

Gentlemen: Yours of yesterday received.

I have written Phillips & Carey for the balance of the proof. Will return it to you for the broken type &c. My eyes are not sure upon ~~that~~ such a thing.

The business depression will continue very certainly until this time next year and will improve very slowly after that time — very slowly, indeed.

You do not need to take my word for it but look at a few facts:

- 1 - Not over ~~five~~ one = fifth, (probably not one = twentieth) of our population, are as well = fixed today as they were a year ago.
- 2 - Probably one = fifth of our population have practically consumed all their previous earnings or will do so before a year has passed.
- 3 - The other two = fifths have probably lost from 30 to 50 percent of their surplus accumulation which they had one year ago.

Business, or trade rather, depends upon the power of the individual to buy, and this capacity depends, not merely on current wages, but on the surplus of the owner and his confidence in the permanent character of his earnings.

It will be at least one year after wages become as high and employment as general as it was a year and a half ago, before

at ~~the~~ least three-fifths, probably before four-fifths of our people can become anything like the buyers they were before that time.

Even this period of renewed wages and general employment, is likely to be indefinitely delayed as you will see if you consider two things:

- 1- ~~Either~~ ² The Wilson Bill will probably pass, either as it is or greatly more or less amended.
- 2- In either case, there will be little revival of business under it, because every one will see that the Republican campaign for a ~~high~~ protective tariff, is nearly sure to succeed this fall and will mean a

struggle on that line in 1896, which would be perilous to business, just getting under way, under the Wilson Bill, or whatever it may be when it gets through the mill.

If it should chance that the Wilson Bill should not pass in this session, I think you can look for business to permanently revive early next spring and be good by next Fall.

I would not count on it to continue steady and reliable

after that time until the presiden-
tial campaign of 1896 is passed; as
I think it more than probable that
there will be serious troubles which
will affect the peace and conse-
quently the trade of the country
during that year.

Of course, I may be mistaken,
but prophesy is only the application
of careful knowledge of the
~~present~~ present conditions,
to the operation of existing
causes. And I think you
will find this just as re-
liable as any prediction

of a year ago.

Trade depends on the ability of people to buy: that depends, not only on what they may receive for labor but upon the length of time they have been receiving it and upon their confidence in the permanency of the situation. Earnings depend chiefly upon the manufacturer's confidence in his ability to secure good and safe returns; and this confidence depends on the competition he meets, and the price of labor which his

competitors employ.

And this last depends upon the character of the tax on imports.

There is but one influence that could interfere with the operation of this chain of logical sequences and that is an exceptional agricultural prosperity or some suddenly developed external demand.

The failure of foreign crops, the war with Mexico, the discovery of California gold, and the Crimean war —

kept ~~the~~ similar courses
from having their full
effect from 1846 to 1857

An increased demand for agricultural
products kept up the power to consume,
In that time business \approx
products kept up the power to consume,
subjected itself to a new
to a certain extent at least.

basis and 1857 was merely
a burial of the hopes. ^{that}
it ^{was} not been ^{for} these influences the protection
of ^{the} ^{market} would have been absolute in 1850.

At present all agricultural
production is ^{at} nearly
as low an ebb ^{as} mechanical ^{is}
ial. Whether the present
crop is large or small
the farmer's capacity as
a consumer will not
be much increased unless
there is some great ^{casualty}
to enhance the price.

Nothing can relieve us from the operation
of these causes, unless it be the most
wide spread famine abroad or
a great war in Europe.

Whatever fancied reversal
there may be before that time
will be apparent merely and
likely to be overturned by any
fortuitous happening, such as
the present strike.

Very truly yours
