

"THE BUSINESS OUTLOOK FOR 1921."

By HARRY BRAGG.

The Montreal branch of the Canadian Manufacturers' Association secured Mr. Roger W. Babson, of the well-known Babson Statistical Service, to give an address, and courteously invited the members of the Board of Trade to be present. Consequently, there was a full house to hear a talk on the pressing subject of "The Business Outlook for 1921."

Naturally, there was a great deal of interesting matter, and the carefully selected statistics were illuminating. But the outstanding feature of the address was the urgent appeal for what the speaker claimed was absolutely necessary for success in the business world, namely, Religion.

It was a very brave attitude to take before such an audience, most of whom had come presumably to find out how to make more money, or to save their investments. And it was extremely delightful to hear the continued applause that interrupted, and followed the close of the address.

Mr. Babson evidently touched a chord of real feeling that the business man too often hides because he is ashamed to allow it to be seen; and he must have felt that his message had met with a fine response when the applause continued long after he had sat down. It showed once more that courage is always appreciated by the crowd.

The speaker began by noting the reasons why there should be no need to fear a depression at the present time. Among these he suggested the continued holding of Victory Bonds by the bulk of the wage earners; the effect of the lessening of the drink bills; the helpful influence of the banking system; the prevalence of advertising; the needless fear of the decline in foreign trade; the standardization in manufacturing; the elimination of seasonable trades; the likelihood that taxation will decrease; and the educational improvement in business methods, both in the office and the factory.

Next came a very good analysis of the decline in prices, illustrated by a table showing the prices for staple articles in June, 1914, June, 1920, and at the present time. The prices of the 11 articles showed a total of \$23.06 in June, 1914; or \$104.82 in June, 1920; and of \$79.05 at the present time.

The security market was also analyzed in the same way, but the results showed that the totals of Rails, Industrials, Coppers and Bonds, while 262 in 1914, and 380 in June this year, were now 276, or higher than in June, 1914. Mr. Babson believed that these, except bonds, might go still lower.

Taking up the several reasons why prosperity should continue, Mr. Babson showed by the "Composiplot," a chart made of "such fundamental subjects as bank clearings, railroad tonnage, building permits, foreign trade, crop movements, money rates, etc.," that the abnormal prosperity of the past few years is at an end, and will be followed by a period of depression.

He then pointed out, on a chart, that every period of depression, and every one of prosperity, is divided by a time in which a great change gradually begins. The latter half of the period of prosperity develops extravagance, indifference, inefficiency, immorality, and lawlessness. While in the latter half of the periods of depression the opposite is seen. He argued therefore that our attitude towards life is determined, either by religious feeling, or failure and unemployment.

From this, he showed that the profiteering of the employer, and the poor service of the worker, are the causes

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