STEEL EXPORT TRADE IS BEING CULTIVATED

Lack of Orders in Canada Induce Manufacturers to Turn Their Faces Elsewhere

POSITION IS UNSATISFACTORY

Dominion Steel Has Established Well-organized Office in London and is Already Doing a Share of the Business.

Halifax, N.S., January 7.—In speaking of the iron and steel industry of Nova Scotia at the recent convention in Amherst, J. H. Plummer, president of the Dominion Iron and Steel company, gave a review of conditions in the steel trade and an outlook for the future, which are suitable at this time. In the course of his address he said:

I do not think that a number of intelligent and experienced business men will want to be imposed with hopes that are purely visionary, but rather will be interested to hear what we think of the possibility of carrying our various enterprises through the dull period and the prospects for a better state of affairs in the future.

I am not going back over our development and tell you in detail what difficulties we have met and what we have done; probably all of you already are well-informed on this subject.

You will doubtless agree with me that however important the steel industries are, the vital thing for Nova Scotia, taking everything into consideration, is that her coal mines should be vigorously developed and successfully operated. So far as the large properties held by the Coal company are concerned, this development was at a standstill when the Steel company was formed, and the growth of the Coal company's business since then has been due in a large measure to the market for coal, especially for slack coal, created by the Steel company. This market made it practicable for the collieries to be operated to a reasonable extent in the winter months, to say nothing of affording employment to a very large number of men at all times in the year in the production and handling of the coal actually consumed. It may surprise you to know that the consumption of coal by the Steel company at its works in Sydney gives employment to almost as many men in the Coal company as at its own works.

Roughly speaking, it takes the annual labor of one man to produce one hundred tons of steel, in the average finished form in which we ship our products, and it also takes very nearly the annual labor of one man to produce the coal used in making one hundred tons of steel. This is, of course, a rough approximation only.

Turning to the present condition of affairs, I have already said that the business in Canada at the moment is most unsatisfactory so far as we are concerned. I think it is beyond question that in many lines we are quite prosperous, probably as prosperous as any other country. Our farmers are doing well; notwithstanding the set-back in the matter of production of grain in the northwest, they are in an extremely prosperous position as a whole. Many industries are fully occupied on war orders, and of course the spending power of a large body of prosperous farmers means and does give rise to a good volume of business.

The thing that affects us is that, with this condition of prosperity in certain lines, no money is being spent in construction work of any kind that can possibly be postponed. People are not putting up new buildings, no extensions of manufacturing plants are under way, and, above all, the position of the Canadian railways is not good. Their needs form the backbone of the iron and steel industry. Their traffic returns have fallen seriously; their ability to finance for construction of additional lines has been greatly impaired, if not altogether destroyed, by the existing financial conditions, and the results to such industries as supply their needs is little short of calamitous. Steel plants, rolling mills of all kinds, car works, and all the factories which find profitable employment in ordinary times in the production of railway supplies, are greatly affected, if not altogether idle.

Now, these are the conditions with which we are faced at the moment. In Nova Scotia we have the largest and most important works for the manufacture of iron and steel in this country; they are equipped with modern plant and machinery for the production of these materials in various forms, and I may say without any boast that the quality of their production is excellent. All they need is tonnage. Their ore supplies are assured; they have all the coal they need for generations to come; they have manufacturing and shipping facilities which are beyond criticism. What they lack are customers.

But the point which I suppose would most interest you is this: What are the chances of our getting tonnage or our finding customers? So far as the Canadian trade is concerned, I can scarcely form any opinion. In a letter from my friend, Mr. Cantley, he puts the matter in his usual eloquent and picturesque way, thus:

"We are facing an entirely new situation and travelling a new road. What the next turning will bring us, and what prospects may open up when we reach the next hill, I cannot tell. I should say that viewed generally, Canada is perhaps finding its bearings again. On the other hand, the railway receipts are falling off enormously, and the railroads are even less inclined and less able to buy than they were two or three months ago, and until they and other large consumers come into the market, there cannot be any real revival or improvement in the steel trade."

