

CURRENT TOPICS

THAT FLOW OF GOLD

The recent flow of gold to Europe has been held up by politicians as a grand hailing sign of distress in the business world. That it is not looked upon with any particular significance in financial circles may be seen in the following extract from an editorial in a recent issue of the Financial Age (New York):

"It is not surprising that political partisanship is attempting to make all the capital it can out of the present gold export movement. Gold exports have an ominous significance for American business men who can recall the panic days of other times when a protracted outflow of gold from this country to Europe was everywhere regarded as a harbinger of coming disaster. Fortunately, there is nothing in the current movement that our business men need be unduly disturbed about, although our politicians, whose knowledge of economics can safely be discounted even when it may not be ignored entirely, are endeavoring to create doubt and distrust wherever they see an opportunity to advance their political fortunes.

"The fact is, the present administration, whatever its faults of commission and omission in other directions, is as much responsible for the current movement of gold to Europe as it is for the excellence of this year's agricultural prospects. To what extent the present administration and its policies can be held accountable for the current depression in trade and industry, which is undoubtedly one of the contributory causes of the outflow of gold from this country, is a question that can only be answered after a fair trial has been given the policies with which the administration is identified. However, until that question has been definitely settled, it would be as unfair and illogical to hold President Wilson accountable for the loss of the \$16,000,000 in gold that has been shipped out of the country since the first of the year, as it would have been to blame President Taft for the \$61,000,000 gold exported during the last seven months of his administration, or President Roosevelt for the \$65,000,000 gold shipped out during the nine months ending with March, 1909, when he had the dispensing of the country's prosperity. The fact is, our country is itself a large gold-producer and it is natural that we should at times be called upon to replenish the stocks of non-producing countries. Furthermore, we furnish the nearest and best market for the gold of other producing countries, like Mexico and the Canadian Klondike, so that it is a poor year indeed when our importations of the precious metal do not exceed our shipments abroad. In fact, notwithstanding the current year's heavy exportation of gold to Europe, amounting, up to the present, to \$60,000,000 or more, our present stock of gold is still some \$50,000,000 larger than it was at this time a year ago, while the specie holdings of the New York clearing house banks are nearly \$84,000,000 larger than a year ago. However, except among the politicians, the causes of the present shipments are not much in dispute."

KEEP THE FLAG CLEAN

President Wilson, in his Flag day address at Washington sounds a new note of patriotism in his ideals of what the flag stands for. He said:

"Our spirits as well as our states are now reunited, and nobody questions our ability to push forward our economic affairs upon lines of unparalleled success and prosperity.

"I sometimes wonder why men take this flag and flaunt it. If I am respected, I do not have to demand respect; if I am feared, I do not have to ask for fear; if my power is known, I do not have to proclaim it. I do not understand the temper, neither does this nation understand the temper, of men who use this flag boastfully.

"This flag is meant to stand for the just use of undisputed power. No nation is ever going to doubt our power to assert its rights; and we should lay it to heart that no nation shall ever henceforth doubt our purpose to put it to the highest uses to which a great emblem of justice and government can be put.

"It is henceforth to stand for self-possession, for dignity, for the assertion of the right of one

nation to serve the other nations of the world—an emblem that will not condescend to be used for the purposes of aggression and self-aggrandizement; that is too great to be debased by selfishness; that it has vindicated its right to be honored by all nations of the world and feared by none who does righteousness.

"Is it not a proud thing to stand under such an emblem? Would it not be a pitiful thing ever to make apology and explanation of anything that we ever did under the leadership of this flag carried in the van? Is it not a solemn responsibility laid upon us to lay aside bluster and assume that much greater thing, the quietude of genuine power?"

"So it seems to me that it is my privilege and right, as the temporary representative of a great nation that does what it pleases with its own affairs, to say that we please to do justice and assert the rights of mankind wherever this flag is unfurled."

"WHAT'S THE MATTER WITH KANSAS?"

