

ed to create an American merchant marine, is to change our navigation laws, has been able to tell how the navigation laws should be changed to guarantee the enlistment of private capital. Our capitalists are not interested in the shipping business—not because they can not make money in the shipping business—but because they can make more money in other directions. Moreover, they are not familiar with shipping enterprises and will not engage in them on any large scale, no matter what inducements may be held out. We can not afford to enter upon the scandalous policy of subsidizing private corporations or individuals. To subsidize is merely to make gifts from the treasury of the United States to those of the strong pull and the long pull, and to repeat all the scandals and corruption which formerly characterized the enactment of our tariff laws. Instead of giving say fifty million dollars to subsidize any private interests, it would be far better for the government to buy fifty million dollars worth of ships and operate them in the interest of our commerce in time of peace and have them as effective naval auxiliaries in time of war.

COMMERCE UNDER OUR FLAG

"If you want South American trade, if you want world trade, the indispensable step is an American merchant marine to carry our commerce to the ends of the earth, under the protection of the Stars and Stripes. We shall never be able to carry our commerce to the ends of the earth under any foreign flag.

"Let the south awake to her opportunity. Let her, and the rest of the country demand that the commerce of our country and the safety of our country be quickly assured by the creation of an American merchant marine, backed by a government administered in the interest of all the people and against all interests of the subsidists, the moss backs, and the obstructionists. This is a time for action. Already we have had too much talk. To prove the latter assertion I have only to refer you to the speeches of the republican filibusters in the last session of the United States senate. "W. G. McADOO."

AMERICA'S WORK FOR HUMANITY

When the history of the great European war is written, the sombreness of some of its pages will be greatly lightened by the story of the part taken by the United States in supplying the wants of civilians made destitute and left hungry by the sweep of the armies across their lands and lots; in looking after the men immured in prison camps and barracks; in securing fair treatment for supposed spies; in giving financial aid here and there; in sending doctors and nurses and medicines to the hospitals of all contending nations, and in performing a hundred and one other helpful and merciful things. The government has led in all this work, and it is vastly more important and enduring than all of the political matters that fixed attention upon Washington and curtailed what was being done abroad in the cause of humanity.

Between their desire to prove to their own satisfaction that the resignation of Mr. Bryan was unwarranted by conditions and has greatly strengthened the president with the people, and also to show that the event will certainly rebound to the advantage of the republican party in that it shows a division in the democratic party, the republican editors are having a difficult time. The fact that they have not been able to prove either proposition has added to the burden of their embarrassment.

The political prognosticators at the national capital say that neither Taft nor Roosevelt are being considered by the party leaders as the republican nominee for president. They add that these same gentlemen have decided that as the candidate must be elected by the votes of New York, Pennsylvania, Ohio, Indiana and Illinois, the wishes of these states will govern. The only thing they neglect to say is, who are these party leaders? Apparently the republican party has learned nothing from adversity.

Members of congress will make the great mistake of their political lives if they take as indicative of popular sentiment what the metropolitan newspapers favor in the matter of a new military and naval program. If there is one lesson that has been made plain it is that the metropolitan newspapers express only the sentiment of their millionaire owners who have other investments they have no hesitancy about protecting with their newspaper.

How Our Farms Turned the Financial Tide

[By Hon. David F. Houston, secretary of agriculture, in American Review of Reviews.]

It is a common saying in this country that Providence takes care of the American nation and the small boy. Certain facts in connection with two of our financial crises lend a bit of justification to this saying.

In August of 1914 the greater part of the world became engaged in war. More completely than ever before in the history of the world were trade and financial relations disturbed. For a time the shock was paralyzing. After the recovery from the shock, financiers were still much concerned as to how to deal with the situation. In this country the condition was acute. It seemed that the commodity, cotton, on which we had depended to pay a large part of our trade balance would not be exported in very considerable quantities. Our largest consumers were among the belligerents, some of whom could not get cotton, others of whom were not in position to consume the usual supply. We were due to pay Europe by January, 1915, a floating indebtedness of at least \$300,000,000, and more would follow after the opening of the year. How were we to meet the obligations with cotton on the decline? The facts are illuminating.

Between August, 1914, and February 1, 1915, we exported a total of \$1,157,000,000 worth of commodities, and imported a total of \$771,000,000, showing a favorable balance of \$384,000,000. Of the total value exported of \$1,157,000,000, \$662,000,000 were represented by agricultural commodities, and \$495,000,000 by manufactured commodities. Between August, 1913, and February 1, 1914, of the total exports, \$616,000,000 were manufactured products.

The total value of agricultural products exported in this period was \$729,000,000, but the cotton exports in that year for that period were \$443,000,000 and the food and meat products only \$286,000,000, while from August, 1914, to February 1, 1915, the cotton exports were only \$168,000,000, and the other agricultural products were \$494,000,000, so that it may safely be said that the farmers of the middle west came to the assistance in this second crisis and enabled the nation not only to pay its floating indebtedness but to secure a margin.

