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Commercial & Financial Chronicle

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State and City Section

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NEW YORK, OCTOBER 26, 1918.

William B. Dana Co., Publishers,
128 Front St., N. Y. City.

NO. 2783.

Financial

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Surplus and Undivided Profits 1,000,000

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The Commercial & Financial Chronicle

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SATURDAY, OCTOBER 26 1918

NO. 2783

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WILLIAM B. DANA COMPANY, Publishers,
Front, Pine and Depeyster Sts., New York.

Published every Saturday morning by WILLIAM B. DANA COMPANY.
Jacob Selbert Jr., President and Treasurer; Arnold G. Dana, Vice-President and Secretary. Addresses of both, Office of the Company.

CLEARING HOUSE RETURNS.

The following table, made up by telegraph, &c., indicates that the total bank clearings of all the clearing houses of the United States for the week ending to-day have been \$7,576,072,657, against \$7,703,097,062 last week and \$6,028,876,789 the corresponding week last year.

Clearings—Returns by Telegraph. Week ending Oct. 26.	1918.	1917.	Per Cent.
New York.....	\$3,426,985,952	\$2,784,431,021	+23.1
Chicago.....	459,093,376	415,761,770	+10.4
Philadelphia.....	372,413,430	291,336,216	+27.8
Boston.....	315,012,965	212,061,821	+48.5
Kansas City.....	188,729,892	160,740,170	+17.4
St. Louis.....	142,933,041	136,206,640	+4.9
San Francisco.....	109,785,057	83,217,650	+31.9
Pittsburgh.....	143,819,007	77,745,615	+85.0
Detroit.....	62,000,000	41,929,646	+47.9
Baltimore.....	69,923,582	34,213,291	+104.4
New Orleans.....	52,612,535	48,324,108	+8.8
Eleven cities, 5 days.....	\$5,313,308,837	\$4,285,967,948	+24.0
Other cities, 5 days.....	987,264,873	709,382,104	+39.2
Total all cities, 5 days.....	6,300,573,710	\$4,995,350,052	+26.1
All cities, 1 day.....	1,275,488,947	1,033,526,737	+23.4
Total all cities for week.....	\$7,576,062,657	\$6,028,876,789	+25.7

The full details for the week covered by the above will be given next Saturday. We cannot furnish them to-day, clearings being made up by the clearing houses at noon on Saturday, and hence in the above the last day of the week has to be in all cases estimated, as we go to press Friday night.

Detailed figures for the week ending Oct. 19 show:

Clearings at—	Week ending Oct. 19.				
	1918.	1917.	Inc. or Dec.	1916.	1915.
	\$	\$	%	\$	\$
New York.....	4,072,285,354	4,096,088,120	-0.6	3,903,781,942	2,900,555,472
Philadelphia.....	476,096,870	401,248,397	+18.7	326,966,812	204,788,081
Pittsburgh.....	153,909,872	86,476,186	+78.0	75,235,508	62,608,888
Baltimore.....	88,446,060	51,725,179	+71.0	40,590,600	41,723,048
Buffalo.....	23,344,578	21,861,211	+6.8	21,085,835	13,969,742
Albany.....	5,500,000	7,097,844	-28.1	7,226,223	7,700,000
Washington.....	13,959,149	11,800,900	+18.3	9,619,696	8,294,733
Rochester.....	9,788,033	8,694,377	+12.6	6,556,908	5,301,444
Scranton.....	4,047,011	3,327,841	+21.3	3,904,587	3,593,388
Syracuse.....	4,800,000	5,407,425	-11.2	4,030,075	2,962,339
Reading.....	3,309,277	3,294,620	+0.5	2,607,274	2,011,844
Wilmington.....	3,889,844	3,678,210	+5.7	3,254,557	2,551,616
Wilkes-Barre.....	1,855,787	2,375,883	-22.0	2,267,312	2,042,386
Wheeling.....	4,800,000	4,406,270	+4.4	3,914,488	2,467,642
Trenton.....	2,883,988	2,935,527	-1.8	2,139,456	1,964,000
York.....	1,209,003	1,449,828	-16.6	1,152,138	1,042,067
Erie.....	2,175,265	2,060,487	+5.6	1,486,884	1,153,206
Greensburg.....	1,050,000	1,061,140	-1.1	1,030,142	577,500
Binghamton.....	691,400	902,100	-23.4	1,041,700	841,000
Chester.....	2,084,820	1,962,482	+6.2	1,311,617	1,072,912
Altoona.....	1,180,253	875,520	+34.8	745,476	530,658
Lancaster.....	3,012,297	2,853,975	+5.6	2,004,574	1,824,190
Montclair.....	428,530	642,021	-33.3	600,736	358,241
Total Middle.....	4,880,547,391	4,722,224,643	+3.4	4,422,554,540	3,269,934,397
Boston.....	392,446,918	312,255,935	+25.7	256,308,384	194,534,340
Providence.....	16,743,600	15,809,100	+5.9	16,479,400	13,950,800
Hartford.....	8,407,232	7,576,044	+11.0	9,313,086	7,003,463
New Haven.....	6,257,380	6,091,252	+2.7	5,011,161	4,031,529
Springfield.....	4,651,576	4,785,239	-2.8	4,365,159	3,923,410
Portland.....	2,600,000	2,500,000	+4.0	2,700,000	1,945,000
Worcester.....	4,457,893	4,866,621	-8.4	4,672,787	3,286,302
Fall River.....	2,276,011	2,769,627	-17.8	2,100,351	1,822,231
New Bedford.....	3,095,123	2,283,006	+35.6	1,971,580	1,684,076
Lowell.....	1,589,495	1,580,355	+0.6	1,129,407	990,193
Holyoke.....	850,000	992,815	-14.4	1,147,412	853,184
Bangor.....	658,304	931,033	-29.3	692,564	551,730
Total New Eng.....	444,033,531	362,441,027	+22.5	305,911,291	234,576,258

Note.—For Canadian clearings see "Commercial and Miscellaneous News."

Clearings at—

Week ending October 19.

	Week ending October 19.				
	1918.	1917.	Inc. or Dec.	1916.	1915.
	\$	\$	%	\$	\$
Chicago.....	600,258,913	576,416,990	+4.1	484,172,592	352,031,030
Cincinnati.....	64,774,513	48,375,979	+33.9	41,113,600	30,382,450
Cleveland.....	98,106,997	95,273,608	+3.0	64,152,058	35,847,385
Detroit.....	78,578,820	57,660,500	+36.3	55,027,823	33,954,793
Milwaukee.....	34,038,944	29,099,172	+17.0	25,209,664	16,363,171
Indianapolis.....	17,605,000	15,009,132	+16.6	11,858,985	8,913,506
Columbus.....	15,033,400	11,945,000	+25.9	12,246,900	7,549,800
Toledo.....	11,007,223	12,679,454	-13.2	12,820,069	7,951,729
Peoria.....	4,200,000	3,500,000	+20.0	4,500,000	3,274,069
Grand Rapids.....	5,936,644	4,974,309	+19.3	4,913,836	3,491,601
Dayton.....	4,431,134	3,435,766	+29.0	4,226,406	2,465,760
Evansville.....	5,389,997	3,316,724	+62.8	2,424,244	1,893,632
Springfield, Ill.....	2,337,270	1,820,902	+28.4	1,595,278	1,162,384
Fort Wayne.....	1,665,059	1,467,775	+13.5	1,809,687	1,259,451
Youngstown.....	3,870,112	3,747,077	+3.3	3,326,239	2,010,645
Lexington.....	840,000	700,000	+20.0	662,447	643,598
Akron.....	4,536,000	4,948,000	-8.3	6,041,000	2,895,000
Rockford.....	1,950,000	1,841,733	+5.9	1,303,162	969,264
Canton.....	2,200,000	2,500,000	-12.0	3,035,790	2,052,598
South Bend.....	1,488,635	1,294,552	+15.0	943,884	792,645
Quincy.....	1,537,576	1,380,551	+11.4	1,022,905	879,196
Bloomington.....	1,399,772	1,255,373	+11.5	909,866	645,909
Springfield, O.....	1,200,000	1,337,437	-10.3	1,020,077	791,967
Decatur.....	1,078,106	687,867	+56.7	619,436	507,440
Mansfield.....	1,172,198	1,033,733	+13.4	1,021,773	737,780
Jacksonville, Ill.....	492,750	633,044	-22.3	285,700	270,688
Danville.....	626,120	640,533	-2.3	557,206	477,564
Lima.....	1,121,863	917,793	+22.2	840,806	574,737
Lansing.....	988,678	1,072,410	-7.8	1,139,185	725,331
Ann Arbor.....	309,673	309,190	+0.1	367,139	277,528
Adrian.....	100,000	134,909	-25.9	108,819	80,535
Owensboro.....	857,412	537,264	+59.6	362,098	299,979
Tot. Mid. West.....	969,032,809	889,946,777	+8.9	749,638,634	522,173,165
San Francisco.....	140,688,566	117,274,585	+20.0	83,670,813	58,277,599
Los Angeles.....	39,280,000	34,029,000	+15.4	28,208,612	27,098,770
Seattle.....	53,985,629	31,649,088	+71.1	19,990,121	14,311,670
Portland.....	41,880,398	26,260,972	+59.5	19,338,932	14,595,373
Spokane.....	11,283,965	9,000,000	+25.4	7,258,673	4,671,296
Salt Lake City.....	15,368,722	17,000,000	-9.6	12,110,663	8,400,000
Tacoma.....	6,569,578	4,581,491	+43.4	2,347,370	2,039,707
Oakland.....	7,500,000	6,270,559	+19.6	4,659,677	3,529,134
Sacramento.....	4,786,895	4,283,924	+11.7	3,220,982	2,568,886
San Diego.....	2,533,824	2,939,984	-13.8	1,984,278	2,103,800
Stockton.....	2,090,268	1,970,816	+6.1	1,645,622	1,065,023
Fresno.....	3,489,656	3,450,918	+1.1	2,392,355	1,607,544
San Jose.....	1,309,996	2,167,305	-39.6	1,418,275	921,618
Pasadena.....	1,018,582	1,127,656	-9.7	954,545	824,225
Yakima.....	1,366,612	1,023,977	+33.5	856,121	580,718
Reno.....	605,000	550,000	+10.0	528,989	361,026
Long Beach.....	1,171,728	817,855	+43.3	602,088	424,800
Total Pacific.....	334,929,419	264,398,130	+26.7	191,188,116	143,281,189
Kansas City.....	214,648,075	186,675,757	+15.0	125,812,371	87,090,985
Minneapolis.....	65,321,454	42,552,868	+53.5	37,347,558	33,448,187
Omaha.....	60,000,000	48,610,772	+23.4	32,618,818	23,832,454
St. Paul.....	20,358,180	17,109,929	+19.0	16,592,033	14,267,964
Denver.....	18,748,951	23,685,962	-20.8	17,147,285	13,954,828
Duluth.....	20,727,064	8,602,950	+14.1	8,659,140	9,938,678
St. Joseph.....	16,484,171	16,265,692	+1.3	11,499,280	7,235,268
Des Moines.....	9,575,774	8,867,040	+8.0	6,878,065	5,991,431
Sioux City.....	9,948,530	8,754,053	+13.6	5,641,274	4,150,172
Wichita.....	9,876,173	8,014,691	+23.2	5,443,416	3,954,060
Lincoln.....	4,000,000	4,314,700	-16.9	3,320,544	2,325,900
Davenport.....	3,940,456	2,596,692	+51.8	2,136,779	1,648,036
Topeka.....	3,000,000	3,274,834	-9.0	2,582,613	1,720,311
Cedar Rapids.....	2,049,405	2,993,376	-31.5	1,714,490	1,845,318
Fargo.....	2,500,000	2,586,440	-3.3	1,943,204	2,073,312
Colorado Springs.....	868,816	871,648	-0.3	1,017,771	820,372
Pueblo.....	901,555	682,942	+32.1	585,957	419,160
Fremont.....	574,571	65			

NOTICE—DELAY BECAUSE OF PRINTERS' STRIKE.

On account of the strike in the printing trades, which has been in progress all through the week and which affects all local establishments except the daily papers, the issuance of our "Railway & Industrial" Section has been deferred until next week. The delay in the issuance of the "Chronicle" itself is due to the same cause.

THE FINANCIAL SITUATION.

After a continuance the early part of the week of the activity and buoyancy that has distinguished the stock market in recent weeks and the establishment of new high records of prices on the current movement, the share speculation the last three days met with a set-back under which the volume of business materially dwindled and prices suffered a partial relapse. We are not left in doubt, however, as to the cause of this. Peace prospects have for the moment been somewhat dimmed, and yet it can hardly be claimed that this has been much, if any, influence in bringing about the reaction, the money situation having been so palpably the controlling factor. The developments in the peace movement have been important, including first the President's curt rejection of the Austrian proposal, then the appearance of Germany's third note, rather abject in tone and making important concessions with the view to gaining an armistice, and finally the President's uncompromising rejoinder—which, whatever else may be said of it, can hardly be claimed to leave the Teutonic Powers in a comfortable frame of mind.

It remains to be seen whether these steps will serve to promote the outlook for peace. As a matter of fact, however, no one engaged in speculation on the Stock Exchange has paid any attention to them, first, because confidence in an early peace remains as strong as before; and secondly because they have been so completely overshadowed by the happenings growing out of monetary conditions. The Money Committee has again found itself obliged to request a curtailment of loans on Stock Exchange collateral. This time the recommendation is to require a 30% margin from stock speculators against the previous 20%. This is the third or fourth time that action by this Committee has in recent months served to check rising prices on the Exchange. Nevertheless, no one feels discouraged, while every one perceives the necessity of the step. Confidence in values is as strong as the belief in an early peace. The result is that the undertone remains unimpaired and after each downward turn the upward movement is quickly resumed, only that the rise proceeds in more leisurely fashion, finding its support in legitimate investment buying. It is rather significant that Governor Strong has deemed it incumbent to point out that neither the present recommendation nor any future recommendation by the Money Committee must be construed "as expressing any views as to values represented by current prices of securities." The continued improvement in values in face of monetary discouragements is the best of evidence that the substantial advances in quotations that are being recorded rest on a much surer and more enduring foundation than manipulation based on borrowed money.

The foreign trade figures of the United States for September 1918, issued this week, disclose a total of

export values heavier than for any preceding month of the current calendar year except May, the result for which period is practically equaled, and close to 100 million dollars in excess of the outflow for the corresponding period of 1917. Furthermore, only in January, March, June and December of last year were the figures of greater magnitude than those now before us. To some extent the outcome of the month is calculated to cause surprise as restrictive measures have had the effect of holding down the movement of certain classes of commodities beside which the demand for tonnage for the transportation of troops has served to curtail the amount of available freight room. On the other hand, however, against any decrease in quantitative outflow we must set the very high prices at which almost all descriptions of goods are ruling. This doubtless may be accepted as the explanation for the excellent September export showing. Imports for the month also exhibit an increase over September a year ago, but of strictly moderate proportions, so that the favorable balance on the merchandise movement was much in excess of that of the period in 1917, while for the nine months the net outflow is only about 83 millions below the record figure of last year.

The September exports this year from the whole country reached a value of \$549,828,302, contrasting with \$454,506,904 last year and \$514,924,134 in 1916. For the nine months since Jan. 1 1918, shipments were but little below the huge total of last year, an aggregate of \$4,560,800,247, comparing with \$4,603,948,751, and exceeding by 610 million dollars the commodity values of 1916. The merchandise imports for the month were \$262,257,387, or some 11 millions less than those for August and 60½ millions under the high mark established in May, but 26 millions more than in September 1917 and 98 millions in excess of the inflow for the period in 1916. The result for the nine months, moreover, sets a high record by a moderate margin, an aggregate of \$2,322,722,332, comparing with \$2,282,794,503 a year ago and \$1,831,174,668 in 1916. The net result of our foreign trade for September was a balance of exports of \$287,570,916. Last year the month's showing was an excess on the same side of the account of 218 million dollars, but in 1916 the balance was in the extraordinarily large amount of 350⅞ millions, a sum only twice exceeded—in January and December 1917. For the nine months of 1918 exports ran ahead of imports by \$2,238,077,915. The 1917 balance was \$2,321,154,248, and that for 1916 a little under 2,120 millions.

The movement of gold in either direction in recent months has been of restricted proportions, and the same is particularly true of September. The inward flow of the metal was only \$2,610,836 and the efflux \$2,283,929, leaving a net gain in the country's stock of \$326,907, and increasing to \$22,239,985 our net absorption of gold for the nine months of 1918. This follows net imports of \$179,363,928 for the period in 1917 and \$288,458,006 in 1916. Incidentally, our gain in gold during the 51 months since July 1 1914 has been approximately 1,050 million dollars, and for the same period the stock in the country has increased by 1,189 million dollars.

As of interest in connection with the foreign commerce statement of the United States, we note that Canada's foreign exports in September showed decided expansion as compared with any preceding

month of the current calendar year or with the corresponding period of 1917, although exceeded on several occasions in the year mentioned as a result of the very heavy outflow of agricultural products. Imports, on the other hand, were below the average of earlier months of 1918 and moderately less than in September 1917, leaving a greater favorable balance than for any month since December 1917. The result for the nine months, however, is a balance of exports materially less than in 1917, and moderately under 1916, but greatly in excess of 1915. The outflow of agricultural products was smaller than in the month of last year, and some decrease is observable in animals, fish and miscellaneous articles, but the gain in manufactures was conspicuously heavy, the aggregate closely approximating the high record for such a period. Collectively, the commodity exports for September were of a value of \$138,738,700, against \$112,621,462 in 1917, and for the nine months reached \$873,018,402, against \$1,032,609,677. Imports exhibited a moderate decline from last year, aggregating \$71,469,480, against \$75,893,364, and for the nine months totaled \$684,697,276, this contrasting with \$792,614,652. Finally, the export balance for the latest nine months is \$188,321,126, against \$263,995,025 in the preceding year, \$211,973,000 in 1916, but \$27,743,000 in 1915, and large net imports in earlier years.

Events continue to follow one another with wonderful rapidity in the drive which the Central Powers are making to secure peace, or at least an armistice. Last Sunday's papers contained the text of the note dispatched by our Secretary of State, Mr. Lansing, in reply to Austria's armistice proposal. In this note President Wilson deemed it his duty to say to the Austro-Hungarian Government that he could not entertain the peace proposals offered by that Government because certain events of utmost importance which occurred since the delivery of his address of the 8th of January last had necessarily altered the attitude and responsibility of the Government of the United States. Among the 14 terms of peace which the President formulated at that time occurred the following:

"X. The peoples of Austria-Hungary, whose place among the nations we wish to see safeguarded and assured, should be accorded the freest opportunity of autonomous development."

Since that sentence was written and uttered to the Congress of the United States, the Government of the United States (quoting from Secretary Lansing's note), "has recognized that a state of belligerency exists between the Czecho-Slovaks and the German and Austro-Hungarian Empires, and that the Czecho-Slovak National Council is a de facto belligerent Government clothed with proper authority to direct the military and political affairs of the Czecho-Slovaks. It has also recognized in the fullest manner the justice of the nationalistic aspirations of the Jugo-Slavs for freedom. The President is, therefore, no longer at liberty to accept the mere 'autonomy' of these peoples as a basis of peace, but is obliged to insist that they, and not he, shall be the judges of what action on the part of the Austro-Hungarian Government will satisfy their aspirations and their conception of their rights and destiny as members of the family of nations."

