on the statute books discussion of their probable effects is becoming somewhat liveller. Big Business is displeased by this legislation, but is disposed to make the best of it. That it will hamper trade considerably at the start is regarded as a foregone conclusion.

I hear that at the October meeting of the Steel Trust directors the dividend on their common stock will be reduced. The third quarter of 1914 closes disappointingly for the steel trade. At its beginning, it will be recalled, there were strong hopes that it would mark the turn from lethargy to activity and revival in demand and prices. This outcome has been prevented by conditions too well known to need repetition. The good all round harvest has not counteracted the effects of diminishing has increased. Then the Steel interests, it is understood, feel the time has come to conserve cash holdings.

Satisfied to Be at Home.

Most of the big men who were caught in Europe by the war are now back in Wall Street, George F. Baker and Daniel C. Reid being the last to return. I have not heard, by the way, that any homecomer, whether rich or poor, was sorry when he saw the Statue of Liberty looming ahead as he sailed up the bay.

Nobody knows exactly the amount of money spent abroad annually by Americans. Capable authorities have estimated it between $200,000,000 and $350,000,000. That it is nearer the larger than the smaller total is not improbable. What will it be next year? That depends, no doubt, upon how long the war lasts. All tourists on landing on Manhattan Island haxe expressed the same sentiment—America henceforth will be good enough for them!

But I do not take much stock in the argument that the falling off in American expeditures for travel in Europe will be permanent. The chances are that even next summer will see a goodly outflow of pleasure seekers is meantime peace is made. Liege, Louvain and Rheims have lost many charms and the devastation of war has been terrific. But England is unscathed and Deauxville and Ostend and Carlsbad will always have their fascination and uses for the thousands of Americans who cross the ocean every summer—to say nothing of the thousands who will want to cross for the first time when the gerat conflict is over.

Exerts Favorable Influence.

The success of the New York City note issue continues to exert a favorable influence in investment circles. This flotation went so well as to leave no room for doubt that a lot of money will seek the bond market when conditions become normal. The big bond houses, however, agree that the situation is a waiting one. The consensus among them, I understand, is that what it is waiting for principally is a decline in money rates.

ADAMS.

DEMAND FOR BINDER TWINE STILL LIGHT

Export Inquiry in United States Insignificant Compared With Previous Years

DRY WEATHER A FACTOR

No Fall Planting in Russia and Austria, Which Will Make the Demand from Those Countries Very Small Next Year.

Boston, September 28.—Plymouth Cordage reports net profits for the year ended July 31 as slightly in excess of $800,000, or over 21 per cent. on the company's stock.

Gross sales, of rope, and binder twine, were $11,300,000, against $11,700,000, and $8,900,000 respectively in the preceeding fiscal years:

We compare as follows the annual statement as of August 1:—

Assets:	1914.	1913.	1912.
Real estate	$1,480,000	$1,421,210	$1,385,582
Machinery	770,000	770,000	812,364
Merchandise and supplies	3,370,288	3,235,880	2,007,254
Cash	156,257	193,553	.....
Nts & acc rec,	4,180,007	4,420,444	3,474,839
Unexp. ins.	78,164	.....	.....
Total	10,034,719	10,041,088	7,680,032
Liabilities:			
Cap. stock	3,500,000	3,500,000	3,000,000
Nts. & accts pay	4,338,621	4,686,207	3,432,435
Surplus	2,002,434	1,759,973	1,247,594
Reserves	152,041	94,908	.....
Int. and txs accrd	41,621	.....	.....
Total	10,034,719	10,041,088	7,680,032

The company's binder twine sales now represent a little more than half of its total business.

Meet Anticipated Demand.

At the annual meeting, Pres. Augustus P. Loring said in part: "Toward the end of the past season we ran our plant day and night to meet an anticipated demand for binder twine, but this, especially in the Northwest, disappointed us.

"Our binder twine carryover is at a conservative valuation, much less than cost. We do not anticipate any embarrassment from this carryover—we simply won't make up any larger amount next year.

"Mexican exchange to-day is around 5.30, or very much higher than it has ever been before. This is enabling us to get sisal at under four cents per pound, as contrasted with a normal price of around five cents."

Relative to Plymouth Cordage's export business, which represents below 10 per cent. of the company's normal sales, Mr. Loring says: "Export demand the past year was insignificant as compared with what it has been in previous years, and under existing circumstances we are not expecting any large demand for export during the coming year.

"The Argentine is in bad financial condition, and is not taking much twine. There does not seem to be a prospect of war's giving us any more business in binder twine in South America, because Americans already had all that business there. So far as we know, the fall planting is not being done in Russia and Austria, and that will make demand for binder twine from those countries very small next year. It usually approximates 3 to 4 per cent. of our sales.

