

# THE ONTARIO ARGUS

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## CONDITIONS GROWING BETTER.

That the industrial condition of the country is gradually improving and that the business depression—or at least the cause for it—no longer exists, is the tone of advices sent out by the leading banking institutions of the nation. A general summing up of present conditions and a brief forecast of the future is made by the National City Bank of Chicago under date of Feb. 1. It follows:

"Europe is giving us free rein in the world's markets, and the United States is making the most of the opportunity to secure lucrative business in quarters which never before had much commercial intercourse with this country. This is evident from the violent break in foreign exchange rates, and the phenomenal expansion in our foreign trade. On this point the government figures covering our foreign trade for December are most suggestive, and provide a striking contrast with the weakness shown just after the outbreak of the war in Europe. An excess of exports over imports of \$131,863,000 was reported—a figure never before shown in December—compared with an export excess of only \$79,400,000 in November, and an actual excess of imports amounting to \$19,400,000 in August—the first month of the war. These changes show that underlying conditions are steadily becoming stronger, and that the elements of previous weakness are being eliminated. It is natural, therefore, that the government officials of the United States and Great Britain, together with the leading banking interests of both countries should abandon all idea of securing international co-operation in the direction of controlling the foreign exchanges. Instead of being abnormally high the quotation for London bills has lately declined to a level at which it would probably be easy for the United States to take a good deal of gold out of Europe if it cared to press the claim. But there is no reason why this should be done, for we are getting gold from China, Japan and Canada, and France has begun to build up a credit balance in this country which will probably be utilized later on to pay for goods purchased in the United States.

"Another interesting development has been the really extraordinary movement by foreign nations to borrow money in the United States. Only \$100,000,000 has been advanced thus far but five times that sum could have been employed at high interest rates had the American bankers cared to accept the proposals made by all the belligerent nations (except Great Britain) and by nations which from time immemorial have been in the habit of doing their financing in London. This movement is bound to continue, as it is evident that the London banks are in no position to finance outside borrowers at a time when the enormous war issues have to be provided for. These loans are perfectly safe and under different conditions bankers here would be glad to make much larger advances. But there are large loans to be brought out in this country and taking the year as a whole, heavy maturities of bonds and short term notes will have to be reckoned with.

"The United States is the only important commercial power not engaged in war. Out of this situation must accrue benefits for the American market—the greatest of all neutral markets—which one can scarcely forecast at this time. Europe's bid for our surplus wheat has advanced the price to the highest level touched for many years. She must continue to buy in enormous quantities all the food-stuffs that we have to spare. For the purpose of financing these purchases and the purchase of every variety of war material and army supplies, various foreign governments have created large credit balances in this country. To provide these balances short term advances have been secured from bankers with the understanding that the proceeds of the loans should be expended in the United States and not remitted in gold to the borrowing nations. These arrangements will be immensely helpful to American producers and must result in obtaining for our manufacturers a vast amount of profitable business which never before came to the American markets. In this manner the "fortunes of war" have given this country trade which it never got before and now that our manufacturers have obtained this foothold in markets previously closed to them it is fair to assume that much of the business will be retained after the war ends.

"So far as general business is concerned the tone is better than it was a month ago, but the volume is still considerably less than that often seen at this time of the year. Sentiment, however, is more cheerful. The feeling is that there will be less disturbance from politics. As to that, however, the president's Indianapolis address caused a good deal of concern to people who had really begun to think that the Washington influence could be depended upon as a bullish factor. What business men want most of all is to be let alone. There is good reason to expect that there will be much less radical legislation to deal with. "Full crew" laws are no longer popular, and the people of various states which have such laws are setting to work to have them repealed. Much has been accomplished by the freight rate decision, and it is evident that the railroads will gain enormously from the action taken by the interstate commerce commission. The benefit will come not alone from the advances granted but from the spirit of the decision, and the statements made by the commission itself. The country has not felt even yet the full effects of the freight rate decision and it is clear that one of the largest gains will come from a changed attitude of state commissions and public service bodies. The public commissions cannot be unmindful of the position of the railroads as recognized by the interstate commerce commission, the most powerful of all public bodies.