Despite this rebuff the Austrian Premier, Baron von Hussarek, speaking before the Vienna House of

Lords on Tuesday, declared that President Wilson's reply in no way justified the conclusion that the exchange of views which has begun is to be interrupted. "We shall continue all the more our efforts toward peace," he said. "We shall answer the note after carefully examining its contents. We hope that the peace discussions, notwithstanding difficulties, will deliver the world in the near future from the unspeakable misery of war." Official comment in Vienna on the President's answer expresses a complaint that it does not reply to the precise question put forward, and that it is now necessary to ask again the President's attitude toward an armistice, and a re-establishment of peace. Meanwhile, evidences are accumulating that internal conditions in the Dual Kingdom could hardly be worse. Measures are being taken to carry into effect a proclamation of Emperor Charles conferring independence on Hungary, says a Zurich dispatch to the "Petit Parisien." Baron Burian has resigned as Foreign Minister and Count Julius Andrassy has been appointed to succeed him. Count Andrassy in the past has figured prominently in efforts to secure peace. A manifesto of Emperor Charles, urging a federative Austria, was issued on Friday last. He declared that "Austria must become in conformity with the will of its people a federated State in which each nationality shall form on the territory which it occupies its own local autonomy. This does not mean that we are already envisaging the union of the Polish territories of Austria with the independent Polish State. The city of Trieste with all its surroundings shall, in conformity with the desire of its population, be treated separately."

The text of the latest German note, dated Oct. 20, reached the Department of State through the Swiss Legation on Wednesday. It appears on a later page, as also does President Wilson's reply to the same on the latter named date. The German Foreign Secretary, Dr. Solf, begins by saying that in accepting the proposal for an evacuation of occupied territory the German Government has started from the assumption that the procedure of this evacuation and of the conditions of an armistice should be left to the judgment of the military advisers and that the actual standard of power on both sides in the field has to form the basis for arrangements safeguarding and guaranteeing this standard. In this way Germany professes to accept all the conditions for an armistice as laid down by President Wilson in his preceding note. The German Government "trusts that the President of the United States will approve of no demand which would be irreconcilable with the honor of the German people and with opening a way to a peace of justice." It is announced in the note that all submarine commanders have been ordered to cease attacks upon passenger vessels. Denial is made that lifeboats and passengers have ever purposely been destroyed or that any authorized atrocities have been permitted by German troops. It is declared that Germany has now a parliamentary form of Government responsible to the people. Heretofore "the constitution did not provide for a concurrence of representation of the people in decisions of peace and war. These conditions have just now undergone a fundamental change." A new Government has been formed based on equal, universal, secret, direct franchise. The responsibility of the Chancellor of the Empire to the representation of the people was being legally developed

and safeguarded. The first act of the new Government had been to lay before the Reichstag a bill to alter the Constitution of the Empire so that the consent of the representatives of the people is required for decisions on war and peace. "The permanence of the new system is, however, guaranteed not only by constitutional safeguards but also by the unshakable determination of the German people, whose vast majority stands behind these reforms and demands their energetic continuance." Dr. Solf concluded as follows:

"The question of the President as to whom he and the Governments associated against Germany are dealing with, is therefore answered in a clear, unequivocal manner by the statement that the offer of peace and an armistice has come from a Government which is free from any arbitrary and irresponsible influence and is supported by the approval of an overwhelming majority of the German people."

President Wilson at once submitted the German plea for an armistice and peace to our allies in the war and at the same time informed Berlin that there could be no armistice except upon terms that would make it impossible for Germany to renew hostilities. The President in his note declares he has therefore "transmitted his correspondence with the present German authorities to the Governments with which the Government of the United States is associated as a belligerent, with the suggestion that if those Governments are disposed to effect peace upon the terms and principles indicated, their military advisers and the military advisers of the United States be asked to submit to the Governments associated against Germany the necessary terms of such an armistice as will fully protect the interests of the people involved and ensure to the associated Governments the unrestricted power to safeguard and enforce the details of the peace to which the German Government has agreed, provided they deem such an armistice possible from the military point of view. Should such terms of armistice be suggested their acceptance by Germany will afford the best concrete evidence of her unequivocal acceptance of the terms and principles of peace from which the whole action proceeds. The President concludes as follows:

"It is evident that the German people have no means of commanding the acquiescence of the military authorities of the empire in the popular will, that the power of the King of Prussia to control the policy of the empire is unimpaired, that the determining initiative still remains with those who have hitherto been the masters of Germany. Feeling that the whole peace of the world depends now on plain speaking and straightforward action, the President deems it his duty to say, without any attempt to soften what may seem harsh words, that the nations of the world do not and cannot trust the word of those who have hitherto been the masters of German policy, and to point out once more that in concluding peace and attempting to undo the infinite injuries and injustices of this war the Government of the United States cannot deal with any but veritable representatives of the German people who have been assured of a genuine constitutional standing as the real rulers of Germany.

"If it must deal with the military masters and the monarchical authorities of Germany now, or if it is likely to have to deal with them later in regard to the international obligations of the German Empire, it must demand, not peace negotiations, but surrender. Nothing can be gained by leaving this essential thing unsaid.

It becomes obvious that the most delicate stage of the crisis in the war has been reached. The next few days should determine whether we are to have

an early peace or whether hundreds of thousands of lives must still be sacrificed before the German military machine can be brought to concede defeat. Yesterday's dispatches from Washington announced the arrival in Paris of Col. E. M. House as the representative of President Wilson, to take part in the consideration of the important matters involved in the German proposal for the armistice. Before his departure he had advised with President Wilson as to the attitude our own Government desires to assume in response to the formal proposal which then had just been made. Col. House is accompanied on his mission by Admiral Benson, Frank I. Cobb of the New York "World," and others, to whom have been delegated specific duties in connection with the mission.

The London "Daily Mail" yesterday printed a dispatch from its Berne correspondent transmitting a report from Vienna that the Austro-Hungarian Government had notified the German Government that it desired to denounce its treaty with Germany. Advices by way of Paris describe how enormous crowds gathered before the Reichstag building in Berlin on Thursday, demanding the abdication of the Kaiser. These crowds had collected to pay tribute to Karl Liebknecht, Socialist leader, recently released after a long imprisonment for political opposition to the German Government. After frenziedly acclaiming Liebknecht, the people hoisted him into a vehicle filled with flowers and amidst wild cheers Liebknecht shouted, "The people's hour has arrived." Incidentally, it may be observed that the Reichstag has voted confidence in Chancellor Maximilian by 192 to 52, according to a dispatch received at Copenhagen yesterday. The character of the resolution on which the vote was taken is not disclosed by the cable dispatches. The Austrian authorities in the part of Poland occupied by the Austrian arms have formally handed over the administration to Polish authorities, thus conforming to an agreement in which Germany coincided early in the year, to give independence to former Russian Poland. The portion of Russian Poland occupied by Austrian troops probably is not very great, most of the territory having been held by the Germans.

The amount of merchant shipping sunk by enemy action, excluding marine risks, during September, was lower than any month since August 1917. Losses to British shipping in the month amounted to 151,593 gross tons, compared with 176,434 tons in August and 209,212 in September 1917. Losses for the quarter year embracing July, August and September were 510,551 gross tons, compared with 952,938 for the corresponding quarter last year. These figures deal with British tonnage only.

Marshal Foch is not permitting peace talk to cause any moderation of his military plans. It is not improbable that he is, in fact, forcing the enemy troops back all the harder in order to complete the discouragement of the Teutonic countries. There is evidence, however, that the defense is stiffening and there can be no question that the daily toll of human life is reaching horrifying totals. On several of the most important sectors in France—from the region of Valenciennes to the east of Le Cateau north of Laon between the Oise and the Serre rivers and on the front from the Meuse to the vicinity of Grand Pre—battles of a most sanguinary character are in

progress. All dispatches agree that the British, French and American troops everywhere are making progress. In Belgium the Allied forces, owing to the rapid retreat of the enemy and the flooded condition of the lowlands, have not yet been able to come into full fighting contact with the Germans. South of Valenciennes the British Third and Fourth armies with which Americans are co-operating have continued successfully to press onward with Mons and Maubeuge their objectives. Valenciennes gradually is being enveloped and soon is destined to be pinched out of the fighting line by turning movements from from the north and south rather than wasting life in reaching the objectives by a frontal attack. The Germans in this region continue by the use of machine guns to retard the advance of Field Marshal Haig's men, and artillery on both sides is violently active. South of Oise River, the French are making sharp thrusts with the intention of clearing out the entire triangle between Flavigny and Montcornet and taking all the railroad lines within this region and also blotting out the salient which still exists there. The Germans are strongly counter-attacking on all fronts but the French have warded off their efforts to regain lost territory and have gained ground south of Montcornet, one of the principal railway junctions in this region. North of Grand Pre and north of Verdun, in the sector lying between the Meuse River and north of the Argonne Forest, the Americans have cut further and deeply into the enemy's line. On the front in Russia a severe defeat with the loss of 1,000 men killed has been inflicted on the Bolsheviki in the Ekaterinburg district by Czecho-Slovak and Siberian forces. Three armed trains with eleven locomotives and sixty machine guns were capture by the Allied troops. The British and Italians yesterday started a big offensive on the Piave front in Italy, according to a dispatch to the "Evening News," of London. Four armies are engaged. Italian patrols have entered Alono. The attack is progressing satisfactorily. It is also learned that Italian troops have taken Grevetrappa, Dopoli and Maggiore Islands, in the Piave.

Cable correspondents in London report that the markets there are not over-enthusiastic as to the prospects that peace will result in the near future from the exchange of notes between Berlin and Washington. The English markets are suspicious and fail to recognize sincerity in the German request for peace. As to President Wilson's note of Wednesday, they report widespread endorsement. Here again they are entirely lukewarm as to expectation of any acceptance by the German military machine of the conditions so clearly stated by the President. There has been no distinct weakness, however, in London. Profit realizing sales have been promptly taken by new buyers. Brazilian securities hardened despite the widespread closing down of business in Brazil as a result of the influenza. French Rentes and the Montenegrin bonds were in demand. Salt mine shares were weak, reflecting the prohibition of the export of salt. Last week's strength in securities was explained as being due to purchases by "war-rich" buyers. On the other hand, there has been a continuance of selling of war stocks, whose incomes will, it is expected, be reduced, particularly in the case of munitions companies. The proposed luxury tax has been postponed until the Budget announcement of next April. The indications are, however,

that it will be abandoned altogether. Revenue experts are said to regret the postponement, but in view of the plain fact that a similar tax in France has proven ineffective the consensus of opinion in England is believed to favor its abandonment there.

As is the case at home here, the British Treasury has issued a statement warning that the war news, satisfactory as it is, does not justify anybody in thinking there no longer exists need for maximum financial effort. The Treasury urges the necessity of exerting the fullest financial as well as the maximum of military pressure under present circumstances. Nevertheless, a spirit of caution is becoming increasingly evident in industrial and mercantile circles, based on the possibility that the financial, as well as the commodity, markets may, in the near future be confronted with the problems of peace which will include, it seems to be agreed, a slowing down of purchases from the mills and a hand-to-mouth distributive policy during the time when prices of commodities may be expected to decline gradually. The spread of a feeling of this character must inevitably include banking as well as mercantile and industrial circles. The banks will certainly display greater caution in providing loan facilities to merchants and manufacturers when there is a probability that prices of commodities may decline. Similar caution is, of course, not necessary when the movement is in the other direction, and collateral improves day by day or week by week. Some indication of this feeling is contained in a special cable from London to the "Journal of Commerce," showing that in the Manchester district trade sentiment is unsettled, owing to the influence of political and military developments. Among buyers, the correspondent says, the general disposition is to attend to necessities only. Labor in the Lancashire mills is still highly unsettled. The cotton spinners and card room amalgamations have applied for a 40% advance in wages, to date from the termination of the present agreement on Dec. 7. The Weavers' Amalgamation is expected to follow suit. All looms are idle this week except on Government work. The British Cotton Control Board has decided that, beginning next Monday and until further notice, American and mixed mills will be licensed to run 55% of their spindles fifty hours per week and looms licensed to run 60% of their spindles can be operated 46 hours per week. Mills engaged on Egyptian cotton, Sea Island and Surats are not affected. A Cotton Trade Commission has sailed for America to inquire into freight and crop conditions, &c.

Another indication of preparations for the transition period from war to peace conditions is the announcement that a British company is being organized designed to finance on a permanent basis the metal industries which have been wrested from Germany. These industries will thus rest permanently in British hands, as there is no intention to return the companies to their former holders after the war is ended. The capital of the new company will be £5,000,000 at the start, and will, it is understood, be increased whenever necessary. Already £2,000,000 of the original capital has been subscribed. The new enterprise has assurance of the Government's approval. It will, too, have the support of influential metalurgical interests among whom may be mentioned Charles Vincent Safe, Sir Charles Fielding (well known in Rio Tinto copper circles), Andrew Tait (of British aluminum and Otis

steel companies) and Cecil Budd of Vivian Younger & Bond. The London representative of J. P. Morgan & Co. is understood to be interested, as also is the Centrals Mining Corporation, which recently acquired a portion of Mertens business now being wound up because of its German connections. The name of the new concern will be the British Metals Corporation. It is reported that a new French company will be formed along similar lines with a capital of 50,000,000 francs. In July last the National Metal & Chemical Bank was formed in London for the specific purpose of financing the metal trade.

Argentine railway shares have been under selling pressure because of their reduced dividends. The Buenos Aires Great Southern Railway, for instance, has declared a 2% dividend for the year ending with June, which compares with 4% for the preceding year. The Buenos Aires Western also declared 2%, which compares with 3% last year. The National Provincial & Union Bank of England is issuing 131,093 £60 shares which will be £12 paid in. The price will be £24. One-half of the proceeds will go to reserves, making the paid-up capital £7,050,000 and the reserves £5,573,000. The ratio of capital plus the reserve to deposits becomes over 7% instead of 5%. The Chinese £600,000 8% loan was promptly oversubscribed in London.

The second week of the London War Loan drive did not present as favorable results as the first. Sales of bonds through the banks for the week ending Oct. 19 totaled £23,269,000, which compares with £31,002,000 the preceding week, making the aggregate sales to Oct. 19 £1,163,603,000. Through the Post Offices the takings of bonds for the week of Oct. 12 were £893,000, bringing the total under this head up to £40,570,000. The previous week's total through the Post Offices was £794,000. War savings certificates for the week of Oct. 12 totaled £2,989,000, making the aggregate ultimate indebtedness under this head £246,979,000. The previous week's sales were £2,713,000.

British revenue returns for the week ending Oct. 19 showed a substantial increase, and although this was to some extent offset by an expansion in expenses, there was an increase for the week in the Exchequer balance of £138,000. Sales of Treasury bills continue on a liberal scale, and the total of Treasury bills outstanding registered a reduction this week of over £7,000,000. Expenditures for the week totaled £51,755,000 (against £39,730,000 for the week ended Oct. 12), while the total outflow, including repayments of Treasury bills and other items, was £132,868,000, against £124,193,000 a week ago. Receipts from all sources amounted to £133,007,000, in comparison with £125,272,000 in the preceding week. Of this total revenues contributed £18,380,000, as compared with £13,173,000 last week; war savings certificates totaled £2,600,000, against £1,900,000, and other debts incurred £2,658,000, against £6,184,000. War bonds reached a total of £24,970,000, comparing with £26,798,000, while advances were £8,361,000, against £4,000,000 the week previous. New issues of Treasury bills equaled £76,888,000. Last week the total was £73,067,000. Treasury bills outstanding amount to £1,121,001,000, as against £1,128,387,000 a week ago. Exchequer balances amount to £11,017,000, which compares with £10,878,000 last week.

Advices from Berlin by way of Amsterdam state that a new credit of 15,000,000,000 marks will be submitted to the Reichstag in November. Should this be passed it will make the total of the credits voted by that body 154,000,000,000 marks.

Official discount rates at leading European centres continue to be quoted at 5% in London, Paris, Berlin, Vienna and Copenhagen; 6% in Petrograd and Norway; 6½% in Sweden and 4½% in Switzerland, Holland and Spain. In London the private bank rate has not been changed from 3 17-32% for sixty and ninety-day bills. Money on call in London remains as heretofore at 3%. No reports have been received by cable of open market rates at other European centres, as far as we have been able to ascertain.

An additional gain in gold was shown this week by the Bank of England, amounting to £212,070. Note circulation, however, was expanded £400,000; hence there was a loss in total reserves of £188,000. A feature of the statement was the heavy contractions in the deposit items, which resulted in an advance in the proportion of reserve to liabilities to 18.70%, as compared with 17.10% a week ago and 19.70% last year. In the week of Oct. 3 it was only 16.91%. The loss in public deposits totaled £2,214,000, while other deposits were reduced £13,533,000 and Government securities no less than £14,274,000. Loans (other securities) decreased £1,236,000. The English Bank's stock of gold now stands at £73,408,960, or far in excess of the corresponding week of 1917, which amounted to £55,539,056, or in 1916 when the sum equaled £56,063,466. Reserves aggregate £28,462,000, in contrast with £32,379,306 last year and £37,827,446 in the year before. Loans total £95,381,000. This compares with £90,635,003 in 1917 and £102,442,757 the preceding year. Clearings through the London banks for the week were £416,660,000, as against £456,420,000 a week ago and £354,970,000 last year. Our special correspondent is no longer able to give details of the gold movement into and out of the Bank for the Bank week, inasmuch as the Bank has discontinued such reports. We append a tabular statement of comparisons:

	1918. Oct. 23.	1917. Oct. 24.	1916. Oct. 25.	1915. Oct. 27.	1914. Oct. 28.
	£	£	£	£	£
Circulation.....	63,396,000	41,609,750	36,686,020	32,794,860	35,112,670
Public deposits.....	32,043,000	40,055,006	52,543,213	39,885,367	24,993,910
Other deposits.....	120,131,000	124,244,025	112,171,721	99,670,341	126,736,526
Gov't securities.....	45,991,000	58,965,870	42,187,852	18,895,502	19,427,087
Other securities.....	95,380,000	90,635,003	102,442,757	96,565,260	104,868,463
Reserve notes & coin	28,462,000	32,379,306	37,827,446	41,885,849	45,210,070
Coin and bullion...	73,408,960	55,539,056	56,063,466	56,230,709	61,872,740
Proportion of reserve to liabilities.....	18.70%	19.70%	22.97%	30.01%	29.79%
Bank rate.....	5%	5%	6%	5%	5%

The Bank of France in its weekly statement indicates a further gain in the gold item this week, the amount being 2,018,000 francs. The Bank's gold holdings now total 5,441,871,000 francs, comparing with 5,326,083,948 francs in 1917 (of these amounts 2,037,108,484 francs were held abroad in each of the respective years). In 1916 the gold holdings aggregated 4,921,979,322 francs, of which 674,558,075 francs were held abroad. During the week silver and general deposits were increased by 274,000 francs and 52,596,000 francs, respectively. On the other hand, Treasury deposits fell off 24,295,000 francs, bills discounted contracted 17,158,000 francs, and advances were reduced by 14,685,000 francs.

An expansion of 90,101,000 francs occurred in note circulation, bringing the total outstanding up to 30,721,954,000 francs, which compares with 21,705,268,575 francs last year and 16,589,150,345 francs in 1916. On July 30 1914, just prior to the outbreak of war, the total was 6,683,184,785 francs. Comparisons of the various items with the statement of last week and corresponding dates in 1917 and 1916 are as follows:

BANK OF FRANCE'S COMPARATIVE STATEMENT.

