

# Journal of Commerce

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MONTREAL, TUESDAY, NOVEMBER 3, 1914.

## A Borden-Laurier Recruiting Campaign

The announcement by Sir Wilfrid Laurier that his party have decided to offer no opposition to the election of the two new Ministers, Messrs. Casgrain and Blondin, should be received with satisfaction by all patriotic citizens. At present more than at any previous time in the history of the country, it is very important that there shall be a revival of those brave days of old, of which Macaulay sang:

"Then none were for a Party,  
Then all were for the State."

Our system of party government, take it all in all, seems to be the best that has been devised for the management of the affairs of a free people. But unquestionably it has some disadvantages, the most serious of which is that it provokes strike, which often prevents the co-operation of men who should be able to work together for the common good. Unless in times of stress there could be a truce of parties, and cordial co-operation in the interest of the country, the party system would have to be wholly condemned. Fortunately the present crisis in the affairs of the Empire, in the burdens of which Canada desires to fully share, has proved that such truce and co-operation are quite possible. When the war broke out arrangements were being made for a series of political meetings throughout the Dominion, to be addressed by the Opposition leader and some of his friends. Promptly the meetings were cancelled, and Sir Wilfrid discarded his desire to avoid everything like party controversy, and to co-operate with the Government in the taking of whatever steps were necessary to enable Canada to assume her share of the Empire's burdens. At the short session of Parliament, called for the purpose of enacting war measures, this happy union of the two great political parties was maintained with the best results. The recent appointment of two new Ministers of the Crown, necessitating the holding of Ministerial by-elections, seemed for the moment to put a strain on the entente. Whatever may be thought of the political situation in other parts of Canada, it will hardly be denied that the seats in the Province of Quebec could be regarded by the Opposition as good fighting ground, and there may have been a strong temptation to the more militant section of the party to engage in battle. That this temptation has been resisted, and that the two Ministers are to take their seats without any contest is gratifying evidence of a desire to continue joint action. That this good spirit may continue to prevail, and that there may be the most cordial co-operation between Government and Opposition in all measures necessary for the full discharge of the duty of Canada as a part of the Empire, must be the earnest prayer of all good citizens.

A quotation recently published from a speech made by Sir Wilfrid several years ago, represents him as saying that in event of the British Empire becoming involved in a war with any of the great powers he would feel it to be his duty to take the platform in his own particular Province and call upon the French-Canadian people to rally round the flag and share with their brethren of English blood the duties of the occasion. Already he has redeemed that pledge. The meeting held in Montreal a few nights ago, at which Mr. Casgrain and others of the Government party and Sir Wilfrid and others of the Opposition, joined their voices in the call for a French-Canadian regiment, was a fine example of the cordiality with which all parties are uniting in the Empire's cause. But why should a movement of this kind be confined to one city or one Province? There is need of more such work, not only among French-Canadians, but among English Canadians, as well. Our first contingent is already in England for its final training. No one doubts that a second Canadian contingent will be needed, and probably a third. A speaker at a gathering in Ottawa a few days ago sharply called attention to the fact that the percentage of native-born Canadians in the first contingent was smaller than it should be. There is need of special effort to arouse the young Canadians to a sense of their responsibility and their duty. In the Mother Country the calls for recruits have been made by leading public men of both parties from the same platform. Why should there not be more of such appeals in Canada? Why should not Sir Robert Borden, the Premier, and Sir Wilfrid Laurier, the Opposition Leader, unite in a series of recruiting meetings in the various Provinces, beginning, say at Toronto? We cannot imagine anything that would be more likely to stir the hearts of the people and move them to still greater effort than such gatherings as we here suggest.

## The Big Gun Bogey

Undoubtedly one of the German plans is to try and throw Great Britain into a panic. Her threats of Zeppelin raids, her promised invasion, her plans to mount new and heavier guns on her feet are all part of the general scheme to unnerve Great Britain and precipitate a panic. In this connection an interesting article has just appeared in the "Shipping World" of London, in which the bogey of big guns is most effectively dealt with. The editor goes in to detail and shows how impossible it would be to mount heavy guns on battleships destined to carry only a certain weight. The article, which appears in full on this page, is well worth the careful perusal of every reader. It is not a technical article, so can readily be understood by the ordinary layman who knows nothing about the construction of a ship. At the same time, the article is so clear and so reassuring that it will bring a measure of relief to all who have been worrying about the bogey of big guns floated in our faces by the Germans.