"The present demand for bonds and high grade stocks is the best and the broadest that has been seen for months past. Furthermore, it is reasonable to expect that the inquiry will enlarge and that it will soon be sufficient to justify the offering of new bonds and stocks by the large number of corporations which have delayed borrowing pending more stable conditions in the investment markets. The demand is no longer confined to short term securities, but it takes in now all classes of first grade bonds, and high grade stocks are being purchased today in large blocks by individual investors who a month or two ago could not be induced to buy such securities. This movement has been broad enough to show clearly that the public is regaining confidence. One of the most significant developments has been the renewed interest in the best class of railroad bonds following the rate decision, and all high grade bonds including first class public utility issues are in demand. Municipal bonds are being

bought by men who dislike to tell the tax gatherers of what their wealth consists. For the general investor, however, there are less costly bonds which are perfectly safe and which ought to be attractive at the present level of prices. There has been some buying of securities by savings banks and insurance companies which have kept out of the market for months and if the security market continues to broaden there is little doubt that a great deal of new financing will be arranged for in the next few months.

"Nothing has happened since the stock exchanges re-opened to indicate that Europe was over-anxious to unload American securities. A few thousand shares have been sent back but the sales have not exceeded the consumptive demand of the home market. Existing regulations governing the sales of securities at New York and London have worked admirably, and there is no doubt that the situation has been handled well, and in the interest of all concerned. There may be more foreign selling later on, but the indications are that it will neither be excessive nor disturbing. It must be remembered that very little money has been reinvested by the people who usually are large buyers of bonds at the semi-annual disbursement periods. There is therefore, an unusually large sum awaiting investment by people who, up to this time, have not cared to purchase long term securities. But these funds are now available and it is probable that within the next few months there will be large buying by both individuals and institutions. The very large accumulations of reserve money held at the reserve centers will also be an important factor in the investment market, especially in view of current low rates for commercial paper.

"No one can predict with assurance what a few months will bring forth in times when the vicissitudes of a world war have to be reckoned with, but it seems safe to say that if nothing happens to unsettle business during the next few months some definite trade revival may be counted upon. It will not be anything like a boom, and there may be occasional set-backs, but idle men are being gradually re-employed, business men are preparing more confidently for the future, and most people are getting cheerful again. There is much in the situation to make them hopeful when the present condition of our foreign trade is judged with reference to the changes that have taken place since the time—only six months ago—when London exchange started in its rise to the highest quotation in the history of American banking."

## CANAL POSSIBILITIES LIMITED.

The North Pacific Fruit Distributors' experiment in the use of the Panama canal this season has produced some mighty important findings. One is that only a few of the northwestern fruit districts can use the water route to advantage and then only under certain restricted conditions, and the other is that steamship companies will have to reduce their rates to make them really serious competitors of the railroads.

A partial report of the experiment follows:

"The first big experiment in the use of the Panama canal for shipping northwestern fruit to New York has just been completed by the North Pacific Fruit Distributors. Two important facts have been determined, according to President H. F. Davidson who recently returned from New York. One is that only three districts and part of a fourth of the ten principal fruit districts in the northwest can ship their apples to Atlantic coast ports that way and make a substantial saving in transportation charges. The other is that small shippers are practically debarred, owing to handling charges and to certain established trade conditions which are encountered upon arrival.

"Hood River and a few nearby points in Oregon and Yakima and Wenatchee in Washington are the only northwestern districts that can make a substantial saving. Even then someone who has a direct personal interest in the cargoes must be on hand to meet them and take care of them at once. The other northwestern districts are practically eliminated because of the expense of getting their apples to the Pacific coast ports where they would be loaded.

"It costs 66 cents per hundred pounds or about 33 cents per box to send apples by steamship from Seattle or Portland to New York, we have ascertained. That includes merely switching, dockage and unloading at Seattle or Portland, freight and refrigeration to and lighterage at New York and insurance. To this must be added freight from the fruit district in question to the Pacific coast ports which varies from 4 2-3 cents per box in the case of Hood River to as much as 33 1-2 cents from some sections to Southern Idaho, making the total cost run from 37 1-2 cents to 66 1-2 cents.