	Changes for Week.	Status as of		
		Oct. 24 1918.	Oct. 25 1917.	Oct. 26 1916.
	Francs.	Francs.	Francs.	Francs.
Gold Holdings—				
In France.....Inc.	2,018,000	3,404,762,516	3,288,975,463	4,247,421,247
Abroad.....	No change	2,037,108,484	2,037,108,484	674,558,075
Total.....Inc.	2,018,000	5,441,871,000	5,326,083,948	4,921,979,322
Silver.....Inc.	274,000	320,027,819	255,300,502	328,047,107
Bills discounted....Dec.	17,158,000	824,643,600	608,871,313	479,671,748
Advances.....Dec.	14,685,000	831,535,500	1,134,775,952	1,198,224,740
Note circulation....Inc.	90,101,000	30,721,954,000	21,705,268,575	16,589,150,345
Treasury deposits....Dec.	24,295,000	35,202,000	51,566,690	200,977,259
General deposits....Inc.	52,596,000	2,909,131,000	2,833,507,069	2,730,839,781

The Imperial Bank of Germany in its weekly statement, as of Oct. 15, curiously enough showed increases in nearly all of its principal items. Coin was expanded 1,585,000 marks; total gold gained 1,904,000 marks. These changes probably reflect the arrivals of gold paid over by the Russian Bolshevik Government. Treasury notes increased 93,940,000 marks; other notes, 470,000 marks; bills discounted, 125,317,000 marks, and investments, 8,884,000 marks. Circulation registered the large expansion of 281,031,000 marks, while securities advanced 138,264,000 marks and deposits increased 113,664,000 marks. Advances were reduced 224,000 marks and liabilities 26,463,000 marks. The German Bank's stock of gold on hand is given at 2,549,283,000 marks, which compares with 2,403,460,000 marks a year ago and 2,503,461,000 marks in 1916.

Saturday's bank statement of New York Clearing House members, which will be found in more complete form on a later page of this issue, about met expectations. There were losses in both aggregate and surplus reserves as well as a substantial increase in net demand deposits, features which were not unnatural in view of the Government's operations coincidental to the closing week of the Liberty Loan campaign. Loans were reduced \$9,846,000. The gain in net demand deposits totaled \$63,905,000, bringing the amount to \$3,836,763,000 (Government deposits of \$195,547,000 deducted—a reduction of \$50,922,000 for the week in this item). Net time deposits, however, decreased \$2,721,000. Cash in vaults (members of the Federal Reserve Bank) was reduced \$3,590,000 to \$104,414,000 (not counted as reserve). Reserves in the Federal Reserve Bank of member banks declined \$11,560,000 to \$519,115,000. Reserves in own vaults (State banks and trust companies) were contracted \$191,000 to \$10,117,000, while reserves in other depositories decreased \$1,927,000 to \$7,893,000. In round numbers the reduction in aggregate reserves amounted to \$13,678,000, although the loss in surplus was considerably larger—\$21,921,590—there having been an increase of \$8,243,590 in reserve required. As a result of these changes, the total of aggregate reserves now stands at \$537,125,000, against \$573,872,000 last year, while surplus has been brought down to \$29,643,160 (but not counting \$104,414,000 cash in vaults held by these banks), which compares with \$76,499,970 in the same week of a year ago. These figures are on the basis in both instances of

13% reserves for member banks of the Federal Reserve system.

There has been no little nervousness in local money circles this week, based chiefly upon a series of conferences between Stock Exchange officials and the Money Committee. It was feared, for instance, that the latter was determined to withdraw from active control of the monetary situation until next spring, when the Fifth Liberty Loan will most probably be issued, whether in the meantime we have peace or not. It took a lot of preliminary work to get our army into effective fighting shape and there will necessarily be a somewhat similar task when the question of demobilization presents itself for definite action. If the current discussions should fortunately result in an armistice on terms which would prevent Germany renewing the struggle, it still would take months before the real task of disbanding the army could be completed. John R. Mott, Director-General of the United War Work Campaign, threw some light on this important subject in a recent interview, saying: "The demobilization of a great army is always a slow and difficult process. Even after the Franco-Prussian War, which lasted only a few months, demobilization occupied more than a year. The demobilization of the huge forces in France, and their transportation to their own countries is going to be a matter not of weeks but of very many months. When I was in Europe the Canadian military authorities stated that it would take fifteen months to bring their army home. No one has questioned that it will require a full year or more to demobilize our American forces. The American people will want to make generous provision, not merely for the period of the war, but for the demobilization period as well, once they understand the need."

Of course a cessation of hostilities at this particular time would be a signal benefit in the direction of encouraging a mitigation of some of the monstrosities which are being forced into the pending revenue law. There are a few usually conservative interests in the financial district who seem to be seriously counting on some measure of relief from taxation from this source. It would not be entirely accurate to suggest that this view is altogether general.

That there was some real basis for fears of an increasing strain in the money position was indicated on Thursday, after the close of the series of conferences, when the text of a note (which appears on a later page of the "Chronicle") addressed by the Money Committee to the President of the Stock Exchange was published. The note very frankly announced that the work of financing the Liberty Loan is such that it will impose a burden upon the credit resources of the country materially larger than the financing of any previous loan, and the future financial requirements of the Government will impose further heavy burdens upon the money markets. In view of the current increase in the amount of Stock Exchange loans, the letter stated, the Money Committee deemed it necessary now to take steps to prevent a further expansion of such loans, and would forthwith recommend to the banks that for the time being a 30% margin be required on all regular loans, instead of the customary 20% margin, and a corresponding increase in margin on other loans, these increases to be made effective on and after

Monday, Nov. 4 1918. The Committee might later find it desirable to recommend a further increase in margins. "It is hoped," the Committee remarks significantly, "that this measure will prove effective, and that advances in money rates may be avoided."

It becomes obvious of course that every effort will be made to restrict speculative transactions on the Stock Exchange even if it becomes necessary to advance rates for money above the 6% basis now current where mixed collateral is provided. There have been some bankers who have advocated a free market for funds—that is to say, permitting demand and supply to determine the rate. They have argued that a high rate would in the long run prove beneficial since it would undoubtedly attract funds to this centre. This idea, however, did not appear to appeal to the Money Committee and the 6% maximum (for mixed collateral) will be given a further trial until in fact it has been demonstrated whether the proposal for a 30% margin to be demanded by the banks on Nov. 4 will prove a sufficient safeguard against speculation. Even then should it fail the Committee, it will be observed, suggests the possibility of a still higher margin before permitting an advance in rates. A feature of the week has been the renewal after a period of nearly two months of transactions in time money. This movement has not yet assumed important proportions, the total possibly not exceeding \$500,000.

Referring to money rates in greater detail, loans on call have again ruled during the week at a single rate of 6%, which was the high and low as well as the basis at which renewals were negotiated. This rate applies to mixed collateral loans. All-industrials continue to be quoted at 1/2 of 1% above this figure. Time money was as firm as ever, which was hardly surprising in view of the fact that on Thursday the initial payment, amounting to fully \$180,000,000, on the Fourth Liberty Loan became due and that banks for the purpose of checking speculative activity on the Stock Exchange have been steadily calling in loans. Six per cent is still the nominal rate for all maturities from sixty days to six months. So far as could be learned, no trades were put through in fixed date loans up till Thursday, when a small amount was negotiated at 6% for a short maturity. At the corresponding period in 1917 sixty days was quoted at 5 1/4 @ 5 1/2%, ninety days and four months at 5 1/2% and five and six months at 5 1/2 @ 5 3/4%.

Mercantile paper was in better demand and a good business has been reported among country institutions. Sales continue to be made at 6% for sixty and ninety days' endorsed bills receivable and six months' names of choice character. Names less well known are also quoted at 6%, but most of the business was done in the best names.

Banks' and bankers' acceptances have ruled firm, though without essential change and a greater degree of activity has been shown. J. P. Morgan & Co. reduced their rate for demand loans on prime bank acceptances from 4 1/2% to 4 1/4%, a change which is calculated to broaden operations in acceptances. Local and out of town bankers appeared in the market as buyers and brokers are now looking for a substantial increase in the volume of transactions in the near future. Rates in detail are as follows:

	Spot	Delivery	Delivery
	Ninety Days	Sixty Days	Thirty Days
Eligible bills of member banks.....	4 1/4 @ 4 1/4	4 1/2 @ 4 1/2	4 3/4 @ 4 3/4
Eligible bills of non-member banks.....	4 1/2 @ 4 1/2	4 3/4 @ 4 3/4	4 1/2 @ 4 1/2
Ineligible bills.....	5 1/2 @ 4 1/2	5 1/2 @ 4 1/2	5 1/2 @ 4 1/2

No changes in rates, so far as our knowledge goes, have been made the past week by the Federal Reserve banks. Prevailing rates for various classes of paper at the different Reserve banks are shown in the following:

DISCOUNT RATES OF FEDERAL RESERVE BANKS.

CLASSES OF DISCOUNTS AND LOANS	RESERVE BANKS											
	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.
Discounts—												
Within 15 days, incl. member banks' collateral notes.....	4	4	4	4 1/2	4 1/2	4 1/2	4	4	4 1/2	4 1/2	4 1/2	4 1/2
16 to 60 days' maturity.....	4 1/2	4 1/2	4 1/2	4 1/2	5	4 1/2	4 1/2	4 1/2	4 1/2	5	5	4 1/2
61 to 90 days' maturity.....	4 1/2	4 1/2	4 1/2	4 1/2	5	4 1/2	4 1/2	4 1/2	5	5	5	5
Agricultural and live-stock paper over 90 days.....	5	5	5	5 1/2	5 1/2	5	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2	5 1/2
Secured by U. S. certificates of indebtedness or Liberty Loan bonds—												
Within 15 days, including member banks' collateral notes.....	4	4	4	4	4 1/2	4	4	4	4	4 1/2	4	4 1/2
16 to 90 days' maturity.....	4	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Trade Acceptances—												
1 to 60 days' maturity.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
61 to 90 days' maturity.....	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2

* Rate of 3 to 4 1/2% for 1-day discounts in connection with the loan operations of the Government. On Oct. 1 the following special rediscount rates for bankers' acceptances were established: Maturities up to 16 days, 4%; 16 to 60 days, 4 1/2%; 61 to 90 days, 4 1/2%.

a 15 days and under 4 1/2%.
 b Rate for trade acceptances maturing within 15 days 4 1/2%.
 Note 1. Acceptances purchased in open market, minimum rate 4%.
 Note 2. Rates for commodity paper have been merged with those for commercial paper of corresponding maturities.
 Note 3. In case the 60-day trade acceptance rate is higher than the 15-day discount rate, trade acceptances maturing within 15 days will be taken at the lower rate.
 Note 4. Whenever application is made by member banks for renewal of 15-day paper, the Federal Reserve banks may charge a rate not exceeding that for 90-day paper of the same class.

Sterling exchange continued virtually as last quoted, and has not been influenced by the important developments either in the military or diplomatic situation. Dealing specifically with the day-to-day rates, sterling exchange on Saturday was quiet but steady and demand again ruled at 4 7545 @ 4 75 1/2, cable transfers at 4 7655 @ 4 76 9-16 and sixty days at 4 73 @ 4 73 1/8. On Monday trading was light in volume; the undertone, however, ruled firm and rates were still fixed at 4 7545 @ 4 75 1/2 for demand, 4 7655 @ 4 76 9-16 for cable transfers and 4 73 @ 4 73 1/8 for sixty days; the arrival of the note from the German Foreign Minister was apparently without effect upon the sterling market. No new feature of note was reported on Tuesday and quotations remained stationary at the levels of the day before. Wednesday's market was dull and nominal and rates were again pegged at 4 7545 @ 4 75 1/2 for demand, 4 7655 @ 4 76 9-16 for cable transfers and 4 73 @ 4 73 1/8 for sixty days; a fresh illustration of the arbitrary control exercised over exchange is furnished by the fact that neither Germany's latest peace overture nor President Wilson's terse reply were able to produce the slightest ripple in quoted rates. Dulness featured dealings on Thursday, which were confined to the merest routine transactions; the tone was steady and rates without variation. On Friday the market was inactive but firm and still unchanged. Closing quotations were 4 73 @ 4 73 1/8 for sixty days, 4 7545 @ 4 75 7-16 for demand and 4 7655 @ 4 76 9-16 for cable transfers. Commercial sight bills finished at 4 75 1/8 @ 4 75 3/8, sixty days at 4 72 @ 4 72 1/8, ninety days at 4 70 1/8 @ 4 70 3/8, documents for payment (sixty days) 4 71 1/4 @ 4 71 3/8, and seven-day grain bills at 4 74 1/8 @ 4 74 3/8. Cotton and grain for payment closed at 4 75 1/8 @ 4 75 3/8. No gold shipments, either for export or import, were announced during the week.

The Continental exchanges have experienced another uneventful week, with transactions on all Allied centres of minimum proportions. Quotations

were well maintained, but ruled within narrow limits and failed wholly to respond to the week's developments in international affairs. The fact that such momentous events were without effect upon rates is proof of the oft-repeated explanation that not only are rates fixed but all of the members of the Entente have pooled their interests in a working agreement, precluding danger of derangement through violent fluctuations in any direction. An additional factor, of course, in the dulness is the continued granting from time to time as required of liberal credits by this Government to its allies, thus doing away with the necessity of creating exchange. French francs have ruled firm and a trifle higher. Lire remain at the fixed rate decided upon by the Division of Foreign Exchange some time ago. No change has been noted in Russian rubles, which remain upon an entirely nominal basis. A further depreciation of the German mark in foreign countries is reported and indications that Germany is not likely to obtain an easy peace caused a severe slump, especially in the Scandinavian countries where the decline ranged from 8 to 15%. The weakness was most marked in Sweden, which is particularly well informed concerning real conditions in the Teutonic Empires. The official London check rate on Paris closed at 26.08, comparing with 26.09 a week ago. In New York sight bills on the French centre finished at 5 47⁷/₈, against 5 48¹/₈; cables at 5 46⁷/₈, against 5 47¹/₈; commercial sight bills at 5 48⁵/₈, against 5 48⁷/₈, and commercial sixty days at 5 53¹/₈, against 5 53⁵/₈ the previous week. Lire closed at 6 37 for bankers' sight bills and 6 35 for cables, the previous quotation. Rubles remain as heretofore at 14 for checks and 15 for cables. A cable dispatch from Archangel under date of Oct. 24 states financial relations have been resumed between the Archangel Government and the Allied countries on the official basis of exchange of nine rubles forty-eight kopeks to the dollar and forty-five rubles to the English pound. The Russian Government in the region of the North has appointed a financial committee which will arrange for the issue of new paper money to the amount of 100,000,000 rubles guaranteed by foreign securities. The issue may be guaranteed, the dispatch states, by one of the Allied Governments. Greek exchange continues to be quoted at 5 113³/₄ for checks and 5 12¹/₂ for cables.

As to neutral exchange, the outstanding feature has been the upward reaction that followed the publication of the German note, but towards the close of the week they eased off somewhat on the more confident tone of the peace talk. Swiss exchange was noticeably firm, registering a recovery to 4 95¹/₂ for checks, against the previous low of 5 08, then reacting to 4 98 for checks. Scandinavian rates were all fractionally higher and pesetas at times ruled strong. The firmness was attributed mainly to a change in sentiment regarding the probability of Germany's early acceptance of Allied peace terms. Guilders were an exception to the general strength continuing weak throughout. A report is being circulated that the Allies, including the United States, are negotiating with a group of Dutch bankers for a loan of 250,000,000 guilders (substantially \$100,000,000) to finance exports from the Dutch East Indies to Allied countries, and at the same time to give greater stability to guilder exchange.

Bankers' sight on Amsterdam closed at 42¹/₈, against 42¹/₄; cables at 42⁵/₈, against 42³/₄; commercial sight at 42 1-16, against 42 3-16, and commercial sixty days at 41⁵/₈, against 41 13-16 last week. Swiss exchange finished at 4 98 for bankers' sight bills and 4 96 for cables. Last week the close was 5 06 and 5 08, respectively. Copenhagen checks closed at 27.10 and cables at 27.40, against 27.10 and 27.40. Checks on Sweden finished at 29.10 and cables 29.40, against 29.00 and 29.30, while checks on Norway closed at 27.50 and cables 27.80, against 27.40 and 27.70 on Friday of the preceding week. Spanish pesetas finished at 20.90 for checks and 21.00 for cables. This compares with 20.65 and 20.75 last week.

With regard to South American quotations, the check rate on Argentina again advanced to 45.15, but closed at 44⁷/₈, and cables closed at 45.12. Last week sight bills and cables closed at 44.75 and 44.90. For Brazil the rate for checks is now 24.50 and cables 24.65, as compared with 24.35 and 24.50 a week ago. The Chilean rate has been lowered to 13⁷/₈. A few weeks ago the market was quoted at 15 13-32. This decline is due to expectations that the demand for nitrates—Chile's chief source of wealth—is likely to decrease materially with the advent of peace. Peruvian exchange, which recently sustained a decline from 57, remained at 50.

Far Eastern rates are as follows: Hong Kong, 80@80.15, against 81@81¹/₄; Shanghai, 125@125¹/₂, against 127@127¹/₂; Yokohama, 54³/₄@55, against 54¹/₂@54³/₄; Manila, 50¹/₂@50³/₄, against 50@50¹/₄; Singapore, 56@56¹/₄ (unchanged); Bombay, 37@37¹/₄, against 36¹/₂@37, and Calcutta (cables), 37¹/₄@37¹/₂, against 35.73.

The New York Clearing House banks, in their operations with interior banking institutions, have gained \$4,443,000 net in cash as a result of the currency movements for the week ending Oct. 25. Their receipts from the interior have aggregated \$8,691,000, while the shipments have reached \$4,248,000. Adding the Sub-Treasury and Federal Reserve operations, which together occasioned a loss of \$97,316,000, the combined result of the flow of money into and out of the New York banks for the week appears to have been a loss of \$92,873,000, as follows:

Week ending Oct. 25.	Into Banks.	Out of Banks.	Net Change in Bank Holdings.
Banks' interior movement.....	\$8,691,000	\$4,248,000	Gain \$4,443,000
Sub-Treas. and Fed. Reserve oper....	36,378,000	133,694,000	Loss 97,316,000
Total	\$45,069,000	\$137,942,000	Loss \$92,873,000

The following table indicates the amount of bullion in the principal European banks:

Banks of	Oct. 24 1918.			Oct. 25 1917.		
	Gold.	Silver.	Total.	Gold.	Silver.	Total.
England...	£ 73,408,960	£ -----	£ 73,408,960	£ 55,539,056	£ -----	£ 55,539,056
France...	136,189,800	12,800,000	148,989,800	131,558,659	10,173,400	141,732,059
Germany...	127,464,150	5,682,450	133,146,600	120,173,150	5,518,150	125,691,300
Russia *...	129,650,000	12,375,000	142,025,000	129,650,000	12,375,000	142,025,000
Aus-Hun c...	11,008,000	2,289,000	13,297,000	12,278,000	2,640,000	14,918,000
Spain	88,215,000	25,968,000	114,183,000	77,675,000	28,899,000	106,574,000
Italy	32,729,000	3,070,000	35,799,000	41,088,000	2,600,000	43,688,000
Netherl'ds	59,032,000	600,000	59,632,000	57,085,000	611,000	57,696,000
Nat. Bel.h	15,380,000	600,000	15,980,000	15,380,000	600,000	15,980,000
Swits'land	15,266,000	-----	15,266,000	13,950,000	-----	13,950,000
Sweden...	14,679,000	-----	14,679,000	11,637,000	-----	11,637,000
Denmark...	10,366,000	131,000	10,497,000	10,584,000	158,000	10,742,000
Norway...	6,748,000	-----	6,748,000	6,754,000	-----	6,754,000
Tot. week...	720,135,910	63,515,450	783,651,360	683,351,865	63,574,550	746,926,415
Prev. week...	719,461,603	63,773,400	783,235,003	682,639,475	63,910,250	746,549,725

*Gold holdings of the Bank of France this year are exclusive of £81,484,340 held abroad.

* No figures reported since October 29 1917.

c Figures for 1918 those given by "British Board of Trade Journal" for Dec. 7 1917; figures for 1917 estimated on the basis of the Dec. 7 1917 totals.

h August 6 1914 in both years.

THE ULTIMATUM TO GERMANY.