Probably this is as near to the situation as one can come. We cannot but believe that the partial prosperity I have referred to must increase and have its effect on the general business of the country. We have in recent authoritative statements made by those responsible for the administration of the Bank of Montreal an excellent analysis of the financial situation, which is clearly most hopeful. We know that the economies enforced upon or voluntarily undertaken by our people are rapidly building up our financial reserves, and, taking everything into consideration, there seems no reason whatever to doubt that before long we shall take some steps in the direction of a renewal of ordinary trade conditions in Canada.

The railway situation will probably not be so readily changed; they will, without doubt, become more willing to deal with expenditures necessary for maintenance, and will require new equipment, but their ability to extend their lines will depend on the return of financial conditions in England and elsewhere which will enable them to carry out the ordinary financing.

In the meantime—what?

So far as we are concerned, we are actively pursuing the exploitation of export business. You have heard a great deal about the business which the Germans have lost in South America, but you have probably not heard very much of the difficulties there. They are two-fold, so far as they affect us. The first is that South America, like North America, had before the war entered on a period of serious financial depression, so that, apart from war conditions, business there was in a very bad condition. That, of course, does not help the situation now. There must, however, be necessary considerable consumption of iron and steel going on, and the other difficulty which meets us in trying to capture some of that trade is the financial one. It is probable that we with our British connections and methods, may be able to handle the business perhaps more readily than our American competitors, but it is not easy for any of us. At the moment, we are not at all sure we can successfully enter this field. All I can say is that we are carefully looking into the situation and trying to get full information as to the possibilities.

In the motherland we have been more successful. We have established a well-organized office in London, and are already doing a share of the business. There are many drawbacks, not the least of which is the increased cost of transportation, and the net result is not likely to be very profitable, but we have taken any business that can be turned over without loss, and we are securing enough to keep our plant in partial operation. What the effect may ultimately lead to, it is impossible to say. The English market was supplied with goods at extremely low prices by the German manufacturers, such prices as manufacturers on this side would find quite inadequate. But these prices were in themselves largely due to the contributions made to the manufacturers of exported materials by what we would describe as "The Combine." These contributions or export bounties, which they really in effect were, fell on the home consumer. I think it is extremely doubtful if, when the war is over, this system can be maintained; it is, of course, absolutely unsound economically.

The dislocation of the industries of Germany and Belgium by the war will certainly prevent such acute competition from them for some time after peace is restored, but we may expect ultimately to have them again as vigorous competitors. I have discussed this point of German competition with a good many of my English friends, and have said to them that when the war is over they will, with the usual British desire for fair play and open markets and with their usual attitude towards a defeated opponent, wish to shake hands at once and say, "Now, what have you got to sell us?"

There is a strong denial of the possibility of this, but I feel that we need not expect any other outcome. If, however, we can in the meantime get enough export business to help to keep us going until the war is over and for some little time afterwards, we may hope by then to see a return to ordinary conditions in Canada.

Our export business to other dominions, which has hitherto served a very useful purpose in keeping our works filled, even if the prices were low, has fallen off on leaner days; the need of English works for orders is sufficient explanation of this.

The ability to secure business abroad depends on two or three things, chiefly that the market requires the sort of material which we are equipped to manufacture, and that we have reasonable means of transportation to the British ports.

I do not intend to enter on the question of the tariff as affecting the business we may do in Canada, but it would be wrong for me to omit to say that our iron and steel tariff is extremely defective. It is true that none of us have gone into the manufacture of structural steel, which has grown to be a very large element in the imports from the United States, but we are working, slowly in that direction and would probably work faster if we can get the necessary capital.

Apart from this, however, there are various lines of goods brought in from abroad which could be made in Canada if the tariff were on a more scientific basis.

GERMANY'S DIPLOMACY FAULTY WHEN IT STIRRED UP THE TURKS

Placed Important Concession Outside Protection of Neutrality.—Made Turkish Mobilization Comparatively Easy.

New York, January 7.—The Wall Street Journal says: One of the biggest news items that has slipped past the censors is the five-line announcement that a British force is approaching Bagdad. The Bagdad Railway, and with it control of Asia Minor, Syria, Mesopotamia and the way to India is involved.

