

OLD MANCHURIA HAS BEEN MODERNIZED BY RAILWAYS AND BUSINESS HAS FOLLOWED CHANGE

Washington, D. C.—“Railways, immigration, raw materials—these are the chief factors that stand out in the story of modern Manchuria and that put that country's name again and again into the world's headlines,” says a bulletin from the Washington, D. C., headquarters of the National Geographic Society. . .

“Railways have built a trickle of immigrating Chinese into a mighty human flood,” continues the bulletin, “and at the same time have developed an empty region into a rich producing area for minerals and agricultural products. It is not strange, therefore, that when things happen in Manchuria to draw the eyes of the world railways are usually found to be deeply involved.”

Road Plays Part In Clash

Two years ago, northern Manchuria threatened to unsettle the whole diplomatic situation of the far east because of a dispute between China and Russia over the Chinese Eastern Railway, which runs east and west through that region. In the recent clash between Japanese and Chinese troops it is the South Manchuria railway that has played the major role. The Japanese explain their fire on Chinese troops as the defence of a railway bridge which was about to be blown up. But whatever specific incident may have been responsible for the clash, the railway cannot escape being in the forefront. It is as guards of the railway zone that Japanese troops were present in the Mukden area, and it is over the railway that Japanese supplies, munitions and re-enforcements must move.

“The South Manchurian railway is one of the two physical elements of primary importance in Japanese influence in Manchuria. Ranking with this 700 miles of rail through the heart of lower Manchuria is the Japanese leased territory of Kwantung, forming the southern tip of the country and containing the excellent modern harbor of Daire and the one-time naval stronghold, Port Arthur.

“Russia built the South Manchuria railway at the turn of the century, completing it in 1903. This Russian road was not of standard gauge. After the Russo-Japanese war, which victorious Japan took over Russia's position and holdings in Manchuria, the railway was changed to standard width and its roadbed, structures and equipment greatly improved. It is now Asia's finest railway and even runs a crack train of American Pullmans drawn by one of the latest types of American locomotives. Excellent hotels, owned by the railway company, are to be found at even

moderate size towns. The company also operates coal mines.

“This mammoth enterprise is a joint stock company, the shares of which are owned by Japanese citizens and the Japanese Government with the latter in control. The railway zone is recognized to be under Japanese dominion and Japan has the right, which she exerts-guard it. The main railway extends from Dairen north to Changchun, a distance of approximately 400 miles. The Japanese system also includes about 150 miles of rail from the Korean border to Mukden and a number of branch lines, bringing the total mileage close is 700.

“Before the Chinese Eastern and South Manchuria railways were built Manchuria had only a sparse population engaged chiefly in stock raising. No mines of any consequence were being operated and few plows had touched the vast tillable areas of the land. The greater part of the development has come since the end of the Russo-Japanese war. In the 24 years since Dairen was opened as a free port the trade of Manchuria has expanded more than 16 times. Sixty six per cent of the foreign commerce now passes through Dairen. Nearly a million Koreans have gone into Manchuria as immigrants and uncounted millions of Chinese. In recent years the population has been swelled by more than a million Chinese annually. The total population is now close to 30,000,000.

“The great majority of Manchuria's inhabitants are farmers. As one rides north on the South Manchurian railway he sees unbroken fields of soy beans, millet and kaoliang, the latter a grain sorghum, which grows tall like Indian corn. More than 220,000,000 bushels of soy beans are now harvested annually. A procession of great ocean freighters from Dairen takes the beans, bean-cake and oil to all continents. It is one of the world's major agricultural exportations. From Manchuria also go millions of bushels of millet and kaoliang and nearly 4,000,000 tons of coal, as well as timber, skins and numerous other commodities.

“Japan hoped that Manchuria might solve the problem of a home for her surplus population, and efforts were made to plan colonies there after the Russo-Japanese war. But the plans did not work out. The Japanese used to intensive cultivation amid and near their mountains, and to a reasonably temperate climate, did not take kindly to the extensive cultivation necessary on the wide Manchurian plains nor could they live comfortably in Manchuria's extremes

CANADIAN COTTON MILLS STAND TO REAP BENEFIT FROM THE PREMIUM ON AMERICAN FUNDS

(Financial Post)

Montreal, Oct. 24—The Canadian cotton textile industry, always sensitive to facts which have a bearing on imports of competitive goods, are benefiting rather than suffering through the vagaries of exchange. Through recent governmental action, the threat offered by low priced British goods, following the decline in English currency, has been thwarted, while further action in the valuation of American imports have tended to raise the tariff barrier between Canada and the United States.

In short, the situation regarding competition from British imported cotton goods is unchanged with import values at \$4.98 to the pound sterling plus regular tariff and dumping duty. While the importer bemoans his fortune the manufacturer breathes again since he is still able to compete with the British manufacturer on the basis which existed prior to the slump in the pound.

Protection from U. S.

As regards imports of finished goods from the United States the situation is improved as far as the Canadian manufacturer is concerned, for the importer must pay duty on the values which include the premium on the United States funds. This benefit is offset to some extent by the fact Canadian mills must pay for raw cotton purchases in United States funds.

Apart from these factors there is little encouragement to be seen in operations of cotton manufacturers in Canada. Mills in most cases are working at a low rate of capacity. The demand which usually makes its appearance at this time of year is lacking.