The outstanding points of President Wilson's reply of last Wednesday to Germany's third note of Oct. 20—in which note the Berlin Government asked again for terms, and insisted on the representative character of its own credentials—are two in number: First, the United States Government now consents to submit to the approval of its allies the question of an armistice—though not assuming their decision, and only on the stipulation that Marshal Foch and the Allied military leaders shall lay down such terms as will “fully protect the interests of the peoples involved, and insure to the associated Governments the unrestricted power to safeguard and enforce the details of the peace to which the German Government has agreed.” Second, since “the nations of the world do not and cannot trust the word of those who have hitherto been the masters of German policy,” our Government “cannot deal with any but veritable representatives of the German people, who have been assured of a genuine constitutional standing as the real rulers of Germany.”

But the German people at present “have no means of commanding the acquiescence of the military authorities of the Empire,” and “the determining initiative still remains with those who have hitherto been the masters of Germany.” Therefore the United States Government, if it now or hereafter has to deal with “the military masters and the monarchical autocrats of Germany,” will have to demand, “not peace negotiations, but surrender.” It is evident that the considerations involved in the possible results of these two stipulations are not so simple as in the previous notes from Washington.

It has naturally resulted that comment on this latest note of the President has been more varied and divergent than on most of his other communications. In Europe the note appears to have been quite unanimously approved among our allies; the dominant view of English and French newspapers and public men being that the main question now rests on the decision of the Entente powers regarding conditions of armistice. In our own country there are dissenting voices. Senator Lodge, for instance, after approving the President's attitude regarding negotiation with the Hohenzollerns, remarks of the proposal to discuss terms in an armistice that “there is no German Government in existence with which I would discuss anything,” and that “I deplore at this stage, when we are advancing steadily to a complete victory, any discussion or exchange of notes with the German Government. The only thing now is to demand unconditional surrender.”

This view undoubtedly represents the judgment of a considerable part of our own community. Its acceptance by our Government would obviously mean refusal to talk of terms at all unless Germany were to put herself in advance unreservedly in the hands of her enemies, promising unconditional submission to any conditions which might hereafter be imposed. To such an ultimatum Germany might yield; her attitude thus far has certainly not even amounted to passive resistance. But Germany would not follow the precedent even of defeated Governments and armies in so doing, and her own army is not defeated, in the sense of being captured or powerless. Sir Frederick Maurice himself this week sets forth as “the vital problem” of the hour “the obtaining of a satisfactory peace at the earliest

possible moment and with the least expenditure of life and treasure.” From this position it is at least a reasonable inference that any statesman or Government who for technical reasons refused to consider at this time an offer of terms by Germany, satisfactory to the Allies, might incur grave responsibility in case Germany, roused to desperation, were conceivably to prolong the fighting through the whole of 1919, with resultant heavy loss in life by the Allied armies.

There are two other objections, more or less widely made to this last reply of the President; each of them being based on the same general position as that maintained by Senator Lodge. One is, that continued exchange of notes between our Government and Germany is of itself mischievous and dangerous, and that all parley ought to be summarily cut short by an ultimatum; the other, that no proposal whatever for an armistice ought to be entertained, and that terms should be imposed only after complete and final victory. Mr. Roosevelt demands that the United States “dictate peace by the hammering guns, and not chat about peace to the accompaniment of the clicking of typewriters.” We imagine that some confusion of thought exists in the minds of those insisting on these two arguments.

Undoubtedly, any exchange of notes between the United States and Germany, especially if prolonged, evokes an unpleasant memory of the futile and protracted correspondence regarding the Lusitania—a correspondence, as conditions proved, entirely disingenuous on the side of Germany. But there is no proper analogy to that episode in the present exchange of views. We have never heard of any war being ended or any peace being arranged without a preliminary exchange of views, more or less prolonged—in which even a completely defeated Government has argued for easier terms, always with persistence and frequently with success. A well-known modern instance is the peace of 1871 between Prussia and France. As to this, we know that personal appeals for terms of peace were made by French statesmen as early as September 1870, and were not concluded, even in the preliminary signed form, until Feb. 26 of the following year—the armistice having been granted on Jan. 28. During that four or five months' interval, Favre and Thiers held repeated interviews with Bismarck; returned to their colleagues with his successive answers, then coming back on each occasion to argue again with the Prussian Chancellor.

In the end the terms originally imposed by Prussia were reduced. The war indemnity, for instance, was cut down from six billion to five billion francs—and Bismarck himself paid a personal tribute to the patriotism and persistence of Thiers at the continued conversations. Now the present exchange of views between Berlin and Washington is not in the form of private conversations, as in 1871, but of published notes; but that, as we see it, is altogether a merit in the present procedure.

If, indeed, the progress of the correspondence had shown that it was placing a diplomatic advantage in the hands of Germany, that it was dividing the Allies, or that it was strengthening Germany's military position through delay in an ultimatum, the matter might wear a different aspect. But the exchange of notes to date has manifestly had none of these results. It has forced the German Government into a corner, has proved the unity of purpose

among the Allies, has challenged the continued authority of the Kaiser, has already curtailed the German War Department's policy of devastation on land and atrocity at sea, and has not in the slightest measure impaired the vigor or success of Marshal Foch's campaign. In the last-named respect, indeed, it is the German army whose morale has been, and was bound to be, injured by public knowledge that its Government was negotiating for peace almost at any price.

Opposition to the proposal for an armistice in itself must be judged on somewhat similar lines. If such suspension of warfare would give the German army an opportunity to recruit its shattered divisions with a view to renewed and more effective campaigning; if it would enable Ludendorff to withdraw to the Rhine all the military supplies which otherwise he might have to sacrifice on retreat, and were then to leave him free to resume full activity on a more advantageous front and with better concentrated resources, then there would be much force to the objection. But on this point the President's reply to Germany last Wednesday is distinctly an ultimatum.

He will not even consent to submit an armistice plan to our allies unless the armistice proposed shall be one which "should leave the United States and the Powers associated with her in a position to enforce any arrangement that might be entered into, and to make a renewal of hostilities on the part of Germany impossible." These particular pre-requisites must be arranged, as the President clearly stated in his note of October 14, by the military advisers of the Allies—that is, by Marshal Foch. They would almost inevitably require the temporary surrender to the Allies of important strategic bases in Germany itself, the partial or complete disarmament of Ludendorff's army, and probably guarantees for suspension of production of war material. If so, the armistice would hardly differ in principle from the armistice granted to Bulgaria, except for the granting of use of Bulgarian territory to the Allied armies for military operations.

The President's refusal to deal with the present Imperial Government of Germany, except on terms of complete surrender, is itself an insistence on the final guarantee. It brushes aside the new German Chancellor's contention that the existing Government "has been formed in complete accord with the wishes of the representatives of the people, based on equal, universal, secret, direct franchise," and that permanence of the new system is guaranteed "by the unshakable determination of the German people, whose vast majority stands behind these reforms and demands their energetic continuance." But these, our State Department's note points out, are assurances whose validity rests so obviously on the capacity of Prince Max and his associates to perform what they say will be done, that the assurances cannot be satisfactory. There is in them no more binding guarantee that the German people will take the promised action than there is that our own States will adopt the woman suffrage or prohibition amendment lately submitted to them by Congress.

As yet, Prince Max himself is the Kaiser's appointee. Hindenburg this week speaks personally of "my duty to support the Government instituted by his Majesty." For Mr. Wilson's attitude in this matter there is abundant precedent, even if that attitude be described as interference with the domestic politics of Germany. In 1871 Bismarck first

refused to consider any terms except such as should be offered by a newly-elected French representative body; then, when Gambetta endeavored to place patriotic restrictions on the granting of the suffrage, Bismarck insisted as an ultimatum on "a free election by the whole people." This is a sufficiently valid and useful proof of Germany's own attitude towards such matters.

THE PRESIDENT'S POWERS REGARDING PEACE —FOOLISH SENATE RESOLUTIONS.

On Thursday of last week Senator Lewis of Illinois offered a resolution expressing confidence in the President and proposing to commit the Senate, in advance and without qualification or limit, to approval of "whatever methods he may employ to achieve the result of victorious peace and the establishment of the principles for which the United States entered the war." This language runs beyond the conduct of the war as a military undertaking and includes the making of the arrangements by which it is to be ended. The President is constitutionally made "Commander in Chief of the Army and Navy of the United States," at all times, and he has always so acted. He was the head of all the military forces in the Civil War, in our war of 1898, and he is so now, although he has never taken and probably never will take the field in person. But Mr. Taft printed, on the second day after this proposition was submitted, an article in the Philadelphia "Ledger" justly criticizing it as preposterous and revolutionary, and summarizing the powers conferred respectively upon the Executive and the Senate in this matter, a clearly outlined statement in the constitution which ought to be known to all intelligent Americans. The President can make treaties "by and with the advice and consent of the Senate," two-thirds of the number present concurring; and this applies as well to treaties with which a war is concluded as to those of any other nature and made in a time of peace. He can make treaties thus, and he has no more power than any plain citizen to make them otherwise. Such a blind indorsement as proposed in advance of positions which are not yet thought out, much less formulated in terms, would be ultra vires on the part of the Senate, and of no more force than would lie in a vote to suspend the constitution in toto until possibly 21 months after the war is ended.

Mr. Taft correctly says that "it is within the bounds of moderation to say that this resolution, if adopted, would be a complete abdication of the Senate's functions in the matter of making peace; . . . the people of the United States have a right to the independent opinion of the Senate on such a momentous question, and its members would violate their constitutional duty if by the Lewis resolution they were to surrender to the President their power to pass what the President may thereafter do as a part of the treaty-making power." Mr. Taft goes on to suggest "certain honorable obligations growing out of the fact of the association" of this country with our four chief allies, and in his opinion even the sending of a note to Germany ought to be preceded by a consultation with them.

This, however, is a matter of opinion and aside from the Lewis resolution. That has of course not the slightest prospect of being taken up seriously by the Senate, for that body has not descended so

low that more than a few in it could fail to perceive that such an attempt to abdicate its functions and evade its duty would be stultifying, and would certainly embarrass rather than help and please the President.

On Monday Senator Poindexter of Washington offered a joint resolution reciting the powers of Congress in declaring and making war and concluding peace, and declaring it unlawful for any official of this Government "to answer in any way" any note or message from the German Government or anybody professing to act on its behalf on the subject of peace or any armistice, until the German armies have surrendered; further, that the war shall continue vigorously until the armed forces "shall have laid down their arms and surrendered to the commanding general in the field of the Allied forces, without condition or stipulation"; that German territory shall then be taken and held by armed forces until the Allies have formally agreed upon specific peace terms to be imposed "and a practical application of the same in detail"; further, "that no official of the United States shall agree" that any representative of the German Government shall participate in or be present at the peace conference. This fits with the apparently rising feeling in this country and among our allies that the first condition of and prerequisite to peace shall be an unconditional surrender; yet it can have no more possibility of adoption than the other resolution. For it goes quite too far, although in a less undesirable direction. One resolution would abdicate a function and withdraw from a duty distinctly laid upon the Senate; the other would interfere in advance by seeking to tie the hands of the Executive in the work of treaty-making which is expressly granted him by the Constitution. He is to make treaties, "with" the concurrent action of the Senate, and that body cannot evade its share or perform it by assenting before there is anything proposed for assent; no more could the Senate fetter him by declaring it unlawful for him to enter into any peace discussion except on a certain condition, or declare in advance that certain things "shall" or "shall not" be done in the course of ending the war. It would be proper perhaps for the Senate to adopt Senator Lodge's resolution declaring as "the sense of the Senate" that unconditional surrender should be the only terms; but an expression of views by one branch of Congress or by both is quite different from attempting to tie the hands of the President in a matter constitutionally his.

In course of attacking time-honored and well-proved customs, by declaring that the people are entitled to control their own affairs (as though this had ever been denied), it was asserted that the method of choosing Senators was archaic and had led to corruption. To a small extent corruption did creep in, and in one or two very extreme instances it could hardly have been more real (although it would have done violence to appearances) had the Senatorial seat been put up to the highest bidder on the steps of a State capitol. But whoever is not competent to select an agent for an important work is not competent to do that work himself; this ought to stand as almost axiomatic, and so if the people of any State cannot and do not select fit men as their agents in legislation, whether the defect be lack of intelligence, or lack of ingrained honesty, or lack of interest, such a people cannot

and will not get better Senators in Congress by a direct vote than by leaving the selection to the legislators they choose at the same polling places and sometimes on the same day. But the passion for changing things prevailed, and the amendment for direct election was pushed through. There were other reasons for the original method, for that aided materially in making Congress consist of two branches acting upon and checking each other, instead of one; now we have sacrificed those advantages and the only difference between the two branches is in the small and uniform number of Senators from each State and in the greater length of term.

We are well along in the sixth year of this "direct" method, and although other considerations have been at work for degeneracy of statesmanship into the mere qualities of small partisanship, is it not probable almost to certainty that the shrinkage of our Senate in point of ability, independence and usefulness since this change was adopted is more than a mere coincidence?

Congress in both branches has been declining in strength, so that in a time when strong men are most wanted there their number is smallest. We need a stronger and more genuine and serviceable Congress; have we sufficient recognition of that need and sufficient of independent Americanism to cut loose from party names and choose one?

In this critical time when the interests of generations yet to be are in our hands and when we have just carried a great loan to success, can we not, all of us, rally to the occasion, summon the best powers and the loftiest patriotism within us, and so choose, ten days hence, a Congress that shall equal some of the past in point of stature and wisdom, one that will both claim and do its part instead of seeking to merely ratify the doings of a man already overladen? Of the wholly unprecedented appeal issued yesterday by the President to elect a Democratic Congress it becomes necessary to say, with reluctance and regret, that the reasons he assigns are unsound in every particular. It is not true that the Republicans have been "anti-Administration" in any such sense as implied. They have consented, sometimes against their own declared judgment, to substantially every important measure he has asked, and they have not sought to take matters belonging to him and put them ever in the control of Congress, much less in "their own" hands. They have stood by him, not without some incidental criticisms from which no man can justly expect to be free; had they desired to withhold support from him they would not have dared, for to take the attitude he now ascribes to them would have been destruction for the party and for themselves. If—as is not impossible—the return of what is called but would not be in any factious sense an "Opposition" Congress is interpreted by pacifists here or by enemies abroad as a repudiation of the President's course, such an unfounded claim will gain its strongest force from his own declaration that it will produce division and hindrance. With the utmost respect to him, we must say that he is mistaken; that continuing to do his duty as he best sees it will continue to carry the support of the American people; that there are no party lines at present. Further, that he is mistaken in seeing division where none exists, and that what he would fend off as hindrance will be really his best help if he will but accept it.

A RETROSPECT OF THE FOURTH LIBERTY LOAN.

Now that the Fourth Loan is provided for, it is but simple justice, to all concerned, to give credit where credit is due.

And first we should give praise to the millions of subscribers for their voluntary purchase of the largest single issue of Government bonds ever floated "in the history of the world." We should do this in no boastful spirit. It was not done because our national wealth is a vaunted two hundred and fifty billions, and therefore an easy task. It was done because, in a feeling of pure patriotism, our citizens fitted their financial endeavors to the needs of the Government. A majority of those who bought bonds of small denominations did so at a personal sacrifice of pleasures and even comforts. Many of those who bought in the larger sums did so knowing they could make more remunerative investments which they had good reason to believe were perfectly safe. Take it all in all, our citizens are patriots—they have indorsed the ideals and aims of their Government, they have proven their faith in our institutions, and they have pledged their fortunes to the extent of six billions of dollars as a test and an earnest of their devotion. Let the record, then, be written that in this trial-hour of a war for "justice, liberty and humanity" the "democracy" of the United States has been weighed in the balance and found *not* wanting.

Second, credit is due to those who gave freely of their time and talents in securing subscriptions and placing the loan before the people in its proper light. They come from every walk in life, they worked severally and individually and through and by means of many organizations, and they kept enthusiasm and optimism alive to the last moment the books were open. There are, or will be, published figures to show respectively what this team-work did to further the cause, but we prefer to deal here with the spirit rather than the letter, and it is not too much to say, hard as the huge task proved itself to be, that the full amount could not have been reached without this aid. Thousands and thousands of men and women the country over laid aside their private business and devoted themselves wholly to this unselfish work. As so often said, they constituted an army behind the fighting lines, and valiantly and tenaciously they fed the forces at the front. To their zeal and toil praise is due from the people and the Government; and the satisfaction and pride they themselves must rightly feel should be turned to a solemn joy by the recorded plaudits of their countrymen.

Third, a peculiar degree of credit is due to our banking institutions, for they not only gave their personnel to the success of the great undertaking, but they literally turned their corporate organizations into agencies of solicitation and service. Happily the time has gone by when we need to emphasize the semi-public character of the bank. It is now acknowledged of all men. And nothing has ever occurred to so impress the essential democracy of these institutions as their efforts in this loan flotation. There are anywhere from five to ten dollars of deposits to one of capital in many of our banks and trust companies. These depositors are the people and the people own the banks. Bankers are trustees as well as debtors, and realizing their

trusteeship in this national crisis they literally placed their working force and their resources at the disposal of the people and the Government. All the business system they have developed in a hundred years of financial history, as well as the financial power of their combined resources, was freely, gratuitously, sacrificingly, dedicated to service in providing this loan. And it is not too much to say that without this banking system of inter-related and independent banks, giving thus of influence, power and machinery, the Fourth Liberty Loan could not have been floated. Knowing the high regard in which bankers hold this trusteeship, we should perhaps have expected nothing less—but what many do not fully appreciate is the actual work inside these institutions necessary to aid the people in their own endeavors in behalf of the loan. In some form or other this whole six billions passed through the banks. Millions and millions in checks and special deposits were run through these mills; and when done, leaving no more actual profit than the chaff blown into the air—for all the good and gain goes to the Government. This is not an exaggerated statement. The banks, it is true, in some instances loan to subscribers; but it is also to be recorded that, on this occasion, they have loaned upon the pledge of bonds, and Government bonds at that, at the rate named in the bond, a rate about the same as the rediscount rate they must themselves pay, leaving little or no profit, another evidence of unselfish service.

We are constrained to write these things because it is well to fix them in our minds that we may remember. There is other work to do in the future. Subscribers, solicitors and bankers will again take on the burdens of necessary public service. And it will make the task easier if we all understand its nature and each do a part with due respect and regard for these several components of our national life. Of the Liberty Loan Committee it has seemed to us unnecessary to speak, feeling that its work is so well known and of such distinguished service as to constitute its own highest and best praise.

CULTIVATING THE RIGHT SPIRIT IN THE CONDUCT OF THE WAR.

While we are looking forward to peace, universal good-will and brotherly love, would it not be well to take stock of our mental state to see whether or not we are cultivating the right spirit while we continue to prosecute the war?

This war is waged in behalf of a principle, embodied, we must confess, in the somewhat vague term "democracy." It is against a "condition" which prevents that from becoming the condition and creed of the whole world, and which threatens the "democracy" that already exists therein. It is waged against "autocracy," entrenched in military power, now actively engaged in an attempt to subjugate the world to its will. This autocracy, in its most vicious form, exists in a single State, where a peculiarly obnoxious class rule exists and holds that State in thrall, and compels it to make ruthless war on neighbor States.

We look forward, when this obstacle is removed by the exercise of our military force, to the formation of a League of Nations, the covenants of which will prevent all future wars. Save as they incidentally support an autocracy, we do not make war on any

people. And our President has announced his willingness to discuss peace at any time, when the provisions and terms thereof, laid down in accordance with the principle of democracy, are accepted. We resort to the realism of force only that the idealism of principle may prevail. When it does prevail we will no longer have occasion to use force. Therefore, we do not idealize force, but use it in a stern sense of duty, and with enmity alone to the class-government which worships it for its own sake as an instrument of subjugation.

