DISTURBANCES OF UNUSUAL VARIETY FACING COUNTRY

Plenty Of Work And New Enterpises Await Reconstruction Competition.

New York, Feb. 1, 1919.

At the moment there is an unusual variety of disturbing conditions in the business world. These include the appearance of differences in the Paris peace conference, which, though not important, may tend to make an early settlement difficult; the general confusion aroused by confliting policies regarding the home railroad situation; an unsettled business situation due to rearjustment to a peace basis, and threatening labor ocmplications resulting from the high oest of living and the increase of unemployed. It is many years since business men faced such a conglomerate mass of uncertainties; and the fact that confidence is so well maintained against such adverse circumstances is quite remarkable. It may be impossible to reach any definite conclusions as to what wil lhappen during the next few months; but there are at least a few reassuring facts which justify this substrata of confidence; for there is plenty of work in sight, plenty of new enterprises waiting to be launched, plenty of capital ready for investment, and plenty of labor ready for employmnte. The main obstacle to free operation of thse forces is maladjustment. The worlds' machinery has been gravely disrupted or broken, and its reconstruction involves widespread confusion and loss. Government control was a necessary evil as long as the war continued and its undoing proves a vastly more difficult task than its construction. It should be remembered that it took over eighteen months to mobilize our industry upon a war basis; while scarcely three months have been spent in an almost complete demobilization. This is astonishingly rapid work; too rapid perhaps for comfort; and excessive friction in such a hurried moment is inevitable.

One of the most serious obstacles to readjustment is the deflation of values. The ideal plan would be for an orderly, equal and simultaneous shrinkage for commodities and wages, but that is impossible. Revival in industry, now that war contracts are ended, cannot be expected until raw materials and wages have reached more normal reltions. Wages will inevitably resist contraction unless the cost of living falls correspondingly; and it is a question largely where the adjustment process shall first begin. There has already been a considerable fall in many commodities, but food remains high, and the warkingman finds himself unable to make any sacrifices except in purely war wages, which autoatically dropped after the armistice. The only way out of present difficulties is working them out; a process that will require much patience and endurance in overcoming post-war confusion. It must be expected that those who usually take the initiative will show much conservatism; and yet underlying conditions are so sound and encouraging as to warrant a hopeful spirit for the future, despite an unsettled present.

The United States has emerged from the war relatively stronger than any other nation. We occupy a far more powerful position than ever in our history; and we have enviable capacity for furnishing the things which other countries sorely need. Our credit is sound; our banking system strong; our foreign trade enormous; our granaries well stocked, and our mills well equipped. When present friction has worn itself out and the readjustment is reasonably complete ,there is no doubt the country will take a big forward lesp, and prosperity should become more abundant and more widely distributed among all concerned.

A depressing factor of temporary influence was the reduction of U. S. Steel's dividend from a 13 per cent to a 9 per cent rate, the result of coninued shrinkage in business since the close of the war. The net earnings of the company for the quarter ending December 31st were $36,354,000, compared with $42,961,000 for the previous quarter, after allowing for taxes. It is possible that the shrinkage of business may continue for some time to come, and the question of taxation looms large as it does in the case of all the industrial concerns. No litle disappointment is manifested at the refusal of congress to moderate the burdensome excess prof its tax, which in many instances will force a reduction in dividends and aggravate labor difficulties. The new revenue bill will shortly be issued and a number of industrials have already reflected its provisions.

Railroad shares seem neglected, though steadier than industrials despite their unsatisfactory position. Several of the larger trunk lines reported liberal gains in gross earnings, but an enormous increase in expenses arising from wage advances resulted in serious net losses, which as long as the roads remain under government control will have to be made good by taxation. Great uncertainty exists as to the future of the roads. Mr. McAdoo believes in extension of present government control for five years. The Associated Railway Executives favor the roads being returned to their owners twenty-one months hence under a new system of government supervision. The interstate commerce commission favors a continuation of governent control through its powers, and as to congress nobody yet knows what it really would do. Public opinion certainly does not favor government ownership, and so for the time being there is no policy except that of drifting.

General business is fairly active, although hesitant owing to necessary readjustments. When these are accomplished a more settled basis will be reached and some recovery is anticipated. Moreover, spring is not far distant, when outdoor employment and construction work can be resumed upon a more active scale. There are strong hopes of improvement in the building trades, which have been practically suspended during the war, resulting in a marked shortage of housing and office accommodations. The degree of employment will, of course, depend largely upon the cost of materials and labor. Wholesale prices are generally declining and this tendency is creeping gradually though slowly into the retail divisions. Much interest was excited by the cutting of 66 per cent in export freight rates by the shipping board to meet a similar cut in British rates. This will undoubtedly stimulate export trade and induce a better demand for commodities and manufactured products for foreign consumption. In this connection the report that Great Britain contemplates placing restrictions upon a number of imports into the United Kingdom is regrettable. It may tend to restrict our shipments of machinery, tools, instruments and many other articles, all of which is a reversal of Britain's traditional liberal trade policy. If carried into effect it will naturally provoke retaliation on this side and impair the harmonious feelings lately developed between the two nations. Incidentally it will stimulate the movement for a higher tariff in this country.