“Textile” Plants Slack

Plants of Dominion Textile Co., the largest unit in the industry in Canada, are operating around 50 per cent of capacity while prospects for fall business are vague. At this time last year the company's mills had been speeded up to 80 per cent of capacity, but stocks on hand at the present time preclude the feasibility of such a procedure today.

Much of the same situation exists in this manufacturer's tire fabric companies. Orders have fallen to a low point and it is not unlikely that the plants could take care of all tire fabric business this month out of inventory alone. Prospects for November are more encouraging.

A glance at Canadian Cottons reveals a similar situation. This company's plants are not operating at much more than 50 per cent of capacity and there are no reason to believe that earnings are showing an increase over last year. Montreal Cottons has been the most notable exception and some gains were made in the first seven months of the year. This, however, must be viewed in a comparative light since heavy losses were sustained in 1930.

Half Year Ended

Dominion Textile Company, completed the first half of its current fiscal year on September 30. The company issues no interim figures on earnings but in the light of operations since the beginning of the financial

of heat and cold. Moreover, it was impossible for even peasant Japanese to compete with Chinese immigrants because of the low-living standards of the latter.

“Japan's statesmen and industrial leaders set themselves to make of Manchuria a granary and source of other raw materials for their empire. In this they have succeeded extremely well. Beans, bean products, and cereals from Manchuria play an important part in feeding Japan and Korea; bean cake by the millions of tons goes to fertilize Japanese fields, forests and mines pour into Japanese factories. No less important is the other side of the picture. By building up Manchuria and releasing in it millions of yen in salaries and wages Japan has made it into a great consuming market for Japanese goods. Japan's investment stake in Manchuria including improvements in its leased territory, investments of the railway company, and those of individuals now exceeds a billion dollars.”

year, gains in earnings as compared with last year, do not appear probable. Continued low rate of operations tends to increase working expenses, keen competition narrows the margin of profit on sales.

Not much encouragement can be gained from the trend of raw cotton prices during the company's current fiscal year. During the summer there has been a steady drop in prices until recently they touched a low 5.32 cents a pound. Since that time there has been a stronger tendency, at present quotations are around 6.62 cents.

Last Year Cotton Varied

However, so far, Dominion Textile has not been called on to face the wild fluctuations recorded by raw cotton in its last fiscal year. In the opening month, April, 1930, prices were 16.79 cents, dropping to 9.26 cents in December and closing at 10.68 cents at the end of the fiscal year March 31. The difference between high and low in the year, was 7.53 cents a pound.

The effects of this spread found reflection in raw cotton as carried in the company's balance sheet. At March 31, 1931, these totalled \$667,155 or a drop of \$1,368,000 as compared upon the previous year. A continued improvement in raw cotton this year might have an appreciable benefit on the final showing made by the company.

Affected Selling Price

The vital part which cotton prices play in earnings was revealed in a 20 per cent decline in Dominion Textile dollar sales last year, a drop which was almost entirely accounted for by the lower prices at which goods were sold. Net earnings were lower but after addition of interest and profit on sale of investments and deductions of all charges there remained a sum equal to \$5.06 a share on the common stock. This was sufficient to cover dividend needs of \$5 a share and leave a margin of \$17,517 which compared with a similar surplus of \$280,620 in the previous year.

The company's strong cash position enables it to carry out improvements to plan in good times and bad. At present work is going forward on installation of equipment which will enable manufacture of corduroys and velveteens, a line which has hitherto not been manufactured on a commercial basis in Canada. This unit should be in production by the end of the year and will add another line to the wide diversification of production undertaken by the company.

FISH, RATS AND MICE SOLD IN ANY COLOR

New York, Oct. 22—Charles W. Fleischmann, breeder of rats, mice and tropical fish (extraordinary, as willing to produce a rat, mouse or fish of any color the trade may want.

There is no catch to it. If a patron yearns for a purple rat, or a red-white-and-blue fish, Mr. Fleischmann will give him one.

On certain colors, he will be able to meet the demand immediately. On others, he says, customers may have to wait a year before the order is filled. But it will be filled.

It isn't as crazy as it sounds, Mr. Fleischmann is perhaps Brooklyn's leading student of methods of breeding animals and fish. He is particularly interested in coloration.

Adhering strictly to the Mendelian theory, he has actually bred rats with blue, pink and chocolate colored fur. What's more, at the present time he has spotted rats and one that are black to the waist and white the rest of the way down to their tails.

The fish—which Mr. Fleischmann also offers to supply in any desired shades—are as interesting as the rats.

**RHEUMATISM
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THE CIGARETTE BORROWING PEST

(Financial Post)

Every office, it seems has its cigarette cadger who is constantly borrowing a smoke from every user of the weed, including the stenographers and office boys.

They've cured one of these pests in an office in the Times Square district. He would pester his colleagues all days and if he saw a pack on a desk he would invariably help himself. He had been known to throw away a half-smoked tag in order to get another free and on one occasion he grabbed one while a full package protruded from his pocket.

Finally the bunch got together and

concocted a plan. The next morning the pest, making the rounds of the office, saw a package on a desk and reached for it. It was empty and with an exclamation of disgust he walked on. He espied another and it also proved to be empty. His gaze swept the office and on each desk he beheld a similar decoy. Since then he has stopped cadging, but the office boy has orders to gather up all the empty packages he can find and unload them on the pest's desk when he is absent.

Twenty years hence the hardy pioneer of 1931 may be telling his grandchildren about the hardships endured by the family the day the radio in the car went dead.

Still, if it weren't for football how would anybody know that the colleges were open for business?

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