But there is a growing feeling that we will never be satisfied until we march down the streets of Berlin in military triumph, with Germany "beaten to her knees." It may readily be admitted that this *may* be a *necessity* of the present conflict; but even as such it carries with it, judged by a noble devotion to principle, none of the usual gloating of the military conqueror. It is admitted, on every hand, that we do not wish to exterminate a people; indeed, though they be in slavery of their own making to a militaristic class and system of government, we want to help them rather than to degrade them. In a word, this is a war between ideas, between civilizations, between systems of rule, and therefore should not leave peoples hating each other, and filled with rankling distrust.

We are not speaking now of the settlement of complicated questions of peace treaties. When that time comes, nevertheless, we shall want to give hearty support to all that our peace envoys may do, and be ourselves free from the feeling of revenge. Punishment *may* be inflicted, but, if justice be done, only as a measure of reform. The imperialism we seek to exterminate is age-old, a relic of an era of barbarism, and they who suffer it to exist, who accede to and support its dictates, are the victims of its spirit and demands. If they do not regard it with the same antipathy we do, must we not assume it is because they are yet in the throes of ignorance and duress, and need to be lifted up?

But we do not prepare ourselves for this righteous task by nursing a spirit of hate. We should be able to come into a Council of Peace, designed to insure a League of Nations, with a desire for nothing but amity and friendly relations. It may be that with a rebellious intent still brooding in a defeated people and State, we may be compelled to adopt that plan which says in sadness, not in wrath, "they shall not pass" into our full regard until they show forth fruits meet for repentance, but this will not prevent justice from showing mercy.

War itself is reprisal—a life for a life, an eye for an eye. That its very prosecution should breed hate is natural. But we are using it to bring about its end, using it as an instrument for the world's betterment. That it must inflict, in its very conduct, awful punishment, should teach us to curb its influence on our *human* hearts. We want to be able to take up the new relation of world-federation with no grievances unsatisfied, no reprisals unsated. When the "system" we fight against is conquered and destroyed, we should be able to meet a liberated, though defeated, people with as much good-will as they will allow us to show to them.

We cannot forget that a single ruler, confronted with the condemnation of an outside world capable of seeing the divine good of government by "consent of the governed," although an admitted idol of his people, can abdicate, at least can refrain from an

assumption of divine authority in that a king can do no wrong. Intelligence in a world such as we have builded, through long advance to liberty, prevents us from ascribing to him unselfish motives. But because that people supports him, we should not believe that they are all the monsters that the excesses of war show some of them to be. There are good men in every land, race, people, and we should despair of civilization if we did not believe them in a majority.

Something it must mean to us, under all these conditions and considerations, that millions of these we war against are willing to fight for a cause which has been presented to them by this same selfish and soulless autocracy as defense of the homeland; and to die for it, as millions have done. Standing in the presence of this courage, and in the shadow of this sorrow, there should be no room for an indiscriminate hate. To represent them all as fiendish cannot be right. We would establish the loyalty, tenderness and helpfulness of a true "humanity" in the earth, and though our provocation be sore, we should not fail to be humane ourselves in thought and feeling.

GOVERNMENT AND MAN—DREAMERS AND DOERS.

Edison, taking a vacation in company with John Burroughs and others, it is reported, on being asked to say something about the war, replied: ". . . man's foolishness . . . man is a damn fool." Carlyle, referring presumably to peace as well as war, found men "mostly" of this character. But he died, disgruntled, many years before the present havoc. Edison's statement includes all of us, and he is, no doubt, right and fully warranted in extending the limit.

There is something very significant in the manifest friendship between three such men as Edison, Burroughs and Ford. And if we can interpret it there is a lesson worth learning. These men are all apostles of peace and workers in war. Two of them, and if we are not mistaken age alone separates Burroughs from the others, have always, and still do, dream peace, though they now are active in potential fighting. Edison, in times past, never used his marvellous gift of invention in constructing instruments of war, as did Maxim, to cite another genius. Ford, as all know, before the entrance of the United States into the conflict, sent forward an expedition for peace. Burroughs, from his highland home on the Hudson, and out of the deep soul of the man, has sought to unfold the spiritual in nature, in all things. It may be a poetic, an exaggerated, interpretation, to say that these three named stand for learning, liberty, and love. Not one of them ever, in himself and for himself, thought war. All their personal gifts of mind and heart have been expended in making men happier and better. What they do now is a tribute to a "Government" which itself has conceived an ideal for human betterment, for "justice, liberty, and democracy." And herein, though it be self-flattery, we find a great lesson for the world.

We do not believe it can be shown from their public utterances that either of these great men, even for himself arrived at the original conviction that the way to bring peace in a vast world-war was by and through more war. Yet undoubtedly by their acts Edison and Ford subscribe to that doctrine now. And the thought here is that as long

as man dreams peace he will never do war. There must come a time in the processes of thought in some man of power, or some men, when they forsake the high citadel of an ideal of peace and descend to the lower level of real war. War is not an ideal way of attaining peace, though conceivably it may become a necessary way, and the only immediate way. The corollary to this is that once having accomplished its purpose war must cease forever to be an instrumentality for peace, or become within itself and for its own sake an ideal that is fixed and permanent. And a nation or a man, not willing to relinquish war forever, once the present horrible military onslaught on the property and peace of mankind is broken down, must place himself on a level with those who now seek to impose the rule of force on the world.

Thought is life; and toil is sustenance. When the ideal and the real are one there is no essential conflict in human affairs. Long have we had the glorious vision of human brotherhood, but when we refuse to live in that ideal and seek to accomplish by the rule of the individual-real we inaugurate conflict. It is the individual-spiritual that is forever free. We *must* fasten it in the real, but we do not imprison it, we do not withdraw it from others, we *do* give it to all men by its visible embodiment. The man who gave new light to the world that men may walk abroad in darkness in security and that the homes of the poor may have a new joy; the man who make it possible to travel the highways of the world, making men in the highest sense monarchs of all they survey, who brought the green fields to homes and hearts; the man who touched the soul of things and caused it to unfold in truth, beauty and love, the nature-lover and poet; these men have never sought to rule by force, or sought to rule at all, and though mere millions come to two and modest competence to the other, they are alike benefactors of the human race, and they are together the exemplars of that state of peace in which the world must live if it is ever peaceful and democratic.

It has been pointed out by President Wilson in one of his messages, how a great nation gaining the good-will of the world by commercial enterprise sought to hasten its domination by evoking military force, by inaugurating a huge and bloody war. The lives of these three men we now consider demonstrates that the spiritual is freed through the real, that it is the only saving and healing force, and that when *any other force* is invoked, it becomes, in the very nature of things, an instrument of oppression. The real may serve to free the spiritual, not to control it; the spiritual may serve to illumine and energize the real, not to own it. Governments that make war, become war; humanity that makes peace, becomes peace. Humanity is natural, divinely endowed, eternal; Government is artificial, temporally instituted, subject to its own mortality. Humanity is ideal; Government, real. When the real seeks to control the ideal, the divine law is thwarted in effect, if not in power and purpose. When the spiritual seeks to own the real, humanity is enslaved. It is in the complement of these two the possibility of equilibrium lies. The dreamer must be a doer; and the doer must be a dreamer. Then the way is clear to heights of perfectness. Thought and toil together uplift the individual. Government has no more prerogative over humanity than force in war.

If we do not misinterpret these men, men stripped to their essential selves by virtue of an excursion together far from their haunts and interests, Burroughs does not ask for a part ownership in the plants of his two companions, nor control of their operation; it is sufficient to him that the real exists, for, in him and through his insight, it becomes the ideal. Edison and Ford do not seek to fasten upon the fine free spirituality of Burroughs the weight and worth of factory and forge, it is sufficient to them that his splendid idealism exists and flowers, for to them it becomes the ideal. There is no antagonism, each is sufficient to himself for all, and in the highest and best sense neither can *take* from the other without loss to himself. And the great lesson and truth of it all is *that when war or Government interposes to compel either out of his natural orbit, essential peace ends and conflict begins.* Governments of the future *that continue to exercise the right to evoke the rule of force* destroy the equilibrium of a common humanity and convert democracy into autocracy. Governments of the future *that continue to rule men in what they shall do,* destroy their dream and enslave them under the pretense of law and liberty.

The world needs its dreamers and its doers. Dream and deed are not often combined, in equal degree, in the same person. Each man must be free. Government shall no more become independent of man, than man shall become independent of Government. Nor shall man in Government transform his dream into deed, or his deed into dream—for he is representative, not ruler. No ruler of the future era of universal liberty and peace shall be allowed, of and within himself, to transmute his dream of peace into a deed of war, or his deeds of peace into a dream for war. He shall know the humility of a true humanity, and grow great as he grows humble. Egotism, in office, whether by divine or human permission, must bow before the egoism of humanity. This is what we seek, by our stern alternative, to establish now. Once it exists, the rest will be easy, if only everywhere Government becomes the creature of man, and the servant of his natural rights, the preserver of his natural freedom.

CANADA'S VICTORY LOAN VITAL TO THE COUNTRY'S BUSINESS.

Ottawa, Can., Oct. 25 1918.

The impetus of speech-making, processions, and organizers' banquets that helped to press previous war loans to victory has had to be replaced by the less enthusing but more hygienic door-to-door canvass. After the long respite since November 1917, when the Fourth Loan flamed into unanticipated success, there has been abundant occasion to prepare for the new national requirements. Undoubtedly some sections, as the fruit-growing districts of Nova Scotia and Ontario, and substantial areas of Western Canada, will not be able to take up their former allotments, so that an extra share must be assumed by the towns and cities. Other unhappy factors, in which must be counted the glimmer of peace parleys, which provide many with an excuse for evasion of duty, are giving the loan organizers no little anxiety.

Canada must secure the money within her own borders or face consequences of the gravest character. In 1915 the United States purchased 58% of all Canadian municipal and provincial bond issues, but this fell to 2.78% in the first eight months of 1918.

Only by the liberation of home savings for Federal loans were Canadian provinces and municipalities able to secure \$60,000,000 between January and September of the present year. By the provision of Canadian money, our farmers have increased the value of their sales abroad between the 1915 and 1918 fiscal years from \$200,000,000 to \$740,000,000. Manufactured exports have advanced from \$85,000,000 to \$636,000,000, an increase of 648% in three years.

Contracts have been given to 950 manufacturers, and in July last 400 manufacturers were in actual contract relations with the Imperial Munitions Board, upheld by Canadian money. Of the 1,654,000 tons of steel utilized in Canadian munitions manufacture, 1,400,000 tons were produced in Canada.

Contracts have been let in Canadian shipyards for ninety steamships, with an aggregate dead weight tonnage of 375,000 tons. These orders have a value of \$71,000,000.

National war plants have been assembled at a cost of \$15,000,000, two-thirds of which has already been amortized.

It is obvious to even the casual observer that the keystone of present prosperity is the Federal Government's ability to finance export orders. Should this financial elasticity be lost, the whole economic machinery of the country would automatically respond.

Current Events and Discussions

CONTINUED OFFERING OF BRITISH TREASURY BILLS.

The usual offering of ninety-day British Treasury bills was disposed of this week by J. P. Morgan & Co. on the same discount basis recently prevailing, namely, 6%. The bills are dated Oct. 22.

NEW CREDITS TO ITALY, FRANCE AND BELGIUM.

Additional credits of \$200,000,000 to Italy and of \$100,000,000 to France were extended by the United States on Oct. 21. As a result the total credits placed at the disposal of France reach \$2,165,000,000, while those extended to Italy total \$1,060,000,000. A further credit of \$9,000,000 was extended to Belgium on Oct. 25, making the total amount advanced to that country \$180,020,000. The total credits to the Allies established by the United States since this country's entry into the war now amount to \$7,529,476,666, apportioned as follows: Great Britain, \$3,745,000,000; France, \$2,165,000,000; Italy, \$1,060,000,000; Russia, \$325,000,000; Belgium, \$180,020,000; Greece, \$15,790,000; Cuba, \$15,000,000; Serbia, \$12,000,000; Roumania, \$6,666,666; Liberia, \$5,000,000.

J. P. MORGAN'S ANNOUNCEMENT OF FUND IN MEMORY OF SIR CECIL SPRING-RICE.

A stall plate placed in the upper chapel of Eton College, England, in memory of the late Sir Cecil Arthur Spring-Rice, former British Ambassador to the United States, was unveiled on Oct. 20 by the headmaster of the college. A letter from J. P. Morgan, announcing the creation in this country of the Cecil Spring-Rice Memorial Fund, was read at the dedication exercises by Gerald Balfour, brother of the Foreign Minister. The letter said:

My Dear Lady Spring-Rice—It is my privilege to advise you that a large number of American friends of Sir Cecil, desiring to show their appreciation of the magnificent work done by him as British Ambassador to this country, have collected a fund to be known as the Cecil Spring-Rice Memorial Fund. It is the desire of the donors that the income of this fund be paid you during your life and to your two children in equal shares until they are 35 years old, thus providing for their education and maintenance until they are able to support themselves.

The fund will eventually be transferred to Balliol College, Oxford, as the Cecil Spring-Rice Memorial Fund, the income of which is to be used by Balliol for traveling scholarships for young men entering the diplomatic service who have to acquire necessary foreign languages for that career, thus making a permanent memorial to Sir Cecil's great work.

The death of Sir Cecil occurred in Canada last February.

OPENING OF FRENCH WAR LOAN CAMPAIGN.

The campaign for the new French war loan was opened on Oct. 20. On account of the recent events on the front the loan has been designated the "Liberation Loan." The campaign will run until Nov. 24. A celebration held in Paris to signalize the liberation of French towns and the opening of the war loan campaign marked the start of the loan drive. American troops, with the flag of the 301st Infantry, headed a parade of Allied soldiers. As indicated in these columns Sept. 28, page 1234, the issue price of the new loan (4%) is fixed by decree at 70 francs 80 centimes. The amount of the issue is unlimited. The "Wall Street Journal" of the 22d inst. had the following to say regarding the loan:

French "Liberation" Loan campaign opened Oct. 20. It will run for five weeks or until Nov. 24. Issue price is 70 francs 80 centimes, paying 4% per annum. Payments can be made in specie and bank notes of France and its colonies; Treasury checks; interest coupons of French Government issues falling due between Nov. 16 and Dec. 16; Treasury bonds and Defense bonds issued prior to Oct. 20, and certain French Government bonds, both with adjustment of interest; and Russian coupons up to half of the total subscription.

Russian coupons admissible are those due this year of the Russian Government debt and those guaranteed by the Russian Government. Only those securities are accepted which have been held in France by Frenchmen. A declaration to that effect must accompany the application.

Part payments are accepted running up to April 16 next, but these have to be made in cash or Treasury checks. Delayed payments after ten days of grace will carry 6% interest.

The Council of Foreign Bondholders in London has asked the British Government that if a part of the French loan is again floated in London, the Russian coupons of British holders should also be accepted in part payment of subscriptions.

HOLDERS OF GREAT BRITAIN'S NATIONAL WAR BONDS ASKED TO INVEST DIVIDENDS IN WAR BONDS.

According to the London "Financial News" of Oct. 2, the Governor of the Bank of England (Sir Brien Cokayne, K. B. E.) has sent the following letter to all recipients of dividends on National War bonds. The approximate amount distributed by the Government on Oct. 1 to holders of National War bonds was, the "Financial News" reports, £21,000,000:

Before you cash the enclosed dividend warrant I would ask you to consider whether you cannot place the money it represents at the service of your country by investing it in the purchase of National War bonds, adding to it as large a sum as you can from other sources.

We cannot all fight, but we can all lend up to the measure of our ability. It is not only patriotic but profitable to do so, because an investment in National War Bonds, besides carrying a high rate of interest has the unequalled security of the entire resources of the British nation.

The accompanying form is sent for your convenience, and should be filled up and posted to your banker or stockbroker, together with the dividend warrant.

PROPOSED GERMAN WAR CREDIT.

A new German war credit of 15,000,000,000 marks will be submitted to the Reichstag in November, according to Amsterdam cablegrams of Oct. 22, which credit the information to the Munich correspondent of the "Rhenisch Westphalian Gazette."

PANIC ON BERLIN BOURSE.

From London on Oct. 19 it was stated that advices by way of Zurich reported that there had been another panic on the Berlin Bourse on the 18th. Maritime securities were reported to have fallen 25% and the issues of chemical companies 10 to 20%.

PANIC ON VIENNA BOURSE FOLLOWING PRESIDENT WILSON'S REPLY TO AUSTRIA'S PEACE NOTE.

The Associated Press in cables from Brazil on Oct. 24 reported that President Wilson's reply to Austria's note had an "overwhelming" effect in Vienna, according to a dispatch received from the Austrian capital by the Frankfort "Zeitung." The cable said "not only was there a violent panic in financial circles, but the note was considered in political quarters as being extremely humiliating for the Dual Monarchy."

The New York "Sun" in a special copyright cable from Paris on the 24th said that "the securities of the Austrian credit companies fell from 80 to 95 points, while industrials fell from 34 to 40 points. The State railroads fell 42 points and the only securities unaffected were Czech."

DECLINE IN GERMAN EXCHANGE.

The following, coming by way of the British Wireless Service from London on Oct. 20, appeared in the "Journal of Commerce" of Oct. 21:

Financial circles in London have been much interested in the movement of the German mark in foreign countries, and note that since President Wilson's latest reply German exchange has depreciated heavily. Early

in the month the mark was being bought freely in the countries bordering on Germany, and a writer in the "Morning Post" thinks this was due to the prospect of a fairly easy peace for Germany and of the rapid recover of German industry. The writer adds:

"If such has been the theory, the very definite terms of President Wilson's note, with indications of unconditional surrender, have brought a decided revulsion of feeling, and Thursday's cables from all leading neutral countries, while quoting higher rates for sterling reported a severe slump in the value of the mark."

In the Scandinavian countries the fall of the mark on Thursday ranged from 8 to 15%, the weakness being most marked in Sweden, which is particularly well informed regarding actual conditions in the Central Empires. The writer in the "Morning Post" also says:

"The collapse in German credit indicated in exchange figures may be the result of several factors acting together or independently. A financial panic within the country might be the immediate cause of a real revolutionary movement of a character threatening the total military collapse of Germany. It is even conceivable that a belief in the prolongation of the war with a consequent invasion of Germany, might be at the bottom of this sudden weakening of Germany's credit in the eyes of her neutral neighbors."

"Which, if any, of these factors is to be held responsible it is impossible to say, but the movement is certainly indicative of Germany's increasing weakness."

PROPOSED ISSUANCE BY RUSSIAN ARCHANGEL GOVERNMENT OF NEW PAPER MONEY.

The proposed issuance of new paper money by the Archangel Government of Russia, guaranteed by foreign securities, was announced as follows in Associated Press cables from Archangel on Oct. 21:

The Russian Government in the region of the north has created a financial committee in an effort to solve the currency problem. It is planned to issue a considerable quantity of new paper money guaranteed by foreign securities. Approximately 100,000,000 rubles of this issue, it is said, may be guaranteed by one of the Allied Governments.

Financial relations have been resumed between the Archangel Government and Allied countries in Europe, on the official local basis of exchange of nine rubles, forty-eight kopeks to the dollar and forty-five rubles to the English pound. Money issued by the Imperial regime, the Kerensky Government and the old Archangel Government will be accepted. To avoid the possibility of the Bolsheviks, by surreptitious means, flooding Archangel with the old Archangel Government notes, all the notes in possession of citizens of the province have been stamped with the stamp of the Archangel State Bank, and are not good otherwise.

ALLIES OPPOSE CHINESE GOLD ISSUE.]

The following advices from Peking on Oct. 20 appeared in the "Financial America" of Oct. 21:

The Chinese Government has been advised by the representatives of Great Britain, France and Russia that these nations are opposed to the proposed gold currency issue. The American Government had already entered a protest. The Japanese Government was identified with the original protest and has taken no further action.

The Chinese Government, assuming that the Allies approved, had opened negotiations with Japan for a loan of 80,000,000 yen to finance the proposed gold note issue.