## Holland and Its Trade

Holland, whose neutrality is likely to be violated by the Germans in their desire to use Antwerp as a naval base, is one of the most interesting and progressive countries in the world. The country has an area of 12,648 square miles, on which it maintains a population of 5,945,000, and is one of the world's great trading nations. As a matter of fact, its foreign trade of over \$2,000,000,000 is far in excess of what is to be expected from a country with such an area and population. This large trade is due to a variety of causes, among which are: (1) the favorable location of the country for the transshipment of goods destined, or originating in European countries distant from the seaboard. (2) To the fact that in the Dutch statistics foreign goods destined ultimately to some other country are not rigorously excluded from special trade statements: hence it frequently happens that the same goods appear both in the import and export accounts, unduly swelling each in comparison with the commercial returns of most other European countries. (3) To the peculiar system of valuations for trade statistics in practice in the Netherlands. Except in cases where imported merchandise is dutiable and a statement of declared values is necessary for the ascertainment of revenues (amounting to about 10 per cent. of the total imports) all values in its trade accounts are "official," that is, fixed by a commission and frequently varying from actual values. As many articles are given the same unit valuation as that fixed a half century ago, they do not reflect the lower price levels which have meantime been established. To this extent the trade figures of the Netherlands are abnormal and not comparable with those of other leading nations.

In 1912, Holland imported goods to the value of \$1,452,000,000, a gain of \$112,000,000 over the figures for 1911. Exports amounted to \$1,251,000,000, an increase of \$153,000,000 over the figures for the preceding year. The imports of Holland are ninety per cent. as much as those of France, with a population six times as great, while its exports are sixty per cent. as much as those of Germany, with a population ten times as great.

Ten per cent. of the imports into the Netherlands are stated as being from the United States, 29 per cent. from Germany, 14 per cent. from the Dutch East Indies, about 10 per cent. each from Belgium and the United Kingdom, 8 per cent. from Russia, and nearly 3 per cent. from Argentina. The Netherlands sends direct to the United States only 44 per cent. of its exports, compared with 5 per cent. to the Dutch East Indies, 12 per cent. to Belgium, 20 per cent. to the United Kingdom, and 50 per cent. to Germany.

Four great groups of articles supply one-half the total value of Dutch imports. These are breadstuffs (chiefly wheat and rice), 263 million dollars; iron and steel manufactures, 194 million; chemicals, drugs and dyestuffs, 172 million; and copper ore, ingots and bars, 63 million. Quinine alone amounted to \$124,887,000, of which \$62,000,000 worth was exported. East Indian products figure largely in the imports into the Netherlands, which include, in addition to those already noted, coal, 60 million dollars; timber, 45 million; stone paving blocks, 33 million; coffee, 21 million; hides and skins, 17 million; copra, 15 million; tin, wool and cocoa beans, each about 10 million; hemp, 8 million, and tea and tobacco, each 5 million dollars. Glassware, rubber goods, haberdashery, scientific instruments and many other manufactures are also imported in considerable quantities.

Holland, or the Netherlands, has long been coveted by Germany, as her coast line, amounting to about 195 miles, would give Germany a much desired outlet on the North Sea. The name Holland is derived from the word *Hollowland*, the country being kept from being submerged by huge dykes. The natives have a saying that "God made the sea, but the Hollanders made the land," which in their case is perfectly true. The Kingdom of Holland has been subjected to many great wars, always defending themselves in the last analysis by opening the dykes and letting the sea drive out the invaders. The country possesses a number of valuable colonies, the most important being Java, Madura, Sumatra, and part of Borneo. The country possesses an army, which on a peace footing numbers 34,000, and on a war footing 175,000, while the colonial army numbers 40,000. In any conflict which is liable to take place, the Hollanders would take the side of the Allies, as they know that Germany desires to make their country a part of the German Confederacy.