When the German Kaiser visited Constantinople in 1898 the Sultan gave him a concession for a railroad to link Constantinople with Bagdad. After many modifications the conventions finally resulted in a concession for a road from a point on the east shore of the Bosphorus to Bagdad, over 1,000 miles to the east; from thence to Bassora, which is near the confluence of the Tigris and Euphrates, 350 miles south of Bagdad. From Bassora the road was to run to some undetermined point on the Persian Gulf, presumably Koweit.

But the Persian Gulf is the backdoor of India, and England has declared a sort of Monroe Doctrine over it. Therefore, this last section of the road has presented many difficulties because, by whomsoever built, England would control it, and the last and most inert failure of German diplomacy has made that control assured.

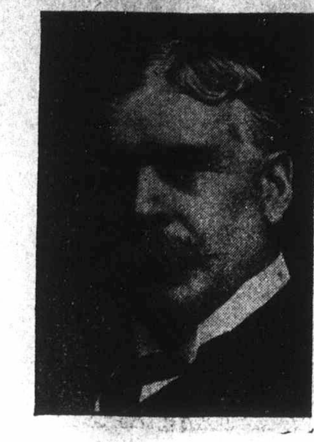
A network of lines radiates from this main stem. One in particular extends from Bagdad eastward to the Turco-Persian frontier, tapping a territory rich in petroleum. Another connects with the important port of Alexandretta on the eastern seaboard of the Mediterranean. The concession gives almost absolute control of this port, with the right to construct docks and quays. Here would be a magnificent location for a naval base in striking distance of the Suez canal and Egypt.

Cattle, sheep, wool, wheat, oats, barley, fruits, vegetables and some cotton are produced in this part of the world. It only needs irrigation and population to bring millions of acres of the most fertile soil in the world under cultivation. With this country under her control, and the means of transport, Germany need not fear a shortage of food, textiles, hides, petroleum, and probably some metals and minerals. An immense investment in irrigation and other works must first be made, but this would be necessary, anyway, to make the road a financial success.

But the military importance of this concession is apparent at a glance. It makes Turkish mobilization comparatively easy. A line running south from Aleppo and Alexandretta makes the Suez Canal easier to approach; while a strong power on the Persian Gulf would hold the key to India and the integrity of the British Empire. Tremendous possibilities hang on the result of the conflict in the East.

What evil genius made German diplomacy bring Turkey into the war, and put this concession outside the protection of neutrality?

Argentina takes 60 per cent. of South American imports.



J. H. PLUMMER,
Who, on this page, reviews the operations of the Dominion Steel Corporation during 1914.

U.S. FARMS PRODUCE $9,872,936,000

Increase of $83,000,000 Over Banner 1913 Year and Nearly Double 1899

CROP PRODUCTION LESS

Crops Were Valued at $6,044,480,000, and Animal Products at $3,828,456,000—This Latter is an Increase—Crop Value Less Than 1913, Due to Reduction in Value of Cotton Crop.

Washington, January 7.—American farms during 1914 eclipsed all records for combined value of their products with a total of alomst $10,000,000,000.

Secretary Houston, of the Department of Agriculture, announced that the value of all farm crops, farm animal products, and farm animals sold and slaughtered aggregated $9,872,936,000. That was $83,000,000 more than the grand total for 1913, the previous record year, and more than double the value of all farm products in 1899.

Crops this year were valued at $6,044,480,000, and the estimated total value of the animal products and of the farm animals sold and slaughtered was $3,828,-456,000. The value of crop production this year was slightly less than in 1913, on account of the reduced value of the cotton crop, brought about principally from the European war.

"The estimated value of the animal products of the farm in 1914," says the Agricultural Outlook, "is distinctly higher than in 1913, which was itself a record year in the value of this class of products. This is due to general, but slight increases in production, except for sheep and swine, and bring in prices.

"It must be borne in mind that the amounts of these estimates do not stand for net wealth produced, nor for cash received, nor for profit, nor for income in any sense. Each product is valued, as in the census, when it reached commercial form.

The sales of crops last year were estimated at $2,-928,000,000; sales of live stock, $2,919,000,000; a total of $5,847,000,000. The estimated value of total sales per farm was $892, and sales per capita of rural population (excluding towns), $139.