Reference to the proposed loan appeared in our issue of Sept. 28, page 1234, and Sept. 7, page 939.

CHINESE LOAN SUBSCRIBED.

It is also learned through advices from London, published in the "Financial America" of Oct. 24 that the Chinese £600,000 8% loan was promptly subscribed.

DETAILS OF SEVENTH AUSTRALIAN WAR LOAN—TOTAL WAR BORROWINGS OF COMMONWEALTH.

Reference was made in these columns last week (page 1517) to the Seventh Australian War Loan campaign, inaugurated on Sept. 16. Of the £40,000,000 hoped to be raised, approximately £37,000,000 was reported to have been subscribed up to Oct. 17. From the "Canadian Financial Post" of Oct. 19 it is learned that the Canadian Trade Commissioner for Australia has given out the following information about the loan:

The prospectus of the Seventh Australian (Internal) War Loan as issued by the Commonwealth Treasurer discloses that the amount required is £40,000,000, which is being issued at par with the rate of interest fixed at 5% per annum. Its special features are its short duration, the year of maturity being 1923, and the fact that the whole of it, on this occasion, is subject to Federal but not to State taxation.

The first five loans were issued at 4½% interest, free of all taxation, but in the Sixth Loan applicants had the option of purchasing at 4½%, free of all taxation, or at 5%, subject to Federal taxation. Of the amount subscribed to the latter loan (£43,500,000), only £6,500,000 was applied for at the 5% rate.

As on former occasions, the present loan is for war purposes only, and may be paid in full at time of application or by installments spread over monthly periods from Sept. 16 1918 to April 2 1919. If the deposit and all installments are paid up in full on or before Oct. 15 1918, interest amounting to £2 10s. 0d. on each £100 will be paid no March 15 1919. Where all the installments are not paid up in full on or before Oct. 15, but are paid on or before their due dates, interest amounting to £4 7s. 6d. on each £100 will be paid on Sept. 15 1919, and thereafter interest will be paid half-yearly at the rate of 5% per annum. Though nominally the interest is 5% the actual rate to those who subscribe in installments is 5¼% for the whole period of the loan.

Bonds will also be issued for £10, £50, £100, £500 and £1,000, and stock will be issued for £100 and multiples of £10 above £100. The privilege of converting bonds and stock of the old loans is accorded to applicants for the new issue and, on bonds or stock so converted, the usual half-yearly interest (at 4½% per annum) will be paid on Dec. 15 1918, and £3 15s. on

each £100 on Sept. 15 1919; thereafter interest at 5% will be paid half-yearly.

It is officially stated that up to June 30 1918 Australia has raised £149,000,000 by internal war loans for war purposes. The Commonwealth has also borrowed from the British Government £47,500,000 for the same purpose, and on June 30 last there was owing a further sum of £38,000,000 to the Imperial Government for the maintenance of Australian troops overseas, and for the supply of munitions to them.

In all, therefore, up to June 30 1918, the Commonwealth had borrowed for war purposes £234,500,000, or, approximately, \$1,139,670,000.

CANADIAN VICTORY LOAN CAMPAIGN TO OPEN AS PLANNED OCTOBER 28.

The Canadian Victory Loan drive will start on the date originally planned, namely Monday, next, Oct. 28, a decision having been reached by the Victory Loan Dominion Executive against a postponement which had seemed imminent because of the influenza epidemic. The Toronto "Globe" of the 22nd, in announcing the intention of the committee to open the drive on the scheduled date, says:

The committee carefully canvassed the whole situation, and subsequently issued the following statement setting forth the facts and reasons for their decision:

At a meeting of the Victory Loan Dominion Executive held this forenoon, it was unanimously decided that despite the prevalence of influenza there should be no postponement of the campaign.

In view of reports from a few Provinces and districts that the epidemic was seriously interfering with organization work, the question of a possible postponement has had the consideration of the members of the Executive during the past week. To-day's meeting was called to definitely decide the issue.

While there was no disposition to minimize either the extent of the distressing nature of the epidemic, there was felt that more harm than good was likely to result from a postponement. The main factors against postponement were: The immediate need for the money to be raised by the loan for war purposes, the uncertainty as to how long it will take the epidemic to die out in the various Provinces, no two of which are affected alike at the same time, the bad weather later in the year preventing thorough work by canvassers; the additional expense involved, and the loss of that momentum of interest in the loan which is already abundantly manifest.

Meantime the war continues regardless of influenza.

The Chairman, Mr. E. R. Wood, reported that he had telegraphed every Province asking for a survey of the situation from a medical standpoint, with an expression of opinion from the health officers as to when conditions might be expected to be better than at present. In some localities where the epidemic has been the worst, the last few days has produced a noticeable improvement.

Reports received by telegraph from nearly every Province were unanimously in favor of going ahead with the drive as scheduled. Even one or two of the few who had previously suggested postponement declared that conditions were brighter, and that they now favored proceeding with full steam ahead.

Encouragement was derived from the fact that the entire United States Liberty Loan drive, their biggest financial effort of the war, had been conducted under very serious influenza conditions, and carried to a triumphant over-subscription.

It was felt that the public would appreciate the difficulty which the epidemic has created and respond to the canvass even more sympathetically and enthusiastically than if conditions were normal.

On the basis of the foregoing facts and considerations the meeting came to a unanimous decision to proceed with the campaign as scheduled. The drive will, therefore, open on Monday next, October 28.

SPAIN'S ECONOMIC PROGRAM.

The following regarding Spain's economic program, reproduced in "Commerce Reports" from the Board of Trade Journal, appeared in the "Official Bulletin" of Oct. 18:

The Minister of Public Works has outlined to the Spanish press the steps which the present Government hopes to take in order to set in motion the work of Spain's economic reconstitution. These are:

- (1) Nationalization of the trunk railways and changes in legislation in regard to the secondary railways;
- (2) Regularization of concessions granted for the exploitation of the large watercourses;
- (3) Extensive budgeting for public works and the allocation of the sums which Parliament may vote;
- (4) A modification of the regulations in regard to mining;
- (5) Creation of an agricultural credit organization;
- (6) Organization of an agronomic service and the work of re-afforestation; and
- (7) The creation of an organization which will forthwith prepare the economic life of Spain both for the period of transition between war and peace and for the lines of policy which will have to be followed after the war.

The projects already presented to the Cortes in the present session relate to the electrification of Pajares Pass, the Villablino Railway, the drainage of swamps and marshes, preservation of woods, and potash salts.

The Minister stated that all his projects tend in the direction of an increased intervention of the State and of an intense economic nationalism, which he considers to be absolutely indispensable in order that Spain may not be at the end of the war a country economically invaded and financially despoiled.

It has been proved that the present railway companies are not financially able to execute the urgent and necessary works for the development of the national railway system in a form adequate for the future requirements of Spain, and the Minister, therefore, regards it as a matter of fundamental importance for the organization of the country's economical life that the problem of the railways should be solved. The Minister further stated that until this problem is solved Spain will not be able to increase its military power however much is spent on military services, nor will any proper benefit be obtained from the assistance given to the siderurgical and metallurgical industries. The intensification of the national railway system would open up a wide field for the mining industry and would make it possible to work in Spain the ore now exported as raw material.

The Minister considers that concessions, both for mines and for water power, which the State may grant must be limited to private individuals, and to enterprises which are domiciled in Spain. He is not in favor of

rejecting the aid of foreign capital, but is of the opinion that steps should be taken to render it unnecessary.

It is necessary that all foreign capital which may interest itself in Spain, he concluded, should constitute its enterprises according to Spanish laws and that the business which it creates or develops in Spain should be subject to Spanish administrative and fiscal legislation.

CREDIT BY SPAIN TO THE UNITED STATES.

The proposed opening of a credit of 300,000 or 500,000 pesetas by Spain on behalf of the United States was referred to by Spain on behalf of the United States was referred to by us several months ago, Aug. 31, page 843. In its issue of Oct. 19 the New York "Evening Post" in special correspondence from Tokio, Sept. 14 said:

The Japanese Financial Commissioner in London reported yesterday that Spain has created a credit to the United States through its big banks, including the Barcelona Bank, as a result of negotiations with the Washington Government. During this month Spain will loan 75,000,000 pesetas to the United States. During the succeeding months the country will advance 50,000,000 pesetas per month until the total credit will reach 250,000,000 pesetas.

LONDON "ECONOMIST" ON SPANISH LOAN TO THE UNITED STATES.

The London "Economist" of Sept. 28 contained the following information received from its own correspondent at Madrid on Sept. 7, regarding Spain's loan to the United States:

The Bank Urquijo and the Bank of Barcelona have come to an understanding with a special financial delegate of the United States, by which the said institutions will grant a loan to the United States under the following conditions.

The amount of the credit is 75 million pesetas, which the two banks will hand over during the present month of September.

This credit can be increased by 175 million pesetas more, carrying it to the maximum of 250 millions, to be disposed of from Oct. 1 of the present year to July 1 of next year, in an amount not above 50 million pesetas a month. The credit will be represented by bills of exchange, which will be drawn by bankers of the American Federal Reserve system to the debit of the Spanish banks or bankers intervening in the operation forming for this a syndicate.

The term for the duration of this credit will be twelve months, or perhaps six more, which seems the desire of the representative of the United States.

The refunding is to be in pesetas or in gold coin or bars on the basis of parity; that is to say, 29.0322 "gramos" of fine gold for every 100 pesetas. If it should not be convenient to the Spanish banks to accept this gold in payment in the form expressed because the Bank of Spain should refuse to receive it, instead of this the bills will be prolonged for six months longer, in order to receive the amount in pesetas.

The interest will be at 4½% annually, besides a commission of ¼% every 90 days, or, that is to say, ½% a year. Half the stamp duty will fall to the Spanish bankers.

By virtue of a special agreement the Bank of Spain undertakes to discount these bills during the duration of the credit at an interest of 3½% annually.

The net benefit to the Spanish banks or bankers will be 1½% annually.

The following guarantees are established:

On the part of America: 1, the signature of the American bankers.

2. The deposit of American Treasury bonds for an equal amount of the bills wherever designed by the Treasury Department of Finance and the Spanish Ambassador in Washington. These securities will be payable in pesetas or in gold on the basis indicated, and their maturity will coincide with that of the bills of exchange.

3. Indirectly the value of Spain's importation of petroleum, cotton, machinery, &c., importation with which the bills will be paid as expressed in the agreement.

On the part of Spain:

The guarantee of the Spanish Government authorized in the same form and conditions as were established for the operation of credit to France.

The syndicate of banks and bankers that will realize this operation will be formed immediately.

"MONEY COMMITTEE" CALLS FOR INCREASED MARGINS ON LOANS.

A series of conferences this week by the so-called "Money Committee" has resulted in the institution of steps designed to curtail borrowings for Stock Exchange purposes. The conferences, which were held at the Federal Reserve Bank, and extended over a period of three days—from Tuesday until Thursday—developed in a recommendation by the committee, through Benjamin Strong, its Chairman, that for the time being a 30% margin be required by the banks on all regular loans instead of the customary 20% margin, and a corresponding increase in margins on other loans, these increases to be made effective Nov. 4. These recommendations are embodied in a letter addressed to H. G. S. Noble, President of the New York Stock Exchange, who was one of the bankers participating in the conferences. In his letter Governor Strong states that the reports now being made by members of the Stock Exchange "disclose a considerable increase in the loan account"; he seeks to make it understood, however, that the present recommendation or any future recommendation by the committee "is not to be construed as expressing any views as to values represented by current prices of securities, but is designed solely to conserve the public interest by preventing, in so far as possible, undue speculation at a time when the credit resources of the coun-

try must be marshalled for the use of the Government in carrying out its war program." This week's developments have followed several steps taken by the committee during the past few months to check credit expansion. At the end of July, where formerly bankers had been called upon by the committee to make weekly reports of their loan operations, they were asked to submit daily reports on their call and time loan operations, as well as to give figures showing what part of the Treasury certificates of indebtedness purchased by them were being hypothecated against loans obtained from the Federal Reserve Bank. On Aug. 29 Gates W. McGarrah, President of the Mechanics & Metals National Bank, issued a warning in the capacity of Acting Chairman of the Money Committee, to the effect that "any disposition to indulge in speculative commitments based on borrowed money must of necessity lead to an increase in rates that will prove corrective." Last month (Sept. 6) the Stock Exchange, at the request of Governor Strong, called upon its members to furnish to the Committee on Business Conduct of the Exchange a daily statement of the amount borrowed on time and on call. The New York "World" of yesterday commenting upon the Money Committee's action this week,, said:

The action of the Money Committee, according to statements made by leading commission houses last night, is by no means so drastic as it appears on its face. For more than a year it has been the practice of well-managed firms that are members of the Stock Exchange to require a margin of 30% from all their customers. The new margin rule, therefore, will not affect the status of the customers of these houses.

It will, however, be a serious blow to concerns that have been encouraging the gambling activities of speculators who have recently been plunging in the oil stocks. Houses encouraging these operations are the ones referred to in the letter having largely increased their loans. In many instances the important houses have reduced their loans more than 50% in the last year, and are carrying fewer stocks than at any other time in three years.

This is particularly true of two Boston houses that have branches throughout the country. One of these houses last night did not have a share of steel, for instance, in its speculative accounts, and was a lender rather than a borrower of money in the stock market.

The following is the letter addressed by Governor Strong to President Noble of the Stock Exchange this week:

FEDERAL RESERVE BANK OF NEW YORK.

Oct. 24 1918.

My Dear Sir: The reports now being made by the members of the New York Stock Exchange disclose a considerable increase in the loan account, although advices from the Money Committee have been that, having due regard to the financial requirements of the Government, there should be no increase in borrowings for Stock Exchange purposes.

The financing of the Fourth Liberty Loan will impose a burden upon the credit resources of the country materially larger than the financing of any previous loan, and the future financial requirements of the Government will impose further heavy burdens upon the money markets. In view of the current increase in the amount of stock Exchange loans, the Money Committee deems it necessary now to take steps to prevent a further expansion of such loans, and will forthwith recommend to the banks that for the time being a 30% margin be required on all regular loans instead of the customary 20% margin, and a corresponding increase in margin on other loans, these increases to be made effective on and after Monday, Nov. 4 1918. The Committee may later find it desirable to recommend a further increase in margins.

It is hoped that this measure will prove effective, and that advances in money rates may be avoided.

The banks have made favorable terms for loans growing out of a subscription to and secured by bonds of the Fourth Liberty Loan, and the recommendations of this Committee are not to be construed in any way as referring to such transactions.

It should be clearly understood that the present recommendation or any future recommendation by the Money Committee is not to be construed as expressing any views as to values represented by current prices of securities, but is designed solely to conserve the public interest by preventing, in so far as possible, undue speculation at a time when the credit resources of the country must be marshalled for the use of the Government in carrying out its war program.

At your suggestion, we are enclosing with this, under sealed cover, a list showing the increases and decreases in the total loans of each reporting member of the Exchange, since the date when reports were first completely made, and desire to express our appreciation of your proffered co-operation.

A copy of this letter is being given to the press, and I would thank you to promptly make known the contents hereof to the members of the Stock Exchange.

Very truly yours,

(Signed) BENJ. STRONG,

Chairman, Sub-Committee on Money of the Liberty Loan Committee for the Committee.

Bankers in attendance at this week's conferences included: Frank A. Vanderlip, President of the National City Bank; James N. Wallace, President of the Central Union Trust Co.; Walter E. Frew, President of the Corn Exchange Bank; Albert H. Wiggin, Chairman of the Board of the Chase National Bank, and Gates W. McGarrah, President of the Mechanics & Metals National Bank.

ESSENTIAL INDUSTRIES FINANCE CORPORATION—CORRECTION.

In our item last week on the Essential Industries Finance Corporation of New York (page 1520), we mentioned as one of the directors of the new organization John Hays Hammond. This, we learn, was an error, and should have been John Henry Hammond, of the firm of Brown Brothers &

Co. We may note at the same time that Mr. Randal Morgan, also one of the directors of the Essential Industries Finance Corporation, is, as is well known, Vice-President of the United Gas Improvement Co. The business connection of both Messrs. Hammond and Morgan had been omitted in our item of a week ago.

AID BY FEDERAL LAND BANK OF ST. PAUL TO MINNESOTA DISTRICT DEVASTATED BY FIRE.

The proposed plan of the Federal Land Bank of St Paul to extend financial aid to farmers in the district of Northern Minnesota recently swept by forest fires is reported to have been approved by the Federal Farm Loan Board on Oct. 22. The fires, which raged on Saturday and Sunday Oct. 12 and 13, were reported on the 14th to have totally or partly destroyed 21 towns as follows:

Cloquet, Moose Lake, Kettle River, Lawler, Adolph, Munger, Five Corners, Harney, Grand Lake, Maple Grove, Twig, Barnum, Mathews, atkinson, French River, Clifton, Carleton, Brookston, Brevator, Pike Lake and Pine Hill.

On the 15th inst. the flames started up anew, but were brought under control on the 17th. In special advices from Chicago on the 24th, the "Journal of Commerce" reported the latest estimates as placing the property damage at \$25,000,000 and the insurance loss at \$10,000,000.

With regard to the assistance extended by the St. Paul Federal Land Bank, it is stated that a number of loans had been placed in the devastated area before the fire occurred, and despite the destruction of crops and buildings, the Federal Farm Loan organization will make further advances to many of these farmers, always keeping loans within the restriction of 50% of actual values. Loans also will be made to farmers who heretofore have not been participants in the Federal loan system. This action, it is said, will supplement that of State and local authorities in promoting the return of refugees to the burned areas, and will be effective in protecting existing loans. The Farm Loan Board also announced this week that it had extended loans to about 7,000 farmers in the drought areas of Montana, North Dakota, Kansas, Oklahoma, and Texas from its \$5,000,000 fund, largely for seed wheat. Probably 3,000 more will be aided this winter. About \$3,000,000 of the fund has been distributed.

GROWTH OF FEDERAL RESERVE NOTES.

The Federal Reserve Board in view of the apprehension which it says has "not infrequently been expressed in recent months at the rapid increase of the volume of Federal Reserve notes," presents the following table, in its October "Bulletin" to show the outstanding volume of gold coin and certificates, Federal Reserve notes and Federal bank notes and all other forms of currency issued in the United States for selected dates:

TOTAL MONEY HELD OUTSIDE THE UNITED STATES TREASURY AND THE FEDERAL RESERVE BANK ON FEB. 1 1917 AND SEPT. 1 1918.

	Feb. 1 1917.	Sept. 1 1918.	Inc. (+) or Dec. (-)
Gold coin and gold certificates.....	\$1,923,388,291	\$913,282,661	-\$1,010,105,630
Federal Reserve notes and Fed. Reserve bank notes	261,944,910	2,111,896,668	+1,849,951,758
All other currency.....	1,731,139,217	1,627,467,179	-103,672,038
Total.....	\$3,916,472,418	\$4,652,646,508	+\$736,174,090

In submitting the table the Board says:

It should be noted that the figures given above relate to coin and currency not held in the Treasury or in the Federal Reserve banks, these, properly speaking, constituting no part of the outstanding circulation in actual use as currency. It should also be noted that between Feb. 1 1917 and Sept. 1 1918 there was a decrease in the "outstanding" volume of gold and gold certificates, offset by a substantially commensurate increase in the holdings of gold by the Federal Reserve system, to the extent of about a billion dollars. There has also been a slight decrease in the outstanding volume of other forms of currency, with the result that the net increase in the total outstanding volume of currency between the two dates has been, in round numbers, \$736,000,000.

