



## SERIOUS PROBLEM IN THE COTTON CROP

How Will the Country Carry This Load? Various Means Have Been Suggested—Enlarge Market MUCH HELP IS NEEDED

Report to Cutting Crop Down to Less Than One-Third of World's Requirements—This Would Throw Major Portion of Cotton Manufacturing Industry into Bankruptcy.

(Exclusive Leased Wire to The Journal of Commerce.)  
New York, August 8.—Cotton growers of the south are facing a crisis on account of Europe's inability to take our surplus cotton of from 6,000,000 to 8,000,000 bales. If the European war had broken out in the average year, the surplus would probably have been much reduced automatically. But for the present they are producing on their hands-work from \$200,000,000 to \$400,000,000 to carry, and they are in dire need of help.

Various expedients have been suggested as a means of meeting this situation. The first problem is to take care of about 300,000 bales of cotton up to the end of the year. It is estimated that the crop for the year 1914, probably 500,000 bales during September and 1,500,000 bales during October. The handling of 1,750,000 bales making 4,000,000 in all, by the end of November would go far towards preventing prices from slumping.

The holding of 4,000,000 bales of cotton at \$5 a bale would require \$20,000,000 capital. On this the growers or trustees could probably borrow \$18,000,000. Develop Consuming Capacity.

A second suggestion is to develop the consuming capacity of domestic mills, which are now capable of taking about 6,000,000 bales. By the special promotion of foreign markets under the suspension of the European supply of cotton goods our mills might easily enlarge their cloth and yarn production for Latin American as well as African and Asiatic wares. An expansion of 50 per cent in consumption would enable the home mills with over 31,000,000 spindles to take 10,000,000 bales. That would in itself be a substantial relief provided they could sell the goods.

There are no large stocks of cotton goods in this country, and the European war is likely to prevent imports. The whole demand for cotton textiles would fall on the home mills.

The war has interrupted Jute imports, the staple material on which southern mills have depended recently for this class of manufacture. The large mills of Memphis are already considering the necessity of turning to manufacture cotton bagging out of cotton instead of jute for wrapping bales. At five yards a bale, 15,000,000 bales of cotton would make 75,000,000 of cloth for this single new item of demand alone.

The policy of southern growers, if Europe fails to take its share of raw cotton would be immediately to diversify themselves to diversification to such an extent as to cut the cotton crop down to less than 10,000,000 bales; that is one-third below the absolutely necessary requirements to keep the world's spindles spinning. Europe has about 100,000,000 spindles out of 200,000,000 in the world's spinning equipment. There would be no greater calamity to isolate Europe from a manufacturing standpoint than a radical reduction of the American cotton supply. That would bankrupt a major portion of their cotton manufacturing industry. Nor is this all, the loss of markets in various parts of the world for cotton goods is a possibility involved in the present crisis.

The practicality of financing a loan of \$180,000,000 to carry cotton is probably no more difficult than the valorization of Brazilian coffee in 1908. Various proposals have been made, among which is that of issuing cotton bonds of one hundred dollars in denomination and higher to which general subscription throughout the south might be invited. It is generally regarded that this would have to be done privately, and there would be much opposition to any governmental underwriting unless it were favored by the government as such. Unless something effective is undertaken a revolution in the cotton growing industry is inevitable before next spring.

**WORKABLE SUGGESTIONS FOR FINANCING OF CROP**  
Holders of Paper Based on Cotton Crop Should Grant Thirty or Sixty-Day Renewal With Aid of Emergency Currency—Most Practical Method Yet.

## BURSTING OF WAR CLOUD HAS DISABLED AMERICA'S TRADE

After Disarming Financial Circles, it is Reaching to the Industries Which are Already Feeling the Effects Keenly—Many Commodity Advances Recorded.

(Exclusive Leased Wire to The Journal of Commerce.)  
Boston, August 8.—The sudden bursting of the European war cloud, the first effect of which was to engulf the financial markets of the world, has now reached its industries. International trade is at a standstill because of the withdrawal of the merchant marine. Unfortunately for the United States, we miss a golden opportunity for an immediately increased trade with our foreign neighbors because we have not the ships to carry our goods. For the moment, therefore, prices of all commodities are at a wide variance with those normally ruling. Those articles of which we are large importers have advanced in price, as for example, leather, sugar, coffee, wool, etc. On the other hand, copper, of which we have a large exportable surplus, is practically without quotation on this side of the water, notwithstanding that an advance on over two cents per pound has taken place in Europe since the war commenced. With no means of transportation to Europe the principle copper mines of the United States have cut production in halves, which condition will remain until the seas are once more open to commerce.