"During the past year our company has had two men abroad to increase our exporting. They have made very satisfactory arrangements in England and were in Holland and Germany when the beginning of hostilities cut off their work in those countries."

Binder Twine Trade.

Concerning activities of International Harvester, which is the largest factor in binder twine trade, Mr. Loring says: "International Harvester people have mills in Germany and France, but their plants there are absolutely shut down."

Treas. F. C. Holmes said, in part: "Binder twine sales in 1913-14 were curtailed as a result of dry weather in the Northwest.

"The high level of manila fibre prices referred to at the 1913 annual meeting was maintained several months, after which there was a decline. Manila rope prices fell to a point lower than has seemed consistent, and continued there up to the end of the year.

"A bonus of 2 per cent. on wages of employes was paid, thes ame as in the preceding year. We spent $15,549 on social work at Plymouth.

"Construction work amounted to about $250,000, including warehouse No. 15 at Plymouth, a subway to connect mills east and west of the New Haven tracks, and five four-tenement and three two-tenement houses for employes.

"Our Welland, Ont., plant has been running smoothly, with as satisfactory results as in the previous year."

Directors were re-elected, and declared regular quarterly dividend of 2 per cent., payable October 20 to shareholders of record Oct. 1.

CHEAP CHRISTMAS CANDY SCARCE

War Has Seriously Affected the Price of Most of its Ingredients

TOY-MAKERS ARE BUSY

Usual Supply from Germany Will be Made up From Great Britain, Holland, Switzerland, Italy and Japan.

New York, Septemer 28.—No appreciable shortage in the cheaper classes of domestic goods which the department and chain stores put before the public in the Christmas holiday season is considered likely to occur in consequence of the European war, it was ascertained by the New York Journal of Commerce, on inquiry at the purchasing departments of several representative firms.

On the outbreak of the war there were anticipations that the stoppage in the production of German and Austrian articles of this sort ordinarily supplied to the American market would greatly diminish the stocks available for Christmas, but as the process of readjustment continues the managers of business houses are gaining confidence will result.

One striking effect of the interruption in the usual supply was the attention it called to the multitude of articles and the diversified character of the miscellaneous goods drawn from the countries of middle Europe.

"We hardly realized this before," said one manager. "The figures of values of the trade carried on between Germany and the United States do not enable one to form an undertaking of its importance as do these empty shelves which have to be filled to meet the Christmas demand. There are the toys from Nuremberg, the scents from Cologne, the picture cards for Christmas Day and the New Year, oleographs and prints, jewellery and a thousand and one knicknacks.

Small Notion Stores.

"There is an immense assortment to be assembled of cheap household utilitarian goods, kitchen hardware and utensils, washcloths, gloves, leather, cotton and similar articles. The war put a sudden stop to the importation of large classes of these, which were taken by the household purchaser through the medium of the small notion stores, which are largely worked up on the chain system and in groups of two or three by individual owners. What stocks were in hand have been absorbed or are being held at enhanced prices, as is natural when this can be done."

Another manager said that fortunately for his customers the firm had arranged for the deliveries of the bulk of its Christmas goods at a date anterior to the outbreak, and the war would therefore not make much difference as far as they were concerned. It might be also that the Rhine would be reopened for traffic, as happened in the Franco German war of 1870-1, within two or three months of the outbreak.

If the German manufacturing towns should not be able to ship out of Germany what stocks they were able to produce under the war conditions, the toy manufacturers and working population of Switzerland, Denmark, Holland and Italy would probably attempt to supply some at least of the deficiency. A greatly increased output is also expected from the toy making districts in the East End of London.

Cleverness of Toy-makers.

Among the manufactuirng nations of toys and novelties the Japanese, it is certain, will put out strong efforts to meet the situation arising from the war. Arrangements are being made for the import shipment of great quantities of Christmas goods and toys. The cleverness of the toy makers is such that nearly every type and class of toy and picture card ordinarily produced in Germany can be faithfully reproduced, so that it will be difficult to tell the difference.

There is another class of Christmas goods, that of candies, as to which rather a different tale is told. The war has seriously affected the price of ingredients, such as sugar, glucose, condensed milk, preserved fruit and nuts. Everything of this sort has gone up in cost, and it may be doubted whether the candy manufacturers were ever confronted with a more difficult situation.

The advance in sugar owing to the diversion of sugar to the United Kingdom, where the beet sugar supply is cut off, has taken away the margin of profit wherever there were no great stocks on hand. prices of candy have not been raised, as it is a luxury which quickly feels any alteration, and is one of the first things of which the family deprives itself. The manufacturers who have been watching anxiously the war reports from day to day are considering the necessity of raising prices on the first of next month, as it is impossible to run the plants longer at a loss, as it is stated is now the case.

