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Economic Lessons of The War

The Journal of Commerce is now publishing a series of letters from leading manufacturers throughout Canada, showing what steps are being taken to capture German and Austrian trade. As is well known, Canada last year imported over \$14,000,000 worth of German-made goods, and over \$1,000,000 worth of Austrian. To a considerable extent similar goods are manufactured in Canada, but by making special efforts through the installation of new machinery, by increasing their equipment and improving their methods of work through wider technical knowledge, our Canadian manufacturers can replace these imported goods with Made-in-Canada goods.

In a thoughtful analysis of the situation, which appeared in yesterday's Journal of Commerce, Mr. D. W. Boie, of the National Drug and Chemical Company, contributed a great deal of valuable information relating to the drug and chemical trade. He showed how Germany had secured control of the chemical industry, and emphasized the fact that we can learn much from the steady going, plodding, painstaking efforts of the German people. In the matter of technical education and research work, especially in chemical matters, Mr. Boie points out that the Germans lead the world. An extract from his letter is interesting:

"Germany has been the centre of chemical industry for many years. This is due partly to the fact that German temperament lends itself to patient painstaking enquiry, but more to the fact that the German Government has encouraged technical education to an unusual extent by large grants to universities, and by allowing the unrestricted use of non-potable alcohol in chemical research work and in the manufacture of so many chemical products and dyestuffs both of which are used so extensively in the arts and manufactures of the world over. Here we have a practical, helpful suggestion which we might adopt. Germany's progress is largely due to the attention she has paid to technical education—a subject which we have woefully neglected in this country.

It is, of course, impossible for our manufacturers to at once step in and secure control of the markets heretofore held by the Germans, but much can be done at once, and still more by painstaking efforts. Chief among the lessons to be learned from the present conflict is the need of increased technical education. It has been admitted for the past quarter of a century that Germany's wonderful advances in trade and industry were due to the emphasis she placed upon technical education. No good purpose will be caused by denouncing Germans and everything German. If we want to profit by the war, let us take the good which is to be found in German educational and business methods, and apply them to our own case. It must be remembered that there are two Germanies, the Germany of commerce and industry being entirely different from that portion of the people who placed the whole emphasis upon the military side of life. Mr. Boie and other business men who are calling attention to the progress made by Germany through her technical education are doing a real service to Canada, the fruits of which will be felt long after the present war is a thing of the past.

War and Population

Recently published statistics compiled by St. Gilleschamhoff, dealing with the world's population are of particular interest in view of the present conflict going on in Europe. Not only will the present war diminish the population of the warring nations, but what is probably more important, it will have a tremendous influence on the relative number of the two sexes.

At the present time, the world's population is placed at 1,700,000,000. In so far as statistics can be secured covering 1,037,000,000 people, it is shown that there are 41,700,000 men and 45,300,000 women, making a difference of 5,400,000 extra men in the world. Pictured out on a per thousand basis, it was found that there are 1,000 males for every 990 females in the world. Taking Europe, however, a different story is told, and it is there that the present war will accentuate the difference which now exists. In Europe, there are 1,027 females for every 1,000 males, and with several million men now engaged in a desperate conflict, the disparity will shortly be even more marked. In Africa, there are 1,000 males for every 1,045 females. In America, however, the condition is reversed, there being but 994 females for every 1,000 males; in Asia, 961 and in Australia 987 for every 1,000 males. In the newer parts of the world, such as Western Canada, the Western States and Australia, there is a serious shortage of women. It may be necessary after this war to move some of the women from Europe to the newer parts of the world.

The Fallacy of "The Great Illusion"

Deutschland Uber Alles

The first part of Norman Angell's famous book is a masterpiece of convincing logic. Its surprising conclusion is that the economic effects of war are being exemplified on a gigantic scale at the present moment. Disturbed trade, shattered credit, destroyed property, closed stock exchanges, moratoriums—these are the inevitable results. Now is it possible to collect plunder, whether at loot in the soldier's knapsack or as in internecine in the war chest, which will repay one-tenth part of the loss.

There is no denying his argument on this point. Less convincing is the second part of the book, in which he discusses the psychology of war. It is perfectly true, indeed, that mankind can be educated above barbarism. War may go the way of duelling, laughed out of fashion by good sense.

But there remains another phase of the psychological question. War is not an attempt to gain wealth, but power. "Deutschland uber alles" is the motto which precipitated the present conflict. The love of power is the master passion among the classes that rule, not the love of money. Scarcely in the history of the world have any body of rulers voluntarily relinquished their authority over their fellows. Their object has uniformly been to establish and increase their dominion.

It is so even in the world of commerce. The richest men in the world have already far more money than they can ever spend. Why do they still like slaves to further increase it? Because they can buy more power with more money.