Now that the money market has been freed from artificial regulation, some relief prevails in the financial district although the situation has not been particularly favorable to stock exchange activity. On the other hand quotations have declined 10 to 20 points on many of the leading shares, which measureably discounts present conditions, and would prompt a good rally should more favorable developments occur. Transactions in liberty bonds continue on an extensive scale ,and at current low prices these issues are exceedingly attractive investments to conservative buyers The treasury has already exhausted the last loan and will be obliged to depend upon the 4¾ per cent certificates until the next loan, which is scheduled for April. Until that is provided for the money market will remain close and funds available for other purposes will be scant.

HENRY CLEWS.

Cleveland, Ohio—Nineteen thousand five hundred loads of snow were removed from Cleveland streets last winter. Record for 1918-1919 winter—no loads.

Couldn't See Why Germans Wanted To Take France

Robt. La Rue, who entered the naval reserve in July, 1918, and later embarked as a marine with the steamship Western Pride, writes a very interesting letter from Dunkirk, France, to W. A. Denton, of the Meyers dry goods house, in which La Rue was employed for a number of years He says in part:

"Greetings from the land of the lily and—mud. We have been here now for several weeks, and for the life of me I can't see why the Germans should have kicked up such a fight in attempting to gain possession of this country. Personally I'd give the whole thing to them and then move to the good old U. S. A. Guess I'm a trifle homesick.

"I have met quite a number of the American lads over here. The 91st division is stationed just a short distance from here and we have some of them down to the ship almost every day. They are nearly all west coast boys, and have seen some hard fighting. Most of them are past masters in the great American are of 'slinging the bull,' and they have a lot of amusing little tricks they are always ready to try on any of their own kind who care to bite. They like to get a crowd together and then recall incidents in which bloody arms and legs and headless bodies play a prominent part.

At Ypres Christmas

"I spent Christmas at Ypres. We left Dunkirk at 2:30 and arrived at Ypres at 7, and as the distance is only about 50 miles you can see we didn't need any speed regulations. Never again will I complain about the speed of American trains. And such trains, too. It was dark when we arrived at Ypres, and we spent an hour tramping about in the mud and debris looking for a hotel, but finally wound up in the corridor of a ruined building, which had a roof and parts of three walls. Later, by rare good fortune I stumbled upon a British supply dump, where the guard was dead drunk. I borrowed a case of pork and beans and one of canned fruit and took them back to our dugout, and before long we were enjoying a fine dinner.

"Early in the morning we were awakened by an English captain, who invited us to a fine Christmas breakfast in his dugout—ham, plum pudding, etc., and some excellent Scotch whiskey! As soon as it was light we started out to explore Ypres and No Man's Land. Ypres is a total ruin. No building in the entire city remains intact. The only thing that withstood the shell fire was the cobble stone streets.

"On No Man's Land barbed wire, shell holes, trenches, dugouts and military debris of every description was still to be seen. There were actually millions of bullets—French, English and Belgian. About midway between Ypres and Rouler we saw about forty tanks of various sizes that had been put out of commission by shells. Some of them had the skeletons of the operators still inside. In one of them we found the skeleton of a German sniper, with a bullet hole through his head. I took a button off his coat as a souvenir.

Saw End of Line

"I might tell you of a million things we saw but I haven't the time or the stationery. The second trip over the twenty five mile front was about the same as the first, only we saw more of the French and Belgian end of the line at Roulers. The British are rapidly salvaging everything of value, and huge gangs of German prisoners are busy clearing the land of debris. It surely does one good to see these dogs partially undoing the dirty work they are responsible for. Believe me there are going to be a good many disappointed tourists visit this country before the summer is over. Dunkirk is about the last place on earth they would want to visit, for it has felt the war very keenly, having been shelled and bombed repeatedly.

"We have a rough crew of sailors and blacks on board. I believe I'd have died of fright a few months ago if I'd been put up against some of the experiences that occur almost every day. Now I feel almost lonesome if someone doesn't threaten to kill me at least once a day. Two Greeks did try to knife me one day, but got soundly trounced for their trouble. A few days ago I had my camera and $50 in good American money 'lifted.'

"I doubt if I will get back before June now. I want to stick until the boys get back, and then too after seeing what the poor devils have gone through I hate to quit while there is a shortage of food."

Prince Of Wales To Visit United States

CENTRAL NEWS PHOTO SERVICE, NEW YORK.

The Prince of Wales will visit the United States in the course of his trip through the British Dominions. It is said his visit has been assured by the King and Queen. The Press of England are laying stress on the possibility of the British heir seeking the hand of an American heiress. It is looked upon favorably by British nobility.

Notes From The House Of Representatives

The bill introduced by Mr. Weeks providing that a survey shall be made annually of the agricultural and horticultural interests of every county received the approval of the House yesterday. The bill provides tat such information shall be of record in the office of the State Tax commission in each county. The bill has the support of the Salem Fruit Union and is the outgrowth of resolutions passed at the annual meeting of the State Horticultural society held in Roseburg last fall.