Fortunately, however, Congress seems alive to the necessity of providing an American registry for ships, a programme which is being seconded by private concerns, notably the Steel Corporation, which has about 25 ships which will change their colors so soon as the pending bill is signed by the President. This providing of bottoms for our foreign trade will, with the restoration of the foreign exchange equilibrium, do more than anything else to put conditions back to normal in this country.

Given this, our opportunities are almost unlimited for a renewal of business activity on a large scale. Particularly is this true in our relations with Germany and England, two of our principal foreign customers. South America, too, looms large as an increasingly important customer—one with whom we have never yet done the business that we should.

For the present, extreme caution will be displayed on all sides, but the United States has weathered the first financial shock in admirable shape. The financial situation was handled with wonderful acuteness, and now that the emergency currency is in circulation there should be plenty of money for all legitimate purposes.

It is, in a way, unfortunate that an expansion in our trade should be caused by so horrible a thing as war, but we can pride ourselves that the European turmoil is not of our making and, therefore, everything which we gain thereby will be honorably acquired.

## PROBABLY HIGHER PRICES FOR COAL

Increased Demand in Canada and States to Follow War Complications in Europe IS A PRIME NECESSITY

Results of Present Conditions Are Seen in Firmness of the Market and in Increased Inquiries for Prospective Purchasing.

New York, August 8.—Interest in domestic conditions of the coal trade is swallowed up in the economic circumstances caused by foreign complications. That the war now in progress must affect very greatly the coal trade is well understood. Not only is coal civilization and of warfare.

Limiting the use of coal merely to commercial shipping, on the supposition that nations, ready for war have already accumulated vast stores for their navies, yet many things point to vastly increased demands for coal and to higher prices that will inevitably go with increased requirements.

The American Navy, for instance, will need much larger supplies than in the recent past, because of the activities that are to be started in connection with the use of the ships for traffic, transfer of mails and moneys, and other demands to be made upon naval resources, due to the new political situation of the world brought about by war.

**BANKS REPORT NORMAL BUSINESS.**  
London, August 8.—Manager Casella, of the Bank of Montreal, states that business is proceeding today perfectly smoothly. Canadian banks here are working precisely along the same lines as the English institutions.

## WAR EXCITEMENT ECLIPSED TRADE

Montreal Developments Have Been Checked and Impossible to Foresee How Trade Will Behave

CONFIDENCE PREVAILS  
Gross Earnings of All Canadian Railroads Show a Decrease—Commercial Failures Show an Increase—Banks Prepare to Handle the Coming Grain Crops.

(Exclusive Leased Wire to The Journal of Commerce.)  
New York, August 8.—Despatches to Duns' Review from branch offices of R. G. Dun and Company in leading trade centres of the Dominion of Canada, indicate that the excitement incident to the declaration of war by Great Britain has occupied the public mind to the exclusion of business.

Montreal reports that development has been checked by the war, and it is impossible to foresee at present how trade will be affected. Exports have entirely ceased, but this is thought to be only temporary, and a renewal of shipments to Great Britain is looked for in the future.

**Banks in Good Shape.**  
The banks are in good shape, and are expected to extend reasonable support to the consumers. Business at Toronto was exceedingly quiet, owing to the excitement caused by the war, and its effect on the money markets. The future, however, is regarded with confidence, and a revival in activity is looked for before very long. The feeling is conservative at Hamilton, and trade is more or less quiet, but the markets are well supplied, and the effect of the war has been very slight. All mercantile lines in the far west and northwest are inclined to quietness, although the grain trade is about the only industry feeling the disturbance of the war to any extent.

Winnipeg reports that only the grain trade seems to be affected by the troubles in Europe, and the volume of business in most departments is not much below that of a year ago. An optimistic feeling prevails at Regina, where several new industries have recently been started. Edmonton reports conditions very favorable, as owing to the excellent crop conditions commodities are beginning to move more freely. No improvement has appeared at Calgary, the war scare having an unsettling effect and business in about all lines is moderate in volume.