The trial of Henry Siegel of New York, is to be a weighty affair. The exhibits weigh two tons.

The Duke of Wellington, in a letter written to his mother in 1807, referred to the Germans as follows: "I can, however, assure you that from the General of the Germans down to the smallest drum boy in their legion, the earth never groined with such a set of murdering, infamous villains. They murdered, robbed and filleted the peasantry wherever they went." If Wellington were alive at the present time, he might add, "and they haven't changed a particle."

The "unspeakable Turk" has concluded that second thoughts are best, and after his first raid against the Russians, desires to withdraw from the contest. Turkey undoubtedly knows that if she goes to war at the present time the Allies will make a thorough job of it, and before they are through will drive her out of Europe. While it would undoubtedly complicate matters to have Turkey at war, it might be a wise thing to clean them up with the Prussians, for they are two of a kind.

Great Britain's new Sea Lord, Baron Fisher, may be expected to make things hum in the navy. He is a resolute, bulldog type of a man, who worked his way up from a midshipman. He has had a long, honourable career in the navy, is thoroughly familiar with naval tactics, and has no scruples about war being a kid glove, pink tea affair. Above all, he has the absolute confidence of the sailors, the public and of the Admiralty. They are not likely to be disappointed in their expectation that he will "do something."

"Country payments are well met, and the farmers' business, which, after all, is the foundation of the country's trade, is sound," declared the President of the Annual Meeting held here yesterday. He further stated that "the present depression, by forcing a stop to the extravagant expenditures of the past few years, both public and private, will put the country on a much sounder basis, and will prove a blessing to Canada." There is room for encouragement and also for serious, sober thought in the comments of the Bank President. Fundamentally, conditions in Canada are sound, but the depression through which we have passed will undoubtedly be beneficial to the country as it will put a stop to many foolish extravaganzas.

There have been 592 oil companies incorporated in Alberta with a total capitalization of \$328,000,000. Of the total number 463 were incorporated this year.

## PROVINCIAL INVESTMENT

The summary of insurance and investment contained in the provincial secretary's report for 1913 does not indicate that neglect of the financial opportunities of the province which is frequently charged against the institutions doing business in Saskatchewan. Although the premium income of Life and Life Insurance Companies dropped nearly \$200,000 between 1912 and 1913, their investments in the province increased in the same period over \$5,000,000. The investments of Loan and Investment Companies in 1912 were \$47,153,218; in 1913 they amounted to \$55,598,623, an increase of \$8,445,405. In 1913, Trust Companies invested \$14,224,770 in the province; in 1912 the amount was \$20,264,110, an increase of \$6,039,340. Altogether these financial institutions increased their investments in the province by \$22,692,454, during the year 1913, a very gratifying record for a year which is not regarded as altogether a good one from the financial standpoint at least—Saskatchewan Phoenix.

## BELETTING CANADA

At Essen, in Germany, the Krupp publish a journal, in which, with bad taste, they belittle the Canadian contingent, and describe it as composed of Red Indians and various other nondescript peoples. Conspicuous among the German Emperor's Canadian Imperial troops, to seek by coercion to obtain a share of its trade, and then to be met by a Canadian soldier, imposed at the suggestion of the Hon. Mr. Fielding, it is difficult to recognize the description of Canadians with Germany's eagerness to obtain a share of their trade.—Moncton Transcript.

## THE SOLDIER'S PAY

Theoretically we admit that a soldier is entitled to the assurance that his family will be maintained during his absence in comfort and honor. In practice we treat his dependents with disgraceful contempt. There appears to be no way for poor people to escape indignity, even though their poverty is due to policy habitually refused to recognize any title to respect except that of wealth. They cannot change their attitude in a moment, and consequently the soldier's wives suffer. If, when the soldiers come back, they ask themselves what they fought and bled for, it should not be an occasion for surprise.—Winnipeg Voice.

The cost of the war, according to Paul Leroy-Beaulieu, the French economist, if it shall last seven months, will be \$10,000,000,000. Each of the greater belligerents, he figures, is spending an average of \$200,000,000 a month.