The value of the principal farm crops this year was:

Corn	$1,702,599,000
Wheat	799,069,000
Cotton	519,616,000
Oats	499,431,000
Potatoes	198,609,000
Barley	105,903,000
Sweet Potatoes	41,294,000
Tobacco	101,411,000
Rye	37,018,000
Sugar beets	27,050,000
Rice	21,849,000
Flaxseed	10,540,000
Buckwheat	12,892,000

In the production of the above fourteen principal crops this year's aggregate was about 10 per cent. larger than in 1913.

This year two important crops exceeded previous records—wheat, with 891,000,000 bushels, following the 1913 record of 763,000,000 bushels, and cotton, with 15,960,000 bales (preliminary estimate), the previous record being 15,693,000 bales in 1911.

The value per acre of crops averaged about $16.44 this year, compared with $16.52 in 1913, and $16.15 in 1912.

AMERICAN BUSINESS FAILURES 15 PER CENT. IN EXCESS OF 1913

New York, January 7.—"Bradstreet's" in its next issue will say:

"The 1914 failure record was an unfavorable one, the poorest in history, in fact, as regards number, while the liabilities of failing traders have only been exceeded twice before since "Bradstreet's" totals were first compiled. There were 16,759 failures, a total 15 per cent. in excess of 1913 and 8 per cent. in excess of 1893, the hitherto record year. Liabilities of failing traders in 1914 aggregate $362,235,312, a total of 22.7 per cent. larger than in 1913, but 5.5 per cent. smaller than in 1907 or 1893, the years of evil preeminence in failure damage. Following are some comparisons:

Year—	Number.	Assets.	Liabilities.
1914	16,759	$199,921,905	$362,235,312
1913	14,553	160,700,000	295,600,000
1908	14,044	168,400,000	295,900,000
1907	10,265	287,900,000	383,700,000
1896	15,094	147,800,000	246,900,000
1893	15,508	231,500,000	382,100,000

"It, of course, needs to be observed that there are more people in business than in some of these earlier years, and that within reason failure loss tends to increase as the number in business enlarges. Thus, there are 65 per cent. more people in business now than in 1893, while the number of failures is 8 per cent. greater. The increase in number in business, as compared with 1908 is 17 per cent., while the number of failures is 19 per cent. larger."

MR. CARRICK GOING TO ENGLAND.

J. J. Carrick, M.P., who offered his services in the war, has been attached to the Canadian Expeditionary force as an intelligence officer. He will leave in a few days for England.

PAST YEAR SHOWS INCREASE IN CANADIAN INSOLVENCIES

Numerically, Improvement Was Alone Disclosed by Nova Scotia and Newfoundland, While P. E. I. Was Unchanged. West Was a Sufferer. Quebec Failures Heavy.

(Reported by R. G. Dun & C.)

Commercial failures in the Dominion of Canada during 1914 were again much more numerous than in preceding years, while the aggregate indebtedness also increased materially. Total insolvencies numbered no less than 2,898 against 1,719 in the previous year, 1,357 in 1912 and 1,332 in 1911; the liabilities were swelled to $35,045,095, as compared with $16,979,406 in 1912, and $12,316,936 and $13,491,196, respectively, in 1912 and 1911. In all respects, the most unfavorable exhibit was made by the trading division, in which there was a numerical increase of 948 and an expansion in the amount involved of about $10,000,000—614 reverses for $11,063,191, comparing with 452 for $6,-792,763—in manufacturing lines there were 162 more defaults than in 1913 and the liabilities were larger by $4,000,000—2,164 for $18,677,935, against 1,216 for $8,-681,419—while losses among agents, brokers and similar concerns were 120 for $5,303,968 against only 51 for $1,505,224 in the previous year.

Geographical analysis of the Canadian insolvency returns indicates that, numerically, improvement was alone disclosed by Nova Scotia and Newfoundland, while in Prince Edward Island there was no change from 1913. The record for all other provinces was adverse, increases of 301 suspensions occurring in Quebec, 298 in Ontario, 167 in British Columbia, 164 in Saskatchewan, 146 in Manitoba, 91 in Alberta, and 28 in New Brunswick. In regard to the liabilities, a particularly unfavorable showing was made by British Columbia, where the aggregate indebtedness was $11,650,670 against only $1,378,564 in 1913, while an expansion of almost $2,000,000 was noted in Saskatchewan and more than $1,000,000 each in Ontario, Quebec and Manitoba. The only territory in which there was any improvement was in Newfoundland, and the change there was trifling.