Gross earnings of all Canadian railroads reporting to date for July show a decrease of 12.2 per cent, as compared with the earnings of the same month for the corresponding period a year ago. Commercial failures in the Dominion of Canada this week numbered 57 as against 42 last week, and 41 the same week last year.

**Bradstreet's Report.**  
New York, August 8.—Trade and financial matters in Canada are seriously affected by the European war, and shipping at the port of Montreal is at a complete standstill. It is hoped that Great Britain will be able to insure safe transit for vessels, but at the moment the elevators are all full of grain. Under the circumstances, money is tight. However, the Canadian banks have taken steps to conserve their gold by issuing notes. The grocery trade is especially active, families having bought supplies, fearing future shortages, and prices are higher all round. The wheat crop in the northwest will be light, drought having reduced the yield. Harvesting has started and will be general in a week or so. The banks have made preparations to handle the crop. Bank clearings at sixteen cities for the week ending Thursday, \$155,898,000, reflect a drop of 2.7 per cent. from last week, and 2.8 per cent. from corresponding week in 1913. Business failures for week ending with Thursday, 49 in number, in contrast with 61 last week, and 41 in the like week of last year.

**NAVAL STORE MARKETS.**  
(Exclusive Leased Wire to The Journal of Commerce.)  
New York, August 8.—Market for naval stores continued routine and sales were at private terms. Reports from Savannah was of a more cheerful character, it being said that the banks were coming to the rescue of the factors and would finance the receipts of spirits and rosin until such time as the shipments abroad could be resumed. Spot turpentine was nominally quoted at 46 to 47 cents. Tar dull and nominal at the old basis of \$6 to \$6.75 for kiln burned and \$6.50 for retort. Pitch is repeated at 4. Rosins are open to shading and quoted prices are merely nominal. Common to good strained is repeated nominally at 3.95.

London, August 8.—Turpentine spirits 36s 6d. Rosin American strained 11s, fine 15s 9d.

## EUROPE ENTERS SUGAR MARKET

Great Britain Wants Supplies—She Consumes More Sugar Than United States Annually and Pays Good Price.

(Exclusive Leased Wire to The Journal of Commerce.)  
New York, August 8.—Raw and refined sugars have been strong and active during the week, prices being Britain into the market for refined sugars. It was expected that she would be a large buyer of Cuban raws when her commerce with the Continent was interrupted and her supplies of raw sugars cut off by Germany and Austria. It was learned, however, that her great refineries were closed by the war and she was forced to enter this market. The importance of Great Britain entry in the sugar market is reflected by the fact that she consumes more sugar annually than does the United States. The price in London rose from 5 to 12 cents. The amount is not appreciably greater, but it is excess of domestic consumption. The feature of the refined market during the week aside from sharp price advances has been the attitude of the American Sugar Refining Company has endeavored itself to its customers by holding refined at a lower market all week than the other refiners. This has benefited its own customers only as the American has declined to accept new business and will deal only with those of its own customers who have not open accounts on its books.

Many sugar brokers, who tried to place large orders for customers found that the American had not established an open market at the price quoted. It is the belief of the sugar trade that the American was long on stocks when the squeeze came. Howells withdrew from the market toward the close of the week. Prices of raws advanced from 42s cents to 45s cents.

Prices of refined advanced from 4.25 to 5.50 cents. Sugar brokers expect much higher prices next week for both raw and refined sugars. Arbuclie is quoting 5 1/2 cents and Howells is out of the market at all prices. The American is quoting 5 cents, but is only taking business when buyers have nothing on their books. Raws were sold at 4 1/2 cents.

## GENERAL ADVANCES NOTED IN AMERICAN SHOE LEATHER

Higher Prices for Leather Will Inevitably Mean Higher Prices for Shoes—Immediate Situation Depends Largely Upon Stocks Afloat—Chemicals and Dyes are also Scarce.

(Exclusive Leased Wire to The Journal of Commerce.)  
New York, August 8.—The European war has thrown the leather markets, like those for practically all other essential commodities, out of joint. As a result of the shipping paralysis a shortage of hides is threatened, tanners are curtailing heavily, and are accepting no orders for future shipment.