## "A LITTLE NONSENSE NOW AND THEN"

"I tell you," said Poots, "there is an indescribable sense of luxury in lying in bed and ringing one's bell for his valet!"  
"You're a valet!" exclaimed Poots's friend.  
"No," replied Poots; "but I've got a bell.—Hochester Telegram."

Hotel Walter: "Are you the gentleman who has been ringing all the time, sir?"  
Farmer (at the electric bell): "I dunno. I just lost me collar stud and was trying to dig this little 'un out of the wall with my knife."—London Opinion.

"If I could get some one to invest a thousand dollars in that scheme of mine I could make some money."  
"How much could you make?"  
"Why, a thousand dollars."—Boston Transcript.

Speaking of Turkey, a cellmate relates a story of censorship in the days of Abdul Hamid. The court censor, picking up a chemistry sent in for inspection, observed the symbol H<sub>2</sub>O, meaning a drink not at all common to that distinguished court. He promptly ordered the whole edition suppressed on the ground that H<sub>2</sub>O signified "Hamid the Second is a cipher."—New York American.

A captain of Hussars gave a dinner to the men of his squadron the night before they left for the front. "Now, my lads," he said, "treat this dinner as you will the enemy." He said, "treat it with a will." After dinner he discovered one of the men stowing away bottles of champagne into a bag, and, highly indignant he demanded to know what he meant by such conduct.

"I'm only obeying orders, sir," said the man.  
"Obeying orders!" roared the captain. "What do you mean, sir?"

"You told us to treat the dinner like the enemy, sir, and when we meet the enemy, sir, those we don't kill we take prisoners."

A Swede was working for a farmer, who demanded punctuality above everything else. The farmer, according to the Youth's Companion, told him that he must be at work every morning at 4 o'clock sharp. The "hand" failed to get up in time, and the farmer threatened to discharge him. Then the "hand" bought an alarm clock, and for some time everything went along smoothly. But one morning he got to the field fifteen minutes late. The farmer immediately discharged him, in spite of his protestations that his alarm clock was to blame.

Sadly returning to his room, the discharged employee determined to find out the cause of his downfall. He took the alarm clock to pieces, and discovered a dead cockroach among the works.  
"Well," he soliloquized, "Ay tank it bane no wonder the clock wouldn't run—the engineer bane dead."

THE GERMAN MARCHING SONG.  
From the German of Hoffman von Fallersleben, rendered freely into English verse by George Sylvester Viereck.

Deutschland, Deutschland, land of all lands,  
First and foremost in the world,  
When the children face united  
Every foe against thee hurled,  
From the Meuse unto the Memel,  
To the sea, with flag unfurled:  
Deutschland, Deutschland, land of all lands,  
First and foremost in the world!

German troth and German women,  
German wine and German song,  
Shall retain their ancient glamour,  
Though the years be dark and long,  
Noble deeds they shall inspire  
In our hearts, and make us strong:  
German troth and German women,  
German wine and German song!

Brotherhood and right and freedom  
Bless thee, German Fatherland,  
For this goal we strive together,  
One and all, with heart and hand,  
For upon these mighty pillars  
Evermore thy weal must stand:  
Bloom and flourish in that glory,  
Flourish, German Fatherland!

## BOGEY "BIG GUNS" FOR THE GERMAN FLEET.

(The Shipping World.)  
Statements have appeared recently in the press to the effect that the German battleships are being kept at Kiel, or in the Kiel Canal, for the purpose of having new and more powerful guns fitted on them. As this will naturally give rise in some quarters to a feeling of unrest, it is well to examine the possibilities of effecting such a change.

In the first place, this operation necessarily presupposes that the guns are ready to be installed. We have read a lot lately about the size and power of the German siege guns, but large guns built for siege purposes on land would be of little use on board ship, even if it were possible to mount them. Take for instance the 11-in. field gun, and the corresponding 11-in. naval gun. The length of the former is about 34 ft. and of the latter 48 ft. Their respective weights are 4 and 42 tons. If it is found necessary to have such large, heavy guns on board ship for accurate shooting, it is obvious that a short gun, even of greater calibre, would be of little value. Then there are the practical difficulties of mounting the guns to be considered. On a battleship the large guns are mounted in barbettes that are composed of very solid built-up structures extending right down through the ship to the keel. It is of no use to stand a heavy gun in its field carriage on the upper deck of a warship and to expect to be able to use it. The shock of firing would strain the whole structure, and would probably inflict more damage upon the ship than it would upon her enemy. This leads us, therefore, to the point that, if there are to be any changes in the big guns, the new ones must be of naval pattern, and constructed so as to be mounted in naval mountings.