"These ocean shipments, of course, must be made under refrigeration, passing as they do through the intense heat of the torrid zone. On the other hand overland shipments, which are almost uniformly made in ventilated instead of refrigerated cars cost 50 cents per box from all northwestern districts to New York. There are a few weeks during the early part of the season when railroad shipments are made under refrigeration, and the expense of sending apples overland under those circumstances ranges from 59 cents to 64 cents per box, the cost from most of the districts being 61 cents. At that time practically all of the districts except western Montana and the more distant points in southern Idaho could make substantial savings by using the Panama canal.

"However, if the steamship companies expect to do any great amount of business in transporting apples throughout the shipping season they will have to put their rates down lower than they are at the present time to secure the support of the districts that cannot now use the water route to advantage.

"The most important consideration in this whole question of Panama canal shipments upon the facilities which the shipper has for handling them upon arrival. The American-Hawaiian and the Atlantic and Pacific lines, which were the first to carry apples from the northwest and which the Distributors have used, discharge their cargoes in Brooklyn at the Bush and the Atlantic terminals respectively, while the fruit markets of New York are centered in Manhattan at the Erie and the New York Central docks. Hundreds of thousands of dollars have been lost in past vain efforts to deflect the trade away from the Erie dock to some other place, but dealers have their stores and warehouses clustered about it and custom cuts a mighty large figure.

"It would be a very easy matter for transfer and other handling charges to more than eat up any saving made by ocean shipments. If the fruit is consigned or is placed in the hands of someone who has no direct personal interest in it, the item of 'handling charges' could cover a multitude of sins of both 'commission and omission.'

"The Distributors' first shipment by way of the Panama canal created quite a sensation in New York. Twenty-three carloads of apples arrived on the steamship Ohioan of the American-Hawaiian line last week. Wilmer Sieg, the Distributors' sales manager in New York, met the boat and immediately arranged for handling the cargo. The chief engineer of the line had accompanied it to watch temperatures and study the needs of such shipments. Railroad men in New York were naturally very much interested and tried to get run occupied just 26 days and a thorough examination of the apples right down to the lower deck showed them to be in excellent condition. We have estimated the saving in transportation charges on these 23 cars to be approximately \$2,500."

## MAKING OREGON BETTER.

The present Oregon legislature has taken a great step forward in the scheme of ridding the state of freak laws and legislation, and in reducing taxes. A great step, in that it is the first step, and the first step toward accomplishing any program of this nature is always and necessarily a hard one.

Within the boundaries of this great state lies practically all of the "west" as it was known 30 or 40 years ago. Oregon has probably more virgin territory than any of the western states. Opportunities that, in the sixties and seventies, induced settlers to brave the dangers of a new country, and to hew out homes among the fertile acres of the great west, still continue in Oregon.

Sections of the state are thickly populated, and have been settled up for years. But in Eastern Oregon there is a vast amount of open country, and it is here that opportunities abound. Don't understand that there is much land still open to homestead. There is some but it is not of the best quality and in many cases is not worth homesteading. But there is a vast amount of good land, still in its virgin state, that can be purchased at exceptionally low prices, and it is this that the opportunity lies.

But before Oregon could expect any great development, it was necessary that freak laws and high taxation be done away with. And the whole people of the state have at last realized it. Thus the legislature was selected last fall that would carry out such a program. They are doing their work well. May it continue.

Oregon needs more population and more capital above everything else. And probably the greatest inducement to get people to the land, is good roads. If this state had spent one-tenth of the amount on good roads, that she has spent in the past five years of maintaining commissions and in creating a lot of worthless bureaus and offices, every county in the state would be a net work of permanent highways, and instead of being known as the home of freak laws and freak office holders, we would rank much higher in the opinion of our sister states.

To get capital and people to come to Oregon, we must rid the state of the reputation of being the fool state of the Union, and where political quacks try out their experiments in government. We must make our laws favorable to investors.