A general advance of two cents a pound has taken place in sole leather and there is a possibility of further marking up unless the present situation is relieved. While there have as yet been no actual increase in prices for upper leather, there is strong possibility that it might be marked up two or three cents a foot if conditions continue as they are. Higher prices for leather will inevitably mean higher prices for shoes.

Our importations of hides from South America and from European countries are large, domestic hides supplying probably not over 70 per cent. of our needs. The immediate situation depends in large measure on whether the considerable shipments of hides which are now afloat to meet full manufacturing requirements reach America safely. Ships are now being held in South American ports and also in Europe. War risks and insurance rates are prohibitive.

In addition to the shortage of hides, tanners are further shut off from importations of chemicals and dyestuffs used in tanning, the bulk of which come from Germany and France.

In the event of prolonged war, of course, Europe will have need of large quantities of our commodities including leather and shoes, and at the present the monetary and shipping situation subordinates every other consideration.

**INDEX NUMBER INCREASED IN BRITAIN.**  
(Special Cable to The Journal of Commerce.)  
London, August 8.—Month ly index number of London "Economist" is 2,565, as compared with 2,549 for the previous month. The largest advance is shown by cereals and meat, which rose 13 1/2 points to 579. Other food products advanced 7 points to 352, textiles 1/2 point to 61 1/2 and heavy goods 2 points to 563. Minerals receded 7 points to 464 1/2.

Reports conflict as to whether or not Belgians granted armistice asked by Germans.

Savannah, August 8.—Turpentine nominal at 46 1/2 cents; no sales. Receipts 495; shipments 107; stocks 30,148.

## WILL CURTAIL ITS OUTPUT OF STEEL

President Plummer Predicts Partial Suspension of Operations by Dominion Steel Company

CLOSE TWO BLAST FURNACES  
There is Little Chance of There Being Any Decline in the Demand for Coal—Active Steel Market in United States Would Help.

(Special Correspondence.)  
Sydney, August 8.—Replying to a query from your correspondent as to how the European war would affect the Dominion Steel plant, President Plummer said: "We have a considerable tonnage of rail orders on our books but they are chiefly for shipment by water. The disturbed conditions which affect the sending of material by sea and the further disturbance of financial arrangement of our customers caused by the war would seem to make it inexpedient to continue rolling on these orders."

We already have several cargoes awaiting shipment and more or less held up by these conditions we think it probable therefore that we shall have to shut down much of the plant or rather to suspend a major part of our operations for a time until we see more clearly what conditions we have to meet in time of war.

The general iron and steel industries are usually very active and that effect is likely at this time to be more marked in neutral markets because the great centres of industry in Europe are all directly involved. It is difficult to say how this would affect us in Canada, but if there is an active market in the United States we shall follow them in a greater or lesser degree.

At the moment we are preparing to damp down two of the blast furnaces now in blast and the open hearth furnaces.

The finishing mills can and will be operated so far as orders are obtainable. We have on hand a supply of billets sufficient to keep these in full operation for some months. The demand for coal is unlikely to fall off and unless our transportation arrangements should be seriously interfered with, this portion of our business will continue without change.

## BRITAIN LOOKS TO CANADA FOR HELP

Commodities Scarce and Values Soaring—Meat Supply Short—Canada Will Supply Her

RETAILERS IN QUANDARY  
Safety on Ocean is Necessary for Safe Transmission of Supplies—Government Will Take Steps in This Direction in Near Future.

(Special Cable to The Journal of Commerce.)  
London, August 8.—It is thought here the plans of the British Government, to control the food supply of the country will be announced in the immediate future, and as a result, retail stores are already experiencing a serious shortage. In practically all commodities of importance, and the minor commodities are soaring in value. The situation is taking on such a serious aspect that in several districts of London, the stores are opening for only a few hours in the morning in a vain effort to conserve supplies to the fullest extent.

One of the principal commodities to feel the stringency most, is meat, and as an example, beef steak has advanced enormously within the last few days. Great Britain will be forced to look to Canada for her food supplies in the very near future, and this will necessitate her seeing to the safe transmission of the Canadian product to our shores. That Dominion seems to be the only source to which the Mother Country can now turn for supplies, as the Irish stock would not go very far in a pinch.