Now, the largest gun in any built German Dreadnought is the 12-in. The later ships now building are to have 15-in. guns similar to our Queen Elizabeth class. It is highly improbable that there are any naval guns ready in Germany of a greater calibre than this, and we may assume that if any of the battleships are to be armed with heavier guns than they already possess, it implies the substitution of the 15-in. gun for the 12-in.

This is a big jump. Let us examine it in all its bearings. First, there are the practical difficulties. Will a barrette designed for 12-in. guns serve for 15-in.? It is, to say the least, very doubtful. An effective armed barrette with a pair of 12-in. guns and their operating machinery, together with armour, structural supports, and requisite ammunition, weighs approximately 630 tons. A 15-in. twin barrette weighs about 1,500 tons, or more than double the amount for the smaller guns. It may be possible, by sacrificing armour, number of rounds of ammunition, or efficiency, to reduce the difference, but in any case it is very great. In addition to this there is the question of having to handle shell of over twice the weight and of arranging for their storage. What it would amount to practically, is that the barrette would need to be rebuilt, and the internal fittings of shell rooms and magazines completely re-organized. However, we will suppose that this could be done. There are several other points to be taken into account. One of these is the question of the structural strength of the ship. She has been designed to carry certain definite loads, and now it is proposed to increase these to a very great extent. The structural strength will, therefore, require looking into. It is a well-known axiom that if we add to the weight of any one item in a ship, and every other quality is to be maintained unimpaired, the result is that the total increase of weight is from 24 to 3 times the original amount. In this case we may take it that, owing to the additional displacement involved, speed is to be sacrificed. Even then there must necessarily be a large increase in the structural weight of the ship.

Another question that would have to be faced is that of stability. We are here adding enormous weights high up in the ship. What of her stability? If we examine the dimensions of succeeding classes of ships we find that, in order to carry the extra weight of guns and armour this has led to an increase in the beam for stability purposes. Take, for instance, the Neptune and her successor the King George V. The only difference in the armament is that the Neptune carries ten 12-in. guns, while the King George V. carries ten 15-in. guns. The armour of the latter is slightly thicker than the former, but the displacement has gone up from 19,900 to 23,000 tons, and the dimensions from 610 ft. by 85 ft. by 27 ft. draught to 555 ft. by 89 ft. by 27 ft. draught, and this, it will be seen, is for a change from ten 12-in. guns to ten 15-in. guns. Another point is that even if the stability were not reduced by too great an extent, additional displacement would mean a serious loss of speed and one that could not be entertained.

We may therefore take it for granted that it would be for several reasons impracticable to change the whole of the 12-in. guns in any existing ship for 15-in. guns and still retain the other features of the design. The question may be asked, is it possible to substitute a fewer number of 15-in. guns for the original 12-in.? This can be effected in several ways. One is to mount one large gun only in each barrette. Another, to mount pairs of guns in some and single ones in the others.

The first would be the most practicable method, and the only likely solution. But what naval officer would prefer five 15-in. guns to double that number of 12-in.? In the other method there are the same objections to the longitudinal distribution of weight and consequent weakening of the structure.

Another means of overcoming to a great extent the difficulty of extra weight would be to sacrifice some of the armour, but that is scarcely a method that would be favored, although there are some who advocate cutting down the thickness of armour to that just sufficient to keep off 6-in. shell at battle ranges. Even this would only mean a net saving of about 1,000 tons, and if it formed a solution of the problem there is still the difficulty of making the new thinner armour, a process which takes months and is hardly likely to be embarked upon at this stage. A further method of saving weight is by sacrificing the secondary armament and its accompanying armour. There has been enough criticism levelled at the

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## THE COTTON SITUATION.