## THE FRISCO EXPOSITION.

The Panama-Pacific exposition will open February 20th, just nine days from today, and there is every indication that it will open complete in every department. It will not be like any previous exposition for it will show the progress of civilization for the last decade. Nothing will be submitted to the international juries which represent achievement preceding the St. Louis exposition 1904, and in most respects the progress of mankind during the last ten years has been greater than during any previous decade. This exposition will greatly excel any previous displays of Oriental and South American products. Nothing approaching its exemplification of social betterment has heretofore been possible. No previous decade has shown such progress in the application of electric energy to beneficial use.

The situation in the Pacific has made possible horticultural effects not possible at any previous exhibit. In fact the exposition authorities, with natural enthusiasm, feel confident that whether for enlightenment, inspiration or enjoyment, what they have assembled will far surpass any display hitherto seen. No nation, except Mexico, which had accepted participation has withdrawn. As for magnitude it has been computed that a visitor working five hours a day and moving at the rate of half a mile an hour over the 45 miles of aisles in the exhibition palaces alone would require a month to take even a cursory view of the exhibits. And that does not include even a look at the 70 or 80 state and foreign buildings, the outdoor horticultural and lighting effects, the beauties of the interior courts, the marina and the bay, the great live stock display, the daily athletic and sporting events at the stadium, the hundreds of international congresses and the multifarious and weird attractions of the zone.

It has been interesting, during the last three years, to watch the emergence of a great part of the site from beneath the waters of the bay as an expanse of unsightly mud and the erection thereon of a veritable dream city of stately palaces embowered in semi-tropical trees and shrubbery in an environment of perfect lawns and acres of flower plots and fronting upon one of the great and busy harbors in the world. It has been a great undertaking for a city but little over half a century old, the most valuable part of which was in ashes but a few years ago. But it has been done—and on schedule time.

## "BLOODED STOCK."

(By a Nyssa Farmer.)

The campaign for corn, more corn and better corn, reminds me of the advice given by Robert G. Ingersoll to a bunch of farmers as he entered the State Fair grounds, at Peoria, Illinois, to make an address to the farmers. As soon as Mr. Ingersoll had passed through the gate his way was blocked by a large number of men who had just begun to import blooded stock from Europe. Holding fast to his mare's head one cried out: "Bob, you must say something for the Norman horse;" another, "you must say something for the Clydes;" "Bob, you must say something for Shorthorns," "something for the Herefords," and each and every owner of blooded stock with his helpers were on hand all calling for "BOB" to say something for their particular kind of stock. Mr. Ingersoll said: "Boys, I don't want to tell in advance what I am going to say; you come and hear what I am to say." "No, Bob, you must promise before we let you go." "Well, boys, let go my horse and I will tell you the best stock to grow on a farm." They all fell back and with a slight tap of his horse with his whip and a smile spreading all over his face he said, (not wishing to offend anyone)

"CORK STALK."

A shout went up and his team shot out from among them. How this advice comes home to us here in Malheur county where we know corn is the cheapest fattening feed we can grow, for fattening purposes so let us take his advice with our other stock; let us grow also corn stalk.

## PROGRESS THROUGH STRIFE.

World-wide civilization is making a huge stride of advancement. Despite the fact that nearly all of the leading nations are engaged in a bloody warfare and that civilization has apparently received a decided slap, yet the fact remains that she is but receiving a new impetus. For only through strife, has the world ever made any material progress. History, both ancient and modern, bears out this contention.

Let us hope that before many more months, we will begin to see the dawn of the new era. And in the meantime let us enjoy our own security, and rejoice in the fact that we are not in the hot bed of contention. Let us prepare for the coming of peace and prosperity, and grasp the wonderful opportunity the European war has laid open to us. Disturbances abroad, and the opening for building up American manufactures, offers this country an unprecedented chance for great industrial achievement. It is freely predicted that many of the great manufacturing plants of Europe will be removed to this country, and will mean the consequent development of gigantic industries.