Termination of War.

The demand and consumption being essentially of a day-to-day character, in which the wholesale price of sugar plays the most important part for the daily production, the prospective Christmas market conditions have hardly as yet been taken up for consideration. At present the likelihood of any speedy termination of the war is regarded as slim, and the indications of a prosperous Christmas trade commensurate with that of an ordinary year are regarded as out of the question. There are large stocks of cocoa beans on hand and the price of cocoa is low, Germany being out of the market as a buyer in South America, whence she ordinarily takes the largest percentage of the product. The low price of cocoa will, however, in the manufacture of chocolates, hardly offset the higher prices of other materials, particularly nuts. French walnuts have appreciated from 26 cents to 55 cents, and almonds from Spain have gone up by 100 per cent.

Other matrials are rising to a degree that manufacturers think approaches the prohibitive.

MANY CREDITORS OF S. H. PELL & CO. WILL ACCEPT COMPROMISE SUGGESTED.

New York, September 28.—Creditors of S. H. Pell & Company will be notified of a meeting to be called as soon as practical, when the readjustment plan will be presented for formal adoption.

The plan has already been submitted tentatively and many of the creditors have signified their willingness to accept it. Some objections have been raised on the part of Cotton Exchange creditors, but it is pointed out by those advocating the plan that under its provisions Colonel Thompson waives his to Cotton Exchange creditors, under the terms of the plan.

If the plan is not accepted, the Thompson claim will be pressed and creditors will receive the equivalent of 25 cents on the dollar or less. Statisticians are still forking on the company's books.

GERMANY CARRYING HEAVIEST OF BURDE

No Nation Ever Has Shouldere Heavier Burden Than Germany Now Trying to Carry

A BIG TRANSFORMATION

War Has Cut Off and Destroyed Markets for M tured Products—Difficulty Increased by Tran formation of the Empire from an Agricul- tural to Industrial Nation.

(Editorial from the Boston News Bureau.)

Probably no nation ever shouldered a heavier den than that which Germany is now attempti carry. The difficulty of carrying it is greatl creased by the industrial changes of recent t During the past generation, the German empire been transformed from an agricultural to a man turing nation. In 1876 three-quarters of the w ing population was engaged in agriculture; bu cording to the census of 1907 less than 31 p.c. so engaged. The present significance of the ch lies in the fact that the losses of war are larger for a manufacturing than for an agricul nation.

How the German people are employed is sh by the following extract from the latest ce namely, that of 1907:

	Persons enga Number
Agriculture, cattle raising, etc.	9,732,472
Forestry, hunting and fishing	159,785
Manufacturing and mining	11,256,254
Commerce and trade	3,477,626
Domestic and other service	1,736,450
Professional occupation	1,738,530
Other employments	3,404,983
Totals	31,497,100

With an agricultural nation the losses of war comparatively light, not only because the marke agricultural products, excepting cotton, is not m interfered with, but also because farming operat themselves are not seriously curtailed by the los industry of the men sent to the battlefield. T operations are then carried on by other member the family or community. Hence it was tha times past, when agriculture was the principal b ness of all countries, great wars sometimes cont ed for five to 30 years without exhausting the sources of the nations involved.

A manufacturing nation finds the case altoge different; for war cuts off or destroys markets manufactured products, interferes with the suppl raw materials, and almost completely suspends consumption of certain manufactures which are absolutely necessities. With Germany this war probably means a complete loss for the time being market for approximately $1,900,000,000 worth goods wholly or partially manufactured. Her ports were recently running at the rate of $2,0 000,000 per annum, and of these only about $195,0 000 were agricultural products.

Moreover, this loss is passed around within German empire from one class of people to ano thus increasing itself by arithmetical progress The reduced production and income of manufactu means less business for those engaged in trade, tra portation and commerce; and this in turn redu the fees and income of professional men. In co quence of the curtailment, manufacturer, trader

"Cells" a

Consider thes decide on you tising policy:

WHEN A FIRM ADV DISE IT THEREBY P OF A CERTAIN NU

THOSE CELLS, IN E ARGUMENTS IN FAV COME FACTORS IN PURCHASE THE AD DISE.

Now, along comes War, with disturbance of trade; and th parent advisibility of saving advertising is one of the feature

But let him cease advertising— begin to waver and rift away those brain cells and soon, ve allegiance and become acquire a fresh appeal to them.

The brain of every human bei The cells are shifting, shifting, persistant advertising, the manu holding the brain cells his goo adding to the number of his creasing his hold on the publ

Let him stop the advertising only closes, but the cells he ha become lost to him—perhaps

Even a War scarcely excuses th mits such a catastrophe. Even facturer to keep his advertising