The panic that exists in the U. S. over conditions in the cotton market has its counterpart in British cotton circles, but in the latter country one speaker taught by recent experience in other lines says that "the remedy is clear."

Sir Charles Macara, one of the best authorities on the cotton trade in Britain, in discussing the possibility of the complete closing down of the Lancashire mills, and the disaster that would ensue to the nation, says:

"The remedy is clear. The government of this country and of the United States must jointly create a reserve of the raw cotton which is not required now, and thus secure the position of the planter, and insure a basis for definite prices at present. If this is done the cotton industry might be carried on by working half or even full time during the whole of the war."

It will in time be learned that the community itself can furnish the balance wheel to regulate the supply and price of staples for the common benefit without interfering unduly with private enterprise—Exchange.

## FROM TEUTON TO SCOT.

There are some very natural complaints from North Britain that the many naturalized Germans who have changed or are changing their names show an undue preference for Scotch names. Perhaps they feel that in the remote parts of the South of England a German accent may pass for a Scotch one. Some, on the other hand, may come from East or West Prussia and find Scotch names more familiar, for Scotch names are not infrequent in that region. There are said to be several Gordons in the German army. The philosopher Kant, who was born at Königsberg, in East Prussia, was of Scotch descent, and the name is supposed to have been originally Kant. Kant, by the way, is an English name, a variant of Kent, but is it a Scotch name? However, that may be, there is certainly quite a noticeable infusion of Scottish blood in Königsberg, Danzig and other Baltic ports of Prussia, and to this day there is a great trade connection between them and the ports on the east coast of Scotland.—Manchester Guardian.

## A DRAMATIC CLOSE.

There was probably no incident in the Franco-Prussian war of 1870 more dramatic than that which marked its close, says the Washington Star. Herr Forckenbeck, president of the Prussian Chamber of Deputies, was sent with a colleague to Versailles to congratulate King William upon his election as Emperor. Bismarck, who had just concluded the terms of peace with France, invited them to supper and in the course of the meal said: "This night at 11 o'clock the last shots will be exchanged between our troops and the French, and I have consented to the French honor of the last shot." Forckenbeck and his colleague left their host before midnight, drew out their watches, stood underneath a lantern of the Hotel du Reservoir, and waited. First there was a cannon shot from the German lines; then a solemn stillness. Then followed the last reply from Mont Valerieu. The tower clock at Versailles struck 12; the French war had ended.

## THANKS TO GERMANY.

It was the commercial pistol which Germany put at the head of both England and Canada in 1898 that paved the way to the British preference first in the Canadian tariff and subsequently in the tariffs of New Zealand, Australia and South Africa. We owe Germany some thanks for that. It was the political pistol which the Kaiser aimed at England at the time of the South African war that did more than anything else to bring forth the Canadian and other overseas contingents and bring the Empire into being as united in defence. We owe Germany some thanks for that. It is Germany who now puts a pistol at the heads of both the friend of England and the second Kaiser's Country of Canada, and once again the British Empire is brought into far more effective union. For this also we shall live to tender Germany some thanks.—Canadian Gazette, London.

Dreadnought for her lack of an efficient secondary armament to sink a whole fleet of such vessels, and we cannot believe that the Germans would adopt this method of overcoming the difficulty even if practicable.

What may be the case, however, is that the German ships are having improved 15-in. guns of greater length mounted in lieu of their existing ones. In any case we may rest assured that when "The Day" comes it will be our fleet that will possess the heavy guns, and we believe that we shall also possess the man behind the gun without whom the gun is useless.

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## SENTIMENT VEERS FROM FEAR TO HOPE

Finds Basis Not on Sentiment But on Very Solid Reasons

## SYMPATHY WITH THE SOVIET

Future of the Railroad Made Increasingly Uncertain Just at the Moment on Account of the Rate Situation.

New York, November 3.—The outstanding feature of October has been the marked change in sentiment from fear to hope, says Messrs. Spencer, Tracy & Company, in a retrospective survey. Following the confusion reigning in August, the ground for improvement was laid in September bore quick feet another attempt to the great recuperative power of nature, as nothing does more, the American business man.