REDUCTION OF $300,000 IN ITS PREFERRED STOCK.

New York, January 7.—In connection with the reduction of $300,000 of preferred stock of Hart, Schaffner and Marx, it is of particular interest to the trade that, since the company was organized in 1911, the amount of outstanding preferred stock has been reduced from $5,000,000 to $4,300,000 (including the amount to be redeemed this month), against provisions of the charter that $5,000,000 be retired before July 1st, 1921.

OPERATION ON COL. COSTIGAN.

Lieut.-Colonel Costigan, commander of the 6th Brigade Canadian Field Artillery (Home Service), has undergone a minor operation at the Royal Victoria Hospital.

CALL MONEY AT NEW YORK.

New York, January 7.—Call money 2½ per cent.

STEEL YEAR CLOSED SHOWING DULLNESS

Overwhelming Results in Europe Resulted in More Conservative Policies for Fourth Quarter

REDUCED OPERATIONS

At No Time During Year Were Prices Strong and in Some Cases Receded to Very Low Levels. Earnings Were Seriously Reduced. Prospects Are Now Slightly Improved.

Accumulative hindrances and unfavorable influences, domestic and world-wide, prevented any satisfactory record in iron and steel for the year just closed, says Dun's Review, speaking of the iron and steel trade in the United States. Following a period of hand-to-mouth buying and an attitude of waiting, the overwhelming events in Europe resulted in a still more conservative policy and the promises of improvement held out during the early summer gave place to demoralization, so that the fourth quarter found activity at low ebb.

With some departments operations were reduced to 25 per cent. and in general the active capacity receded to no better than 40 to 50 per cent. of available equipment and resources. From the viewpoint of prices, the retrospect is disappointing and earnings were seriously reduced, profits in certain lines being hardly commensurate with production costs, and the problem became largely one of keeping working organizations intact. At this juncture prospects are improved, though progress is likely to be slow for some little time and compared with former years of activity, present values remain at rather a low level.

The disparity in prices becomes pronounced when comparisons are made with former active periods. At no time during the year were prices strong, and quotations in several departments receded to an extremely low figure. This downward trend had set in during 1913, when an average loss was shown of from $3 to $6 per ton, against average increases during 1912 of from $4 to $8 per ton. The uncertainty at the beginning of 1914 was followed by slight variations in prices and advances in some instances, which, however, gave way before the unfavorable developments of mid-summer.

For six months pig iron averages remained unchanged at $14, Valley, for Bessemer and $13, Valley, for basic until the fourth quarter, when a further recession occurred to $13.65, Valley, and $12.50, Valley, respectively. These quotations represent losses averaging close to $2.50 per ton within the twelve months, values being the lowest within a period of ten years. Crude steel also depreciated in almost the same ratio, as is indicated by comparing billets at $21, Pittsburgh, in September, 1913, with $19 and $19.50, Pittsburgh, effective during the quarter just closed. In like manner scrap material suffered, the consumption falling considerably below normal, while stocks accumulated.

HEAVY ENGLISH WOOL DEMAND IS UNABATE

English Wools Continue to Hold Strong Position in Bradford; Extren Prices Can Easily be Made

TOPMAKERS ARE WELL SOLD

Leicester Says That Merinos are Decidedly Lowe Sympathy With London—Hosiery Manufactur ers are Still Working to Full Capacity on Government Orders.

(Special to Journal of Commerce.)