Any group of persons—political, judicial, military, clerical—which finds itself enthroned turns, as by instinct, to making itself secure and triumphant. This is supremely so of a military caste, whose very meat and drink is authority. The Prussian people have become a re-incarnation of Bismarck and have swept all Germany along with them. The result is that the nations of Europe who wish to remain free from the German yoke have been forced to take up the mantle which "Deutschland uber alles" has thrown down.

Germany's Military and Naval Expenditures

Many indications are coming to light showing that Germany was determined to go to war as soon as the proper opportunity presented itself. One of the strongest evidences is the amount of money spent by Germany on her army and navy—of course for the preservation of peace. As a matter of fact, Germany, with 43.5 per cent. of her total expenditure devoted to the upkeep of her army and navy, leads the world. Altogether, Germany expended last year \$731,286,000 for all purposes. Out of this she spent \$318,446,000, or 43.5 per cent. on her army and navy. Great Britain spent but 34.3 per cent. on her army and navy, and this despite the fact that a large navy has always been regarded by Great Britain as necessary for her safety. France expended 30.9 per cent., Russia 23.5 per cent., Japan 32.5 per cent. The following table shows the comparative expenditures made by some of the countries now at war in Europe:

Country.	Total Expenditures.	Army and Navy.
Germany	\$731,286,000	\$318,446,000 43.5
France	\$717,292,000	\$279,913,000 39.0
Great Britain	\$97,410,000	\$34,820,000 34.3
Italy	\$60,595,000	\$19,675,000 32.5
Japan	\$84,454,000	\$27,601,000 32.5
Russia	\$1,300,050,000	\$317,700,000 24.4
Turkey	\$14,033,000	\$4,294,000 30.6

Gold Holdings of Leading Nations

The fact that the Bank of England has accumulated \$10,000,000 of gold in the past six weeks and at a time when a great war is being waged, calls for attention to the world's supply of gold and the proportions held by the different nations. The world's gold holdings amount to \$8,480,000,000, of which the United States holds the major portion, amounting to \$1,875,000,000. France comes second with \$1,200,000,000, Russia third, with \$1,000,000,000. Germany next with \$863,400,000, then England with \$730,900,000, and so on down through the list. Canada possesses \$147,800,000 of gold. These figures cover the period ending December 31st, 1912, since which time, however, there have been important changes in the holdings of some of the European countries, such as France, Germany and Russia. An interesting compilation made by the United States Director of the Mint shows the per capita gold holdings of various countries. In this regard, Argentina and Australia—two sparsely settled countries—takes the front rank with \$39.98 and \$38.25 respectively. France has a circulation of \$30.30, Canada \$20.52, and the United States \$16.10, while Germany's is but \$13.30. Russia, which stands third in the amount of gold held, has a per capita stock of only \$5.98. The following table was compiled by the United States Director of the Mint, and was published by the New York "Annualist":

Countries.	In Banks and Public Treasuries.	In Circulation.	Per Capita.
United States	\$1,494,500,000	\$385,000,000	\$19.43
Austria-Hungary	445,500,000	48,600,000	5.96
Belgium	1,400,000	20,000,000	8.18
British Empire:			
Australia	152,900,000	14,000,000	36.28
Canada	127,800,000	10,000,000	20.52
U. K.	395,100,000	35,800,000	16.10
India	124,000,000	50,000,000	1.53
South Africa	42,600,000	15,000,000	9.60
Strait Settlements	4,900,000		2.45
Bulgaria	9,800,000		2.23
Cuba			13.63
Denmark			7.92
Egypt	8,800,000	1,200,000	16.81
Finland	6,900,000	3,700,000	3.42
France	619,000,000	51,000,000	30.30
Germany	213,400,000	60,000,000	13.30
Greece	3,000,000	2,000,000	1.92
Haiti	1,300,000	2,100,000	1.70
Italy	248,300,000		7.15
Japan	124,500,000	17,700,000	26.8
Korea (Chinese)	4,400,000		3.0
Mexico	81,200,000		2.07
Netherlands	66,000,000	7,000,000	12.17
Norway	10,300,000	6,100,000	6.83
Portugal	55,600,000	8,200,000	12.30
Rumania	30,000,000	2,100,000	4.40
Russia	666,100,000	354,100,000	19.8
Serbia	9,700,000		3.85
Siam	10,000		.91
South American States:			
Argentina	21,400,000		33.08
Bolivia	7,800,000		3.39
Brazil	115,500,000		7.25
Chile	500,000		.15
Ecuador	2,300,000		1.77
Ghana			
Guatemala			
Honduras			
Italy	100,000		
French	10,000		
Dutch	200,000		
Peru	8,300,000	3,900,000	23.8
Arguy	21,700,000	30,000,000	19.05
Ecuador	800,000	2,500,000	1.22
South American:			
Argentina	15,600,000		62.7
Chile	21,000,000	3,200,000	5.50
Ecuador	14,800,000	11,600,000	12.16
Peru	14,800,000	17,500,000	13.8
Uruguay	1,800,000	1,000,000	4.0
Total	\$5,408,300,000	\$2,047,400,000	