Fortunately the improvement is not based on sentiment alone, but on the contrary has very solid basis for existing. For one thing, our banking system has shown signal recovery. On August 1st statement of the New York Clearing House exhibited a surplus of \$8,600,000. Within one month only had this surplus disappeared, but in its place there was reported a deficit of \$43,000,000. August 15th this deficit had grown to \$46,000,000, which was the high water mark. After that decline became more pronounced as the weeks went on, until October 14th, when for the first time, the war began the bank statement showed a plus.

Reflecting the improvement. This reversal in position within a little more than two months shows the improvement in the New banking situation. Money rates are also reflecting the improvement, and there seems to be more position to make time loans, although the amount of business done is still small, relatively speaking. However, this is in general a period of tight money, this showing of the banks reflects clearly the success of the various measures to fortify their condition. It should be remembered in this connection that the new Federal Reserve is to go into effect on November 16th, and it is expected that because of the reduced percentage reserves required, a further sum, approaching \$100,000,000 will be released for assisting the business of the country.

As a result of this must be taken into account the Emergency Currency issued since August under the amended Aldrich-Vreeland Act amounting to \$100,000,000, and while the security for the new (approved securities and mercantile paper) is being questioned, it is nevertheless very generally recognized that gold is the best basis for money. It is accordingly to be hoped that the easier financial position in which we now find ourselves will not be attenuated through the wholesale exportation of yellow metal.

Rejection By Congress. It seems proper to say here that the rejection of the various schemes proposed to cotton as a basis for currency is both fortunate and wise.

In common with everybody, we have much sympathy with the South in her present plight, nevertheless, we could never see why cotton should be considered any more proper security for currency than oil or grain—or canned salmon for that matter. We are accordingly glad to see that relief is to come to the South chiefly in the shape of a \$125,000,000, which is to operate under the auspices of the Federal Reserve Board, and is to be subscribed to by Northern as well as Southern banks. A more such as this looks to us as responding more to the requirements of sound finance. It is also to be hoped that the South will be benefited by recent action of the British Government in declaring cotton non-contraband.

As a result of this action it is expected that German markets will once more be opened to cotton exports, and as Germany takes on an average 2,500,000 bales, it is clear that an important outlet is re-established, even if the war should prevent takings from being as large as usual. Further, cotton situation may be eased by the actual consumption of a plan, reported as recently considered whereby the British Government would stand behind English spinners in their purchases of American cotton. It has been reported that Sir George Paulet recently visited Washington as a special representative of the British Treasury, with a view to one of the measures which would contribute directly to an easy and satisfactory adjustment in trade balance with Great Britain, which balance had been estimated as against us to the extent of \$200,000,000 to \$300,000,000.

## Question of Cotton Exports.

This question of cotton exports is very closely related to that of foreign exchange. A glance at the Sterling rates, which are the most important in the markets, will disclose the great improvement in the situation during the current month. No doubt the formation of the gold pool, augmented now to \$125,000,000, exercised a very powerful influence. On the other hand, our export returns show that the balance trade is again being turned in our favor because the large orders received in this country for supplies of every imaginable character. As an instance of what this must amount to in volume, might say that we were recently informed that the life of a motor truck at the front is limited to seven days. If other material is subjected to the same severe usage it will need but a hasty calculation to show how heavy our exports may grow to be, particularly as it is only now that the stock of war materials in Europe is being depleted, and there is no other nation so well placed as ours to replace the material.

It is thus fair to assume that with growing interference to manufacture in Europe—an interference which is bound to grow as more men join the army—imports into this country will decline, and with a current increase in our exports, the balance of trade which is now against us should turn steadily in our favor. With this accomplished fact, or even generally believed as assured, the fear of gold will be eliminated, and the last remnant of our to our banking position will be dispelled.

## Not Anywhere Near Normal.

Already this improved feeling has made itself manifest in the bond market, and while it would be exaggeration to assert that the volume of business done was anywhere near normal, it is nevertheless true that confidence in the better grade of bonds has been re-established and is growing stronger day by day.