While the House turned down the bill providing for the counting of votes as the balloting proceeds, there is a suspicion tha a lot of members voted without knowing what they were voting about, which often happens. Hence yesterday a motion carried that the vote be reconsidered. All of which means that possibly several members have discovered they voted the wrong way on the bill and are now willing to have the second set of election judges begin counting in the morning instead of waiting until 8 o'clock in the evening and then counting votes all night.

Stewart of Fossil, one of the humorists of the House, speaking in favor of making $75 a month the minimum salary for teachers, said: "In eastern Oregon if we offered a teacher less than a common laborer or a sheep herder,I'd be afraid to look her in the face. It shouldn't make anyone sore to be called a moss back. If anyone calls me a fossil, that doesn't make me a fossil." It will be remembered that Mr. Stewart's home is Fossil, Oregon.

Several county officials from Tillamook, Lincoln and Klamath counties found the salary raising steam roller in fine working condition yesterday. All sorts of raises were granted, but as the said counties want to pay the increase, members have taken the position, "why worry."

Dr. Dedman found his bill permitting those who are suffering from nervous disorders and allowing them to go to any state hospital in the state, was in line with the thought of the House. If it runs the gauntlet of the Senate and governor, hereafter, anyone suffering from nervous disorders that threaten serious mental condition, may apply and be received at any state hospital and be permitted to leave on a 30 days notice. The Marion county delegation voted solidly in favor of the bill.

Gallagher suggested that the bill permitting a rest in the state institutions for mental disorders would be a fine thing for the legislators at the close of the session. Speaker Seymour Jones added: "Why wait for the close of the session?"

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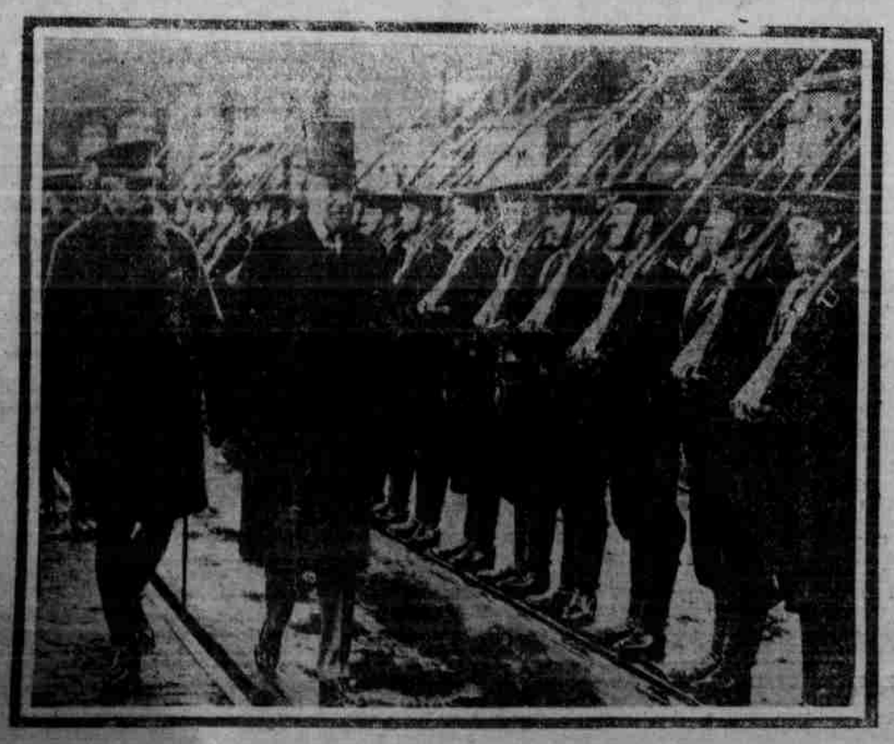

President Wilson Inspecting The British Naval Guard of Honor Upon His Arrival. The President is Accompanied By the Duke of Connaught.

NEW LINES IN A COATEE

Brown mink it was with the oddest, puffy sleeves caught into a flaring cuff. There is a very pronounced waist line and a narrow bit of a belt to insure a snug fit. The peplum is cut into charming points to show bits of orange and blue lining.

NOTED AUTHOR NOW CHAPLAIN IN U. S. NAVY—Henry Van Dyke, former U. S. ambassador to the Netherlands has been ordained a chaplain in the U. S. navy. A college professor and one of the best known authors of the United States, he won distinction and the eternal friendship of Queen Wilhelmina by his protection of Belgian refugees. The latter had crossed into Holland before the advancing Germans.

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Senate Memorial Urges Merchant Marine In West

In a memorial passed by the senate yesterday afternoon as a part of the legislative reconstruction progrm, congress is urged to enact legislation which will provide for the establishment of a merchant marine for the Pacific coast. The memorial was introduced by Senator Eddy, chairman of the reconstruction committee.

The memorial urges congress "to take immediate action by the passage of such legislation as will create, foster and maintain an adequte merchant marine for the handling of products for the Pacific coast, and that such legislation include such regulation or absorption of tolls and other charges as will give ships of American registry at least an equal standing with ships of foreign registry."