AN EARLIER EXAMPLE: THE RESUMPTION OF SPECIE PAYMENTS

In 1875 the congress of the United States decreed that specie payments should be resumed January 1, 1879. It is one thing to decree a thing; it is another thing to insure the execution of the decree. There were many doubters as to the wisdom of the resumption act for many reasons. Many people thought resumption could not be brought about. It now appears that it probably would not have been possible to resume specie payments January 1, 1879, had it not been for remarkable agricultural developments in the middle west resulting in a large excess of exports over imports and consequent demand on Europe for gold. From 1870 to 1875, inclusive, the nation imported \$3,324,000,000 worth of commodities, and exported \$2,901,000,000, creating for the period an unfavorable balance of \$423,000,000.

In this period the nation exported \$757,000,000 more of agricultural commodities than it imported. This situation did not furnish much ground for optimism on the part of those who were looking for resumption. In the period, however, from 1876 to 1881, inclusive, the nation imported \$3,103,000,000 worth of commodities, and exported \$4,297,000,000 worth, giving a net favorable balance of \$1,194,000,000. In this period the nation exported \$1,852,000,000 more of agricultural commodities than it imported, or an excess greater by \$1,095,000,000 than in the preceding period. This great change occurred in spite of the fact that the value of cotton exports in the latter period was only \$1,169,000,000, as against \$1,245,000,000 in the preceding period. The large increase in the excess was due mainly to the development of the cereal and live-stock farming in the middle west, which began to show itself in large ways between 1872 and 1876. In no year prior to 1872 had the value of wheat exported exceeded \$47,000,000, the value of corn \$15,000,000, and the value of meat and meat products \$40,000,000. In 1874 the value of wheat exported was \$101,000,000, of corn \$25,000,000, and of meat and meat products \$70,000,000. The total export value of these commodities in the period

from '70 to '75, inclusive, was \$762,000,000. The total in the period from '76 to '81 inclusive, was \$1,586,000,000, or an increase of \$824,000,000. It may without exaggeration be said that the western farmer made possible and permanent the resumption of specie payments in 1879.

It is worth noting that this nation is still an exporter on a large scale of agricultural products, and that there has been a growing balance in its favor in the interchange of agricultural and forest products. So much misapprehension has been created and so many alarms raised that it is worth while having in mind just what the facts are. In 1913 the excess of exports over imports was \$652,000,000. The excess of the exports of agricultural products over the imports was \$333,000,000.

In 1913, the United States exported \$1,123,000,000 of farm and forest products while it imported \$815,000,000 worth, practically all of which,—except sugar and molasses, with a value of \$105,000,000, dairy products worth \$10,700,000, and live animals worth \$9,600,000,—were non-competitive products, such as tea, coffee, India rubber, vegetable fibers, tropical fruits, and silk.

Taking our foreign trade in foodstuffs, we find that in 1914 we imported \$180,000,000 worth of competitive products, including corn, live animals, dairy products, meat products, and sugar, and exported \$296,000,000 worth, including corn, flour, and meat products,—a balance in favor of the American farmer of competitive food products of over \$116,000,000. We imported of non-competitive food products, \$183,000,000, the principal item of which was coffee. But this figure was many times offset by our exportation of non-competitive farm products other than foodstuffs, of which cotton is chief.

AGRICULTURAL TRADE WITH SOUTH AMERICA AND CANADA

Even in our South American trade, of which we hear a great deal, we are exporting more farm and forest products to that continent than we import. Much has been said about the importation of Argentine corn and Argentine beef. It is worth while to understand the exact situation. The total corn crop of Argentina is about 195,000,000 bushels. In 1912 the United States produced over 3,100,000,000 bushels, and in 1913 two and a half billion bushels. The shortage in the crop of 1913 as compared with that of 1912 was over 600,000,000 bushels. The total corn crop of Argentina was less than one-third of this shortage. A very small fraction of this total reaches the United States. The European markets are strong competitors for all agricultural products from South America, and receive the greater part of that continent's surplus.

The importation of corn from all countries, including Argentina, for the year ending October 31, 1914, was 16,000,000 bushels, or seven-tenths of one per cent. of the domestic crop. During this same period the United States exported 11,000,000 bushels. The excess of imports, therefore, was 5,000,000 bushels, or about two-tenths of one per cent. of our own crop. The Corn Products Refining Company of New York uses about 40,000,000 bushels of corn annually in the manufacture of corn food products, and the greater part of the Argentine corn imported was used in the manufacture of these products. As a matter of fact, the importation of this corn cuts no figure in our domestic price. This year we shall export much more corn than we import.

Even in our trade with Canada, from which those who are concerned with agricultural competition might apprehend danger, we discover that in 1914 we exported to Canada \$38,600,000 worth of agricultural products,—including fruits \$12,600,000, meats \$4,750,000, wheat \$17,500,000, corn \$3,200,000, while we imported \$10,700,000 worth of live animals, and \$10,600,000 of meats, leaving a balance in favor of American farmers of \$17,600,000, as against the balance in their favor (under the tariff act of 1909) for the year 1911 of \$12,640,000.

It seems improbable that the importation of corn and meats will very largely increase in the near future and that they will get very far beyond the American seaboard. With improvements which are steadily being made in American agriculture under the stimulus of a number of helpful agencies, including the department of agriculture and the land grant colleges, the chances for successful competition from abroad will become smaller and smaller. We must remember that not over 45 per cent. of our arable land is yet under cultivation, and that not more than 12 per cent. of that is yielding full returns.