The fact that at the beginning of the month of September there were outstanding about \$2,100,000,000 Federal Reserve notes (increased by the end of the month to \$2,300,000,000) has led to hasty inferences regarding the volume and condition of the country's currency since the Federal Reserve note became the most important constituent of its circulation. The truth is that, while there has been a material increase in the country's total circulation, the increase is far from commensurate with the figures for the increase of Federal Reserve note circulation. What has been overlooked by careless observers is that an important change has been taking place in the composition of our circulating medium by the substitution in large volume of the Federal Reserve note for the gold certificate. Moreover, to get a faithful picture of the situation, deduction from the total figures should be made of the normal increase in circulation, which would, in any case, have taken place. Based upon comparative figures of population, this normal increase in currency would have been about \$100,000,000, so that the residual figure representing the growth of our circulation is reduced to about \$636,000,000. But even from this figure deduction should be made if a full statement of the situation were to be attempted, because of the increased activity of industry, measured not simply by value of output but also by physical volume. Allowance should

also be made for the very considerable amounts of currency which, it is understood, are being carried on their persons by prosperous wage-earners who have not developed the banking habit.

There should furthermore be deducted the currency consisting largely of Federal Reserve notes which has been drawn from the United States in substantial volume (probably in excess of 50 millions since September 1917) for use notably in Canada, Mexico and Cuba. Finally, the fact that the period of the year in which the most rapid increase in the issue of Federal Reserve notes has occurred synchronizes with the crop-moving season and that at a time when the prices of all agricultural staples rule abnormally high, may be taken as indicating that the increase in the circulation of the Federal Reserve note has been in the main in response to actual needs. In consequence of all of which whatever inflation of prices may be said to exist cannot properly be said to have been induced by overissue of Federal Reserve notes.

The really striking increase in the available purchasing power of the country has been furnished by the deposit accounts of the banks. For the national banks alone this enlargement between March 5 1917 and June 29 1918 was about a billion dollars and is probably materially greater to-day. Members of the Federal Reserve Board have on various occasions—most recently Governor Harding, in an address before the Ohio Bankers Association on Sept. 5—called attention to the fundamental truth of the situation that the expansion, or so-called "inflation," of which complaint is currently made, is not due to the issue of Federal Reserve notes, the notes being merely an incident or result of a process begun at the individual lending banks. "Inflation," in short, occurs when loans are made upon some basis other than current production. In so far as they represent advances based upon long-term investment or non-liquid wealth they are likely to result in inflation—that is to say, the creation of currency or credit which does not correspond to immediate resources or represent a genuine demand for means of exchanging goods.

FOREIGN EXCHANGE SITUATION EXPLAINED BY ASSISTANT SECRETARY OF THE TREASURY LEFFINGWELL.

A comprehensive statement concerning the foreign exchange situation, made by R. C. Leffingwell, Assistant Secretary of the U. S. Treasury, in testifying before the House Committee on Ways and Means on Sept. 12 during the discussion on the Liberty Bond Exemption Bill, appears in the Federal Reserve Bulletin for October. Not only does it treat of the arrangements for the settlement of trade balances abroad, but it refers to the assistance extended to Canada through Great Britain for the correction of the Canadian exchange. We print Mr. Leffingwell's statement herewith:

Great Britain, France, Italy and Canada are examples of countries associated with us in the war whose currencies in relation to the dollar suffered depreciation. Steps taken to correct this depreciation have been comparatively simple, consisting of the loan by the United States of dollars to be employed by the borrowing country in the United States in support of its rate of exchange. Measures to this effect have been in operation for over a year in regard to Great Britain and France. Owing to various causes, it has but recently been possible to take effective action in regard to Italian rates.

Assistance was extended to Canada through Great Britain for the correction of the Canadian exchange. The dislocation of business between Canada and the United States, much of which is war business of the highest importance, which was threatened through the fall in Canadian exchange, at one time seemed very serious. The following table shows the lowest rate, expressed in percentage, at which these exchanges have sold as compared with the rates at the present time:

	Lowest rate of foreign currency (of the exchanges mentioned) since August, 1914.	Present rate.
Great Britain.....	\$4.50, or 7.53%, below par, in Sep.'15.	\$4.755, or 2.29%, below par.
France.....	\$0.1666 per franc, or 14.72%, below par in April, 1916.	\$0.1821, or 5.65%, below par.
Italy.....	\$0.1093 per lira, or 34.37%, below par in May, 1918.	\$0.1570, or 18.65%, below par.
Canada.....	2 2-3% below par in July, 1918.	About 1 1/4% below par.

2. The countries in which the dollar has sold at a discount have been more difficult to deal with, inasmuch as the power to correct the decline has not been in the hands solely of the Secretary of the Treasury, and it has been possible only so far as the Secretary of the Treasury has been able to induce the countries in question or their banks to co-operate to that end by means of credits.

I would like to say, in connection with that, that the exchange problem is not of Treasury creation. Exchange is a question of settling trade balances. Ordinarily balances are settled by exchange of goods. We have a balance to settle only when our exports to a foreign country are less than our imports from that foreign country. That situation has been created by the whole-hearted participation of the United States in the war, because the War Department, the War Industries Board, the Shipping Board and the War Trade Board said we cannot ship the commodities necessary to settle our neutral balances because we need those commodities to help Gen. Pershing as well as because of our loans to the Allies. To the extent we do not settle for the purchases in a foreign country in goods we have to settle for them in gold or in credit. The neutral exchange problem existed even before the regulation of gold exports was determined upon, simply because some of these countries did not want our gold. They were experiencing what we had begun to experience before we entered the war—the evil result, of a plethora of gold; besides, exchange rates are affected by the cost of shipping gold, and that cost under war conditions is very great the insurance against risk is great.

An arrangement was made in relation to Indian exchange whereby unlimited credits for approved war needs of the United States were opened in India. At one time the condition of the exchanges between India and the United States had become so difficult that exchange on India was unobtainable. The present arrangement stabilizes the value of the rupee at a small premium, which premium is rendered necessary by the rise in the

price of silver, the India circulating medium, consisting to a great extent of silver. It is highly inadvisable to permit shipments of gold to India because the precious metals that find their way to India disappear as in a morass and never reappear in the circulation.

An arrangement was negotiated with Argentina whereby credits amounting to \$100,000,000 were allowed by Argentina to stand to their credit with the Federal Reserve Bank of New York the Argentine Government arranging for the payment in Argentina of the corresponding amount of Argentine pesos at a discount of 3% below the par of exchange, the discount representing the estimated cost of the ultimate shipment of gold.

An arrangement similar to the Argentine arrangement but limited to \$5,000,000, with an agreement looking to an extension to a total of \$20,000,000 by mutual consent of the two Governments, has been concluded with Bolivia.

An arrangement has just been concluded with Spain whereby a group of Spanish banks agree to open to a group of American banks credits amounting to 250,000,000 pesetas. These credits will to a great extent be required for army purposes in Spain. Negotiation of this credit carrying as it does information that the United States Government will not be in the market as a purchaser of pesetas, has had a remarkably favorable effect on the rate for Spanish pesetas.

The following, similar to statistical matter in the table under paragraph 1, shows the low price of the dollar and the present market price in the country named:

Country, India; par per United States dollar, 3.1 rupees; lowest rate of United States dollars of the exchanged mentioned since Aug. 1914, 2.5 rupees per United States dollar Sept.-Oct. 1917; United States dollar was below par 19.42%; present rate (Sept. 6), 2.80 rupees per United States dollar (stabilized rate on telegraphic transfers); United States dollar is 9.75% below par.

Below par because of the cost of the bullion plus the cost of shipping.

India ships vast amounts of fute and things which can not be gotten anywhere else, and we have little or nothing to send there. Our exchange problem is the result of our whole-hearted fighting of this war, and the Treasury feels it has been very successful in dealing with the situation. It has been the subject of careful study in the Treasury from the beginning. We are dealing with new conditions created by the war and must deal with them cautiously and not allow ourselves to be hurried into inconsidered action, but Secretary McAdoo and his advisers were hard at work on the problem and feel now that very tangible results have been obtained. On the other hand, experience in meeting the problem shows that some further latitude will make it possible to operate more effectively in the future, and it is with that in mind that this analysis is put before you.

I have the figures for Argentina and Spain, showing in relation to the latter that the maximum discount was 35.11%, and that the discount now is 16.11%, which, in view of the fact that our efforts are by no means completed, is peculiarly gratifying.

Argentina, par per United States dollar, 2.36 paper pesos; lowest rate of United States dollar since Aug. 1914, 2.1 paper pesos per United States dollar, Dec. 1917; United States dollar was below par 10.87%; present rate (Sept. 6), 2.24 pesos per United States dollar. United States dollar is 4.94% below par.

Spain, par per United States dollar, 5.18 pesetas; lowest rate of United States dollar since Aug. 1914, 3.36 pesetas per United States dollar, April 1918; United States dollar was below par 35.11%; present rate (Sept. 6), 4.35 pesetas per United States dollar. United States dollar is 16.11% below par.

3. Arrangements with the Governments of Chile, Peru, and Uruguay are at present in various stages of incompleteness.

4. Arrangements have been made with the Government of Switzerland providing at the par of exchange for an amount of Swiss currency sufficient for the needs up to the present time of the American Expeditionary Forces. Swiss exchange with the United States is at a rate where the dollar is quoted at 13.72% discount. This arrangement at the par of exchange is therefore effecting an important saving.

In attempting to deal with these varied situations many difficulties are encountered. In almost all countries the consent of the Government or the Governmental bank is required for transactions of such magnitude. Neutral countries, especially where they are in proximity to Germany, often hesitate to undertake such transactions with the Government of one of the belligerents. All kinds of objections and obstacles are met with, and it requires the fullest powers to enable the Secretary to deal adequately with the various situations that present themselves.

REGROUPING OF DIRECTORS OF FEDERAL RESERVE BANKS.

The Federal Reserve Board in its October "Bulletin" announces that it sent to Federal Reserve Agents, under date of Sept. 19, the following letter with respect to the coming election of Class A and B directors, preliminary to the enactment of the Phelan bill (signed by President Wilson on Sept. 26 and published in our issue of Oct. 5, page 1323):

House Bill No. 11283, generally known as the Phelan Bill, has passed both Houses of Congress and now awaits the signature of the President. Section 4 of the Federal Reserve Act, which relates to the election of directors of Class A and Class B, amended by this bill, read as follows:

Directors of Class A and Class B shall be chosen in the following manner: The Federal Reserve Board shall classify the member banks of the district into three general groups or divisions, designating each group by number. Each group shall consist as nearly as may be of banks of similar capitalization. Each member bank shall be permitted to nominate to the Chairman of the Board of Directors of the Federal Reserve bank of the district one candidate for director of Class A and one candidate for director of Class B. The candidates so nominated shall be listed by the Chairman, indicating by whom nominated, and a copy of said list shall within 15 days after its completion be furnished by the Chairman to each member bank. Each member bank by a resolution of the board or by an amendment to its by-laws shall authorize its president, cashier, or some other officer to cast the vote of the member bank in the elections of Class A and Class B directors.

Within fifteen days after receipt of the list of candidates the duly authorized officer of a member bank shall certify to the Chairman his first, second, and other choices for director of Class A and Class B, respectively, upon a preferential ballot upon a form furnished by the Chairman of the Board of Directors of the Federal Reserve bank of the district. Each such officer shall make a cross opposite the name of the first, second, and other choices for a director of Class A and for a director of Class B, but shall not vote more than one choice for any one candidate.

No officer or director of a member bank shall be eligible to serve as a Class A director unless nominated and elected by banks which are members of the same group as the member bank of which he is an officer or director.

Any person who is an officer or director of more than one member bank shall not be eligible for nomination as a Class A director except by banks in the same group as the bank having the largest aggregate resources of any of those of which such person is an officer or director.

It will be observed that the Federal Reserve Board is now required to classify the member banks of each district into three groups or divisions as a preliminary to the election of directors. The Board will be glad to have suggestions from you as to the proper classification of banks in your district.

It will also be observed that under this amendment each member bank is required by resolution of its Board, or by amendment to its by-laws, to authorize its president, cashier, or some other officer to cast the vote of the member bank in the election of Class A and Class B directors instead of having a district reserve elector perform this service.

This amendment also prohibits any officer or director of a member bank from serving as a Class A director unless nominated and elected by banks which are members of the same group as the member bank of which he is an officer or director. Any person who is an officer or director of more than one member bank is not eligible for nomination as a Class A director except by banks in the same group as the bank having the largest aggregate resources of any of those of which such person is an officer or director. The attention of the member banks in your district should be called to this change in the method of procedure for the election of directors and in the qualification of candidates.

Each bank in your district should be requested either to amend its by laws so as to authorize one of its officers to cast the vote of the bank in the election of Class A and Class B directors, or to pass a resolution to this effect, and to file with you a copy of the amendment to its by-laws or of the resolution adopted.

As soon as the Federal Reserve Board has classified the banks in your district arrangements should be made to hold an election of directors to succeed those whose terms expire on Dec. 31 1918.

The Board will, therefore, be glad to have your suggestions as to grouping of banks in your district as early as possible.

It is announced that pursuant to the Act the Federal Reserve Board has regrouped the members in the New York Federal Reserve District as follows:

Group 1. Banks with capital and surplus of over \$1,999,000. This includes fifty-five banks, of which all but six are in New York City.

Group 2. Banks with maximum capital and surplus of \$1,999,000 and minimum of \$201,000. This includes 180 banks in the larger and medium-sized cities.

Group 3. Banks with capital and surplus under \$201,000. This includes 475 banks in the smaller cities, towns and villages.

The former grouping, it is pointed out, was arranged by dividing the banks into three groups of practically equal numbers; banks in the first group having had capital and surplus of \$200,000 and over, and those of the second group capital and surplus of \$70,000 to \$195,000, and banks in the third group capital and surplus of \$65,000 or under. An election will be held on Nov. 19 to elect two directors of the Federal Reserve Bank of New York, to represent the banks of Group 3.

INVESTMENTS OF SAVINGS BANKS—LIBERTY BONDS, TREASURY CERTIFICATES, BANKERS' ACCEPTANCES, &c.

Some interesting information relative to savings banks indicating their participation in Liberty Bond subscriptions and Treasury Certificate purchases, is furnished in the October number of the "Federal Reserve Bulletin," from which we quote as follows:

Since the beginning of the war it has been the purpose of the Savings Bank Section, American Bankers' Association, to make a semi-annual analysis of the savings bank situation as gathered from questionnaires submitted to all mutual savings banks, of which there are 622 in the country, and to representative stock savings banks and trust companies, the chief business of which is savings.

Out of 650 banks communicated with, 420 answered. On account of about 90 answers having been received after tabulation of the answers upon which the report is based, the analysis hereinafter made is taken from 330 banks, or between 55 and 60% of the mutual savings banks in the United States, with about 65% of the total resources.

The data hereinafter contained are from 169 banks in New England out of 405, having 60% of the total assets of such banks. The Eastern States, 105 banks out of a total of 196, with more than 60% of the total assets. Ohio is represented by 100% of the total savings bank assets. California is represented by 38 banks with about 60% of total resources.

Total Present Holdings of Liberty Loan Bonds.

The answers permitted a calculation of the percentage of Liberty bond holdings to total assets of the banks.

	Per cent.		Per cent.
Maine.....	4.9	New York.....	3.8
New Hampshire.....	3.9	New Jersey.....	3.4
Vermont.....	3.8	Delaware.....	2.5
Massachusetts.....	3.4	Pennsylvania.....	2.4
Rhode Island.....	1.4	Maryland.....	3.8
Connecticut.....	4.5		
		Eastern States.....	3.7
New England States.....	3.7	Ohio, represent'g Middle West..	1.4
		California.....	2.9

Partial-Payment Subscriptions to First, Second and Third Liberty Loans Still Unpaid.

This answer permitted a calculation of the percentage of Liberty-bond subscriptions on the partial-payment plan remaining unpaid to the total partial-payment subscriptions.

	Per cent.		Per cent.
Maine.....	11.3	New York.....	22.2
New Hampshire.....	51.7	New Jersey.....	35.2
Vermont.....	53.8	Delaware.....	2.4
Massachusetts.....	41	Pennsylvania.....	8.5
Rhode Island.....	79.4	Maryland.....	39.8
Connecticut.....	17.4		
		Eastern States.....	23.5
New England States.....	33.47	Ohio.....	13.2
		California.....	11.1

Approximately, What Was the Proportion of Subscribers Who Paid on Partial-Payment Plan Regularly?

Percentage totals are given as follows:

Per cent.		Per cent.	
Maine.....	72.8	New York.....	71.5
New Hampshire.....	65.2	New Jersey.....	65
Vermont.....	75	Delaware.....	90
Massachusetts.....	71.2	Pennsylvania.....	40.7
Rhode Island.....	33	Maryland.....	75
Connecticut.....	65.8	Eastern States.....	68.4
New England States.....	70.0	Ohio.....	82
		California.....	82

Purchases of Treasury Certificates of Indebtedness.

The larger part of the banks, of course, have purchased certificates of indebtedness. An interesting indication is found in the probability of a greater subscription from the savings banks to the Fourth Liberty Loan than to any previous war loan, and in some respects greater than the combined subscriptions of the three previous loans. The following table evidences the activity in this respect:

P.C. of Banks Banks not			P.C. of Banks Banks not				
Total Assets.	Subscr'g.	Subscr'g.	Total Assets.	Subscr'g.	Subscr'g.		
Maine ..	6.6	12	2	New York	2.8	67	8
N. H....	5.5	12	3	N. Jersey	9.7	10	2
Vermont	3.8	5	--	Delaware	4.6	2	--
Mass ...	3.1	68	17	Penna....	10.5	5	--
Rh. Isl'd	1.9	3	--	Maryl'd..	16.3	6	1
Conn ...	2.5	32	13	East'n.	4.7	90	11
N. Eng.	3.2	132	35	Ohio....	5.3	3	--
				Calif....	11.3	34	1

Bankers' Acceptances.

Only 15 banks out of a total of 333 hold bankers' acceptances—6 in Massachusetts, 4 in Connecticut, 3 in New York, and 2 in California. Only 8 banks had objections to the bankers' acceptances as an investment. These objectors showed rather definitely by their answers that they did not appreciate the meaning of the bankers' acceptance as an investment. Many have not bought such acceptances, and express an opinion that they "believe in them heartily and as soon as possible shall invest in them liberally." Another would invest in bankers' acceptances, except that Treasury certificates of indebtedness at 4½% and tax-exempt appeal to them more. Several have the opinion that the rates were unattractive. The Maine banks are inclined to think well of the bankers' acceptance, although some were still imbued with the old savings-bank thought that it was "foreign to the underlying principles governing the work of savings banks." Another New England banker stated that he had "no objection to the bankers' acceptance, except that demand collateral loans of Boston pay a better rate."

Holdings of Investments.

State—	State and		Real		Personal Security Loans.	Other Securities.
	Railroad Bonds.	Municip'l Bonds.	Public Utility Bonds.	Estate Mortgage Loans.		
Maine.....	28.2	21.3	16.8	13.2	0.8	9.7
New Hampshire.....	20.4	10.4	9.3	31.2	4.0	24.7
Vermont.....	1.6	20.2	---	73.9	2.1	2.2
Massachusetts.....	17.0	11.0	3.4	51.9	13.5	3.2
Rhode Island.....	---	---	---	---	---	---
Connecticut.....	35.6	15.4	1.7	39.3	1.9	7.0
New York State.....	16.1	23.0	---	55.9	.1	4.9
New York City.....	16.6	23.7	---	55.6	.2	3.9
New Jersey.....	18.3	34.2	.2	42.5	.1	4.7
Delaware.....	32.8	12.6	7.2	43.6	.2	3.6
Pennsylvania.....	57.6	24.8	2.1	10.7	.1	4.7
Maryland.....	55.8	12.6	11.5	14.8	---	5.3
Dist. of Col.....	8.0	.2	6.8	60.5	---	24.5
California.....	2.8	13.4	2.3	57.6	4.9	19.0

Analysis of Purchases of Liberty Bonds by Various Banks.