Bradford, December 21, 1914 (by mail).—There is falling off in the heavy wool consumption that is t ing place in all branches of the trade, and topmak are still being pressed for deliveries. New busin however, is not coming forward so freely, especi in crossbreds. Topmakers are so well sold, howe that they are largely indifferent to this slackening in demand, for the orders already booked will k them busily employed for some time to come. W regard to merinos prices show but little change fr those ruling last week, the margin between spot a future quotations becoming narrower and narrower

English wools continue to hold a strong positi For the kinds that are wanted extreme prices can made with ease, for the quantities available are small compass. Since last Thursday about 300 ba of alpaca inferior have been sold "to arrive" at pri which are again the turn against the buyer. As gards mohair cable advices received to-day from Cape report further activity in Winter hair, Win kids, and Basutos, with prices, as in the case of paca, slightly against the buyer.

Spinners engaged on Government orders are s busily meeting the heavy demands made upon the but not much new business is offering for the m ment except for hosiery counts, for which there some amount of inquiry. Botany spinners continue dispose of big weights, and manufacturers are keen for early delivery that prices bear no relation the price of tops. Fine counts are in greatest reque the demand for coating yarns remaining on the sl side.

Leicester reports that with the exception of wo suitable for Government requirements, such as En lish skin, New Zealand and other slipes, and cros breed fleece, both English and colonial, there h been an easier tone to that market. Merinos, in sym pathy with London, are decidedly lower, and the is some giving way in both homegrown and oth crossbred sorts in certain qualities, which are not in peratively wanted. In yarns spinners have taken su large orders for war purposes quite recently th prices are kept up to the maximum rate, and it is no difficult to place any for anything like early deliver Hosiery manufacturers are still working at fu stretch, the orders on hand for the Government w keep them so for some months to come, and the week ly output far exceeds anything hitherto recorded.

LIVERPOOL COTTON EASIER.

Liverpool, January 7.—Futures opened easier, off to 9 points.

	Close.	Due.	Ope
May-June	4.58	4.52½	4.50
July-Aug.	4.64	4.58	4.55
Oct.-Nov.	4.74	4.70½	4.66
Jan.-Feb.	4.78½	4.72	4.70

At 12.30 p.m. there were fair requests for spots prices steady with middlings at 4.74d. Sales 8,00 bales; receipts 17,000 bales, including 15,500 America Spot prices at 12.45 p.m., American middling fai 5.67d.; good middlings, 5.04d.; middling, 5.74d.; lo middlings, 4.31d. Good ordinary 3.69d.; ordinary 3.24d.

COFFEE MARKET FIRM.

New York, January 7.—Coffee market opened firm

	Bid.	Aske
January	6.20	....
March	6.37	....
July	7.40	7.43
September	7.57	7.58
December	7.78	7.80

CLUB WHEAT AT $1.25 NET.

Walla Walla, January 7.—For club wheat $1.25 ne is offered here. Many have been holding for this to price, but with wheat on the upward trend there seem to be no disposition among farmers to sell. No cor responding advance in flour has been announced by millers.

CORN AT LIVERPOOL.

Liverpool, January 7.—Corn opened off ¾ to 1 fron Wednesday. Jan. 6s 10½d; Feb. 6s 11d.

Wheat not quoted.

THE HIDE MARKET

New York, January 7.—The market for common dry hides lacked new features yesterday.

The inquiry from tanners continued light and no further sales were reported.

The market remained firm, however, with Orinocos maintained at 32 cents.

There were no changes in wet or dry salted hides.

	Bid.	Asked.
Orinoco	...	32
La Guayra	...	31½
Puerto Cabello	...	31½
Caracas	...	31½
Maracaibo	...	31½
Guatemala	...	31
Central America	31	32
Ecuador	...	31
Bogota	..	26
Vera Cruz	31	32
Tampico	...	28
Tabasco	...	28
Tuxpam	..	27
	...	28
Dry Salted: Selected—		
Payta		
Maracaibo	...	21
Pernambuco	...	21
Matamoras	...	21
	...	21
Wet Salted:		
Vera Cruz		
Mexico	17½	18½
Santiago	18½	....
Cienfuegos	16½	17
Havana	16½	17
	17	18
City slaughter, spreads	...	23
City native steers, sel. 60 or over	...	21½
City branded	...	19½
City bull	...	16½
City cow, all weights	16	16½
Country slaughter, sters, 60 or over	21	21½
Country slaughter, cow	20	..
Country slaughter, bull, 60 or over	19	19¼
	15	15¼