The authorities are taking all possible steps to avert public anxiety in regard to food supplies and to present unjustifiable attempts artificially to raise prices. The Home Office is taking in addition to the four months' supply of wheat actually in the country or being harvested, there were large consignments of wheat now on the way here, much of which was already near British shores.

There was no conceivable circumstance, it was said, in which a wheat famine could arise, and accordingly fear of a scarcity was groundless. The situation regarding meat was not less satisfactory. "Normal killings of home stock supply 60 per cent. of our annual consumption," reads the statement, "and we are not necessarily dependent upon foreign imports for the balance of our supplies, as in case of emergency it could be provided by slaughtering a larger proportion of our own stock."

This contingency cannot arise in the present circumstances. There is now an exceptionally large supply of foreign meat in cold storage, and heavy consignments are on the way to our shores. Therefore no justification exists for any rise in the prices of bread or meat.

The circular concludes with the assurance that arrangements have been made with a view to controlling prices so far as possible. The Austro-Hungarian Government has taken drastic measures to protect the public against dealers charging exorbitant prices for food.

A decree was issued calling on producers, warehousemen, and dealers to inform the local authorities as to the stocks in their possession. Any attempt to keep secret the extent of the stocks or to raise prices is to be punished by imprisonment ranging from one month to one year.

The Church authorities have decided to permit marriages to be performed without the usual publication of banns, the only demand made on oath that there is no legal hindrance. Hundreds of couples are taking advantage of these regulations.

**FOREIGN EXPORT OUTLOOK.**  
(Exclusive Leased Wire to The Journal of Commerce.)  
New York, August 8.—A much clearer outlook has been given to export situation from American standpoint by the occurrence of the following events within the past 48 hours.

1.—Beginning of purchase of documentary bills on London by Guaranty Trust Company, covering shipments of grain.

2.—Establishment of transfer relations with America by Bank of France through J. P. Morgan and Company to facilitate transactions for tourists and for resumption of commercial intercourse by sea between the two countries.

3.—The announcement by Great Britain that foodstuffs, forage and grain and eleven other classes of articles will not be considered contraband except when intended for the use of a Power with which England is at war.

Departure of the armored cruiser Tennessee with gold for immediate relief of stranded tourists in Europe.

**ANOTHER HISTORY-MAKER IN TIN.**  
New York, August 8.—Still another new high record price has been paid for spot tin, ten tons having been booked at 73 cents a pound. This compares with Thursday's high of 63 cents. The new top level represents an advance of about 150 per cent. over the price prevailing a fortnight ago. There will be available for this month's consumption in the United States about 2,500 tons against a normal monthly demand of 4,000 tons. Antimony has sold up to 17 cents a pound. On Thursday it sold at 12 cents a pound, while a week ago it was quoted at 7 cents.

## ALMON RIVER POWER

Authorized to Issue \$300,000 of Its Fort 5 Per Cent. Bonds, to be Sold Not Under 85.

August 8.—Salmon River Power Co., subsidiary of the Niagara, Rockport & Co., has been authorized by the Public Commission of the second district to issue its 40-year 5 per cent. first mortgage bonds to the amount of \$300,000. The bonds are to be sold at not less than 85 and to net 5,000.

If these bonds are to be used for the developments arising out of the construction of electric plant of the company and its system, not provided for by the already authorized. Part of the proceeds are to be used for the construction of this latest amount of the commission that it does not now determine that it has done is more than 55 per cent. of the securities issued against it. In case it finds it necessary to ask for further bonds the commission will require that construction work, complete or in part, of the bonds which have been issued.

**GOLD AT LONDON.**  
August 8.—The Bank of England received \$2,155,000 United States gold from Argentina, and \$447,000 from other hand, \$230,000 was sent to New York. The gold standard is now \$2,000,000 was ear-marked for India, half was released from the paper currency and half from the gold standard.

**TRUST GERMAN BANKS.**  
August 8.—Cable from Tien Tsin says that despite previous denials the Chinese are withdrawing funds from Germany and placing the bulk of their deposits in German banks with British charters.

Per Word for the First Insertion . . .  
Per Word for Each Subsequent Insertion

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