In order to investigate the variation of holdings of Liberty bonds by different groups of banks, the statistical data as contained in the individual questionnaires were divided into five main groups, as follows:

1. Banks with assets in excess of \$80,000,000.
2. Banks with assets from \$10,000,000 to \$80,000,000.
3. Banks with assets from \$5,000,000 to \$10,000,000.
4. Banks with assets from \$2,000,000 to \$5,000,000.
5. Banks with assets below \$2,000,000.

Expressing the holdings of Liberty bonds in percentages of total assets, there is obtained the following table for various parts of the country (class 1 refers to banks with assets in excess of \$80,000,000, and so on):

	Maine and New Hampshire	Massachusetts.	Connec-ticut.	N. J., Pa., Dela., Md. and Dist. of Columbia.	New York.	Calif-ornia.
Class 1.....	---	---	---	2.70	2.63	---
Class 2.....	5.46	3.20	3.58	3.90	4.15	3.05
Class 3.....	4.97	3.51	4.90	5.43	6.81	6.92
Class 4.....	3.65	3.93	3.99	4.44	5.91	3.30
Class 5.....	3.35	3.52	1.89	5.93	4.83	4.94

From this table it appears that the average-size banks with assets between \$5,000,000 and \$10,000,000 have relatively been the heaviest purchasers of bonds, except in the States of Maine and New Hampshire, where the largest banks have led in the purchasing of bonds. Massachusetts seems as a whole to have purchased a relatively lower share of Liberty bonds through its savings banks than the other States, while New York relatively holds the highest position. The reports available from other States are too few in number to possess any significance.

While the above figures give the summary result by various localities and States as a whole, still more pronounced variations are shown by analyzing the returns for individual banks. For instance, in the State of New York it appears that among 72 savings banks, with almost \$1,000,000,000 in assets, the percentage holdings of Liberty bonds to total assets varied from 0.91% to 25.46%.

A fairly good idea of the variation of the percentage holdings to total assets may, however, be secured from the following frequency distributions relating to New York, Massachusetts, Maine, New Hampshire, Connecticut and the Central Atlantic States.

Percentage Holdings of Liberty Bonds to Assets	New York %	Massachusetts %	Maine and New Hamp. %	Central Atlantic States %
0-1.....	8.9	6.3	15.3	---
1-2.....	10.6	12.9	7	19.6
2-3.....	34.7	19.6	16.3	48.0
3-4.....	18.7	28.5	10.5	10.6
4-5.....	12.9	16.7	12.7	5.8
5-6.....	3.7	12.3	3.0	1.4
6-7.....	4.4	1.6	13.1	1.2
7-8.....	1.2	1.0	25.8	---
8-9.....	---	.6	2.6	8.0
9-10.....	.9	.4	---	5.4
10-11.....	3.0	.1	---	---
11-12.....	.8	---	---	---
12 and over.....	.2	---	---	---

There seems to be a well-defined movement both in New York and Massachusetts, while the figures from Maine and New Hampshire show a rather erratic movement. For New York there is a very marked clustering in the interval between 2 and 3, while the most important group in Massachusetts falls in the interval between 3 and 4. On the other hand, 10.5% of the New York figures fall above a percentage holding of 6, while the corresponding figure for Massachusetts is 3.7% only. The Central Atlantic States (Pennsylvania, Maryland, New Jersey, Delaware and the District of Columbia) show a movement similar to New York, except for an exceptionally high frequency of percentage holdings above 8%.

FOREIGN EXCHANGE RULINGS BY FEDERAL RESERVE BOARD.

The following rulings made from time to time by the Division of Foreign Exchange of the Federal Reserve Board, are announced in the Board's October "Bulletin:"

Cotton Brokers.

Cotton brokers do not require registration certificates unless they carry balances abroad or carry balances in this country for foreign correspondents. Cotton brokers who may be carrying small balances on their books with foreign correspondents to provide for slight variations in shipping and receiving weights, until otherwise instructed need not take out registration certificates, provided such balances are not used to check against.

March 14 1918.

Transactions in Foreign Exchange by Banks Through Domestic Correspondents.

Banking institutions which come under this heading will be obliged to take out class A registration certificates, but will not be required to make reports to the Federal Reserve Board, until otherwise instructed.

February 11 1918.

Banks which do all of their foreign exchange business through their domestic correspondents, and do not draw foreign exchange against the accounts of such correspondents, are customers.

March 29 1918.

Foreign Dividend Checks.

Beneficiaries of foreign dividend checks are obliged to execute the regular customers' statement when depositing such checks with their banks in the United States.

April 2 1918.

Travelers Carrying Letters of Credit and Travelers' Checks.

Travelers leaving the country and carrying upon their person or in their baggage travelers' checks and letters of credit are not required by the customs authorities to have special licenses. When such letters of credit exceed \$5,000, customs authorities have been requested to advise the Federal Reserve Bank of their district, in writing, the names of the beneficiaries and the banks issuing the credits.

April 25 1918.

Securities Purchased in the Open Market.

In the case of securities purchased by dealers in the open market in the United States since February 20 1918 for account of their foreign correspondents, Form F. E. 113 need not be executed in connection therewith unless otherwise instructed, provided such foreign correspondents have signed Form F. E. 114.

May 22 1918.

Shipments of Securities from the United States.

Dealers shipping securities out of the country should imprint their censorship stamp on the package containing the securities when sent by mail or express. No special license from a Federal Reserve Bank is required in this connection, but proper declarations on Form F. E. 113 should be forwarded to the Division of Foreign Exchange, Federal Reserve Board, 15 Wall Street, New York City, with a report showing the changes in securities held.

Persons not holding registration certificates who desire to send securities out of the United States, must advise the Federal Reserve Bank in their district of the detail of the transaction, and must accompany such advice with declaration on Form F. E. 113, and must obtain from the Federal Reserve Bank a license authorizing the shipment.

In all cases where shipments of securities do not bear the imprint of the U. S. F. R. B. stamp, customs officers and post office officials are instructed to require special licenses from a Federal Reserve Bank.

May 25 1918.

Foreign Exchange Credits.

Until otherwise instructed, foreign correspondents which have filed declarations on Form F. E. 114, when drawing drafts directly upon, or making deposits directly with, a dealer in the United States, are not required to file information otherwise required with foreign exchange credits.

The order with regard to credits from foreign correspondents is particularly aimed to cover transactions made through third parties, and does not refer at all to checks which may be drawn against deposit accounts, except when such checks are themselves used as a means of credit to another foreign account.

July 6 1918.

SENATE CONFIRMS NOMINATION OF ALBERT STRAUSS AS MEMBER OF FEDERAL RESERVE BOARD.

The nomination of Albert Strauss as a member of the Federal Reserve Board, succeeding Paul M. Warburg, was confirmed by the U. S. Senate on Oct. 24. Mr. Strauss, who is a member of the firm of J. & W. Seligman of this city, was named for the Federal post by President Wilson on Sept. 19.

**COMMITTEE ON FIDUCIARY PROTECTION CREATED
BY TRUST COMPANY SECTION OF A. B. A.**

At last month's annual convention of the American Bankers' Association, the Trust Company Section created a new Committee on Fiduciary Protection for Men in Service. The committee is composed of H. C. Robinson, Vice-President of the Guardian Savings & Trust Co. of Cleveland; Arthur V. Morton, Vice-President of the Pennsylvania Company for Insurances on Lives & Granting Annuities, Philadelphia; Fred W. Ellsworth, Vice-President of the Hibernia Bank & Trust Co. of New Orleans, and George W. Holmes, Secretary of the First Trust Co. of Lincoln, Neb. A communication, the first to be issued by it, was sent by the committee to all members of the Trust Company Section on the 22d inst., setting out the purposes and aims of the new body. We quote therefrom the following:

At the annual convention of the Trust Company Section of the American Bankers' Association, held in the City of Chicago in September, a committee was appointed to help men about to be called under the new Draft Law by bringing to their notice the unusual service that trust companies are able to render these men in reference to their property accumulations.

In this new draft there will undoubtedly be men who have accumulated property and who will be perplexed to know how to arrange for the care and custody of this property while they are away in the Government service. Here is an opportunity for trust company service which should not be missed, because it will make for a higher morale among the men who are going into the army and navy. It is just as important that our soldiers and sailors be mentally fit as to be physically fit. Those men having property and business interests, with dependents who must be supported by income from the same, will become better soldiers and sailors if their minds are at ease with reference to the management of their affairs at home. Nearly every trust company of any size in the United States is organized to render this service to the men going out from its particular territory and this service should be brought to the attention of these men without delay.

This is the first work which the committee will undertake to perform. Two suggested advertisements have been prepared and are reproduced herewith which will cover the various kinds of services which a trust company can render to a man about to leave home. Other advertisements will be prepared. It is, of course, to be understood that each trust company, before publishing the advertisements is free to change the text so as to conform to local conditions and its own peculiar form of service. The advertisements are sent to you as a guide and as an indication of the general plan which will be followed by all trust companies throughout the country if the suggestions of the committee are received with favor. The committee is impressed with the fact that in the community canteen service most every type of service is provided for the soldier or the sailor except this service of caring for valuables and the management of property while the soldier or sailor is away from home on duty. This service which trust companies will render, and which ought to be advertised in every canteen at home by the most effective means possible, will round out and complete those activities which every community is now seeking to provide for its men who have been called to arms.

The committee has not had an opportunity yet to determine what to recommend to trust companies in the way of charges for the services here proposed. It will probably agree that a general request shall go to trust companies asking them to care for such papers as insurance policies, Government bonds, stocks, &c., which do not require any clerical attention beyond the acknowledgment of their receipt, free of cost. All other work, such as management and care of real property, the making out of income tax returns, the payment of taxes, keeping of records, &c., to be charged for at actual cost. The committee believes that the trust companies everywhere will be glad to render this service in this way, for the advertisement alone which the trust company will get will be of incalculable value and undoubtedly many of the men, who having familiarized themselves by this arrangement with the work of a trust company, will be willing to allow the trust company to continue management of their affairs after their return. This is a possibility which ought not to be overlooked in considering this whole proposition.

The committee has further activities in mind, especially in connection with this service. A great many men are going out of their home communities with improperly drawn wills, and in many cases no wills have been made at all. The committee will probably request trust companies in each community to which its communications will go from time to time, to arrange with the local bar association of their city to appoint lawyers of good reputation and character, to advise these men in reference to their legal rights and to draw their wills, if possible, free of cost. This legal and trust company service work may likewise be made available to every camp and cantonment in the United States, if the committee carries out the ideas which it now has in mind. However, the committee will advise you more in detail with respect to this latter activity later on. The all-important thing now is to get the message to the men who are about to go out on the next call as soon as possible. The committee also has in mind the investigation of overseas financial service to soldiers and sailors, with a view of ascertaining whether anything can be done to improve the service which is now being rendered to our men in foreign lands. Most effective work along this line has been done by several trust companies, principally in New York, and probably nothing could be added to what already is being done; however, your committee feels that this whole activity should be investigated so that it can assure the trust companies of this country that our men overseas are being served with every financial aid which can be provided.

Your committee will be very glad to receive assistance and helpful suggestions from anyone to whom its communications may come. It would especially welcome at this time samples of advertisements, booklets or form letters used by companies in calling attention to these facilities for men in armed service. Letters may be sent to the Chairman or any members of the committee, or to Leroy A. Merston, Secretary of the Section, who will forward to the Chairman.

**FINANCING OF BILLION-DOLLAR CROP BY NORTH-
WESTERN STATES.**

The Northwestern National Bank of Minneapolis in a statement showing the 1918 grain crop in the four Northwestern States of Minnesota, North Dakota, South Dakota and Montana, announces that it is helping to finance the

movement of the billion-dollar crop, and that "its officers and directors have confidence that with this great accretion of new wealth, the Northwest will do its full duty to the Government in responding to financial needs and that general business, subject to such temporary limitations as war-time necessity may in some instances impose, will remain healthy and active." The following tables submitted by the bank show the crop in bushels and money:

The Crop—In Quantity (000 omitted)—Bushels.

	Minnesota.	North Dakota.	South Dakota.	Montana.	Total.
Wheat ..	73,763	94,589	71,938	31,719	272,009
Oats ----	129,393	66,331	72,395	19,040	287,159
Barley --	43,358	37,538	31,444	1,879	114,219
Rye ----	7,585	21,399	8,190	121	37,295
Corn ----	109,593	12,390	109,779	2,656	234,418
Flax ----	2,506	8,328	1,410	3,218	15,462
	366,198	240,575	295,156	58,633	960,582

The Crop—In Money.

	Minnesota.	North Dakota.	South Dakota.	Montana.	Total.
Wheat ..	152,589,410	193,907,450	141,782,840	59,287,670	547,567,370
Oats ----	81,617,590	41,125,220	44,884,900	13,708,800	181,336,510
Barley --	32,084,920	25,901,220	22,639,680	1,183,770	81,809,590
Rye ----	10,770,700	29,744,610	11,220,300	154,880	51,890,490
Corn ----	153,430,200	16,974,300	150,397,230	3,346,560	324,148,290
Flax ----	9,422,560	31,063,440	5,245,200	11,456,080	57,187,280
	439,915,380	338,716,240	376,170,150	89,137,760	1,243,939,530

Based on terminal values to-day using average freight rates to terminals from each State, these totals result:

Total Value of Crops of Wheat, Oats, Barley, Rye, Corn and Flaxseed.

Minnesota	\$439,915,380
North Dakota	338,716,240
South Dakota	376,170,150
Montana	89,137,760
	\$1,243,939,530

**GUARANTY TRUST CO. TO ACT AS CORRESPONDENT
OF TATA INDUSTRIAL BANK, LTD., OF INDIA.**

The Guaranty Trust Co. of this city announces that it has completed arrangements to act as the correspondent of the Tata Industrial Bank, Ltd., of India, in this country. The Asia Banking Corporation, which was recently formed by the Guaranty Trust Co. and a group of associated banks, will act in the same capacity in the Far East. The Trust Company makes the following announcement:

The Tata Industrial Bank is the first institution of its kind in British India, and its establishment was a direct response to the remarkable industrial expansion which has taken place there during the last three years, the encouragement of which is a feature of Great Britain's plans for reconstruction after the war. The bank is in no sense, however, an official enterprise. While it has been approved by the Indian Government, its capital subscription has come entirely from private sources.

The Tata Industrial Bank was registered in Bombay under the Indian Companies Act on Nov. 11 1917. The authorized capital is twelve crores, or about \$40,000,000. Of this amount eight crores, or about \$25,000,000, have been issued.

The head office of the bank is in Bombay, and the management of the bank will be conducted from there. A branch at Calcutta has already been opened, and it is the intention to establish other branches in Madras, Hyderabad, Karachi, Cawnpore and Sakchi. The board of directors consists of well-known business men, both Indian and European. There will be an English Shareholders' London Committee, but it will not have independent powers. The Bombay office was opened by Sir William Meyer, Finance Minister of India, on April 4 last, and the Calcutta branch was opened on April 15 by Lord Ronaldsday, the Governor of Bengal.

The bank does a general banking and exchange business, but its special business will be to finance and assist in the development of existing and new industries, and, as incident thereto, to make advances to and underwrite debentures issued by such concerns for their working capital. It will accordingly employ a competent staff of scientific and commercial experts who will study and report on industrial projects brought to their attention. When necessary the bank will bring skilled labor and brains from America or Europe, and the Government has promised expert and technical assistance when it is required. Because trade with the United States has increased greatly in recent years, India is looking for even closer relations after the war. One of the reasons which prompted the Tata Industrial Bank to undertake exchange business was the desire to keep in touch with America and the United Kingdom, and from time to time to take advantage of any capital which might be available for investment in India's industrial enterprises. Through its exchange department the necessary machinery is provided for transferring money to and from India to Europe or America, as desired. The purpose of the bank as a whole was set forth as follows at the opening ceremony in Bombay by Sir R. N. Mookerjee:

"India for some time past, and in an increasing measure as the war has progressed, has been thrown more and more on her own latent resources. New industries have sprung into existence and we stand on the threshold of an era of great industrial development. Industrial banks have played a considerable part in the development of industries in countries like Germany, Austria and Japan. Such banks have made it possible for small industries to be enlarged and brought to prosperity. Capital has been mobilized and directed into enterprises which otherwise might have languished. What has been done in other countries and to their obvious advantage seems desirable for India also, and with that end in view, the firm of Tata Sons & Co., of Bombay, originated and successfully launched this bank."

The bank takes its name from a Parsee family which has been identified with some of the largest industrial enterprises in India. The late Jamsetjee N. Tata, of Bombay, was a most remarkable personality in British India in the nineteenth century. He was the true pioneer of the industrial development of India and imparted to his sons, Sir Ratan Tata and Sir Dorab Tata, his own zeal for India's advancement. His death in 1904 left to these sons the execution of the various enterprises which he had planned on a vast scale.

CLOSING OF LIBERTY LOAN CAMPAIGN—REPORTS OF RESULTS DELAYED.

The Fourth Liberty Loan campaign was brought to a close on Saturday last (Oct. 19) but as yet no figures have been forthcoming with regard to the results. While the banks and trust companies had until Oct. 24 to file final returns, it was stated on the 23rd that so great was the task before the banks that many would probably be unable to complete their reports in the allotted time, thus delaying the Federal Reserve banks in making up their totals. It was reported on the 20th that unofficial reports reaching Washington indicated that over 20,000,000 individuals (22,000,000 it has since been estimated) bought bonds of the Fourth Loan; a large proportion, it was said, filed their subscriptions in the last few days of the campaign, thus making it a task of many days to count the pledges and compile reports from the entire country. It was also stated that despite the lack of definite information officials at Washington were confident that the \$6,000,000,000 Loan had been oversubscribed.

On the day preceding the closing of the campaign Mayor Hylan of New York issued the following proclamation with regard to the observance of final day's drive:

CITY OF NEW YORK, OFFICE OF THE MAYOR.
PROCLAMATION.

To the People of the City of New York

This day, Oct. 19, should be a memorable one in New York's history. It is not a holiday. It is not a feast day. But it is a day on which New York can give visible proof of its part in the consummation of the greatest offering of treasure ever placed by any nation on the altar of an ideal.

Thousands of us have made our contribution to the Fourth Liberty Loan. Thousands more will make contribution to-day, or will double that already made. And, in return for this contribution we have the privilege of wearing the badge of service, the button of the loan. Let us not underestimate the honor which comes with this privilege. Let us wear it to-day with pride.

If, from sunrise to sunset to-day, the legions of New Yorkers who have qualified for this distinction will wear its symbol on their coats and will fly the Stars and Stripes from their houses, each may well feel that he or she is a personal bearer of the unalterable answer of America to the Emperor of Germany.

In witness whereof, I have hereunto set my hand and caused the official seal of the City of New York to be affixed.

Done in the City of New York this eighteenth day of October, in the year of our Lord, one thousand nine hundred and eighteen.

(Seal.) JOHN F. HYLAN.
By the Mayor:
GROVER A. WHALEN, *Secretary to the Mayor.*

**PARTNERS IN FIRM OF J. P. MORGAN & CO.
SUBSCRIBE \$4,000,000.**

Thomas W. Lamont, of J. P. Morgan & Co., announced on Oct. 18 that the nine members of the firm had bought individually \$4,000,000 of Fourth Liberty Loan bonds. This was in addition to the large amount the firm purchased. At luncheon on the 18th Mr. Lamont obtained the following subscriptions from his partners: J. P. Morgan, \$1,000,000; Charles Steele, William H. Porter and H. P. Davison, \$500,000 each; Thomas Cochran, Dwight W. Morrow, E. R. Stettinius and W. P. Hamilton, \$250,000 each. Mr. Lamont subscribed \$500,000.

**RULES EXECUTORS MAY INVEST ESTATE FUNDS
IN LIBERTY BONDS.**