More trouble has broken out in Kansas. Not from any lack of money—no, bless your soul, no!—for Kansas is one of the richest states in the union, but because that state is surfeited with money! Here is the harrowing tale, as told in a recent number of the Financial Age (New York), under the caption of "Kansas Banks Overburdened With Money":

"A number of Kansas bankers, it is said, have been sending importunate letters to their eastern correspondents begging them to find employment for the surplus of idle funds that not only overwhelms their vaults at the present time, but promises to be a greater burden this fall. With approximately \$100,000,000 coming in from the wheat crop, the bankers face a difficult problem. Already, it is said, farmers whose wheat crop is assured are giving notice to the banks of their intention to take up maturing loans. As a result the banks do not know where they are going to find employment for the funds thus thrown on their hands. Not only will the farmers be able to take up their loans, but they will be able to put money in the banks, and possibly loan money themselves.

"Bankers all say there will be no trouble about money to move the crops. Not only are the state banks over-supplied with funds, but the prospects of the enormous crop has made it easy to get all the outside money that is needed. With this and the incoming crop money, the fall

statements of the Kansas banks are expected to show deposits from 50 to 75 per cent greater than those reported at the corresponding dates last year, and a considerable decrease in the aggregate of loans. Because of the failure of the corn crop last year, many farmers had to call on the banks to carry them through the winter. Practically every one of these loans will be cancelled as soon as the wheat crop goes to market."

Thus doth prosperity reign in "bleeding Kansas," where state bank depositors are protected by an adequate guaranteed deposits law, and under the rule of an administration at Washington that stands for the principle of sound banking in the interests of the people instead of the money trust.

IMMIGRANTS AS FARMERS

A solution of the immigration problem by the development of a plan to direct the immigrants to farms is advocated by Lajois Steiner in the Review of Reviews. In discussing this subject Mr. Steiner says:

"Up to twenty years ago, immigrants were directed into agricultural occupations. We have still a total of 680,000 acres of homestead land. Our total arable land is 935,000,000 acres, of which 400,000,000 is in farms and improved. Less than 40 per cent of the land is well cultivated and less than 12 per cent is yielding fairly full returns.

"Most of our immigrants are good farmers. The soil which they tilled in Europe has been under cultivation for a thousand years and is still fertile. These people are land hungry and will do anything to possess a farm of their own. A federal organization is needed to get the immigrants from the seaports where they land to the farms where they want to go and where they can be of the most use to the country. The scope of this effort should include a survey of available land together with climate, quality, of soil, title, improvements, crops, markets, schools, churches, etc.

"When the immigrant is finally located, the local government of the community in which he is should look after the welfare of the new settler by seeing that he is not exploited by land agents, dishonest merchants and others who prey upon the uninformed. Instructors should visit the immigrant and advise him of the methods of production so that he may succeed on American soil with American methods. Each county should maintain a demonstration farm and teach scientific agriculture and the use of machinery."

CREDIT MAKES HIGH PRICES

One of the factors contributing to the high cost of living is brought out in the following from the New York World:

"In a conference upon the cost of food, under the auspices of the association for improving the condition of the poor, Alfred D. Woodruff of the bureau of food supply gave a startling account of what happens when the grocer 'charges it.' 'We have found,' said Mr. Woodruff, 'that only about 30 per cent pay their bills promptly in thirty days; 28 per cent take from one to three months to pay; 40 per cent never pay in full, and 2 per cent never pay at all.' With such drawbacks to the credit system it is not astonishing that grocers go bankrupt in spite of high nominal profits. Mr. Woodruff thinks that if women will pay as much attention to domestic economy as to 'dress, bridge parties and tango teas'; if they will pay cash, buy in large quantities and test short weights, 'not less than 25 per cent might be deducted from the gross profits.'"

DATA ON PUBLIC UTILITIES

Statistics showing the number of municipally-owned utilities of various kinds in the United States, with supplemental data as to Canada and England, were given out by the commissioners of the District of Columbia recently incidental to the appearance before the house committee at a hearing on the bill providing for the municipal ownership of street railways in the district, according to the Washington Post which gives the following information:

"Publicly-owned electric lighting plants num-

"CURFEW SHALL NOT RING TONIGHT"



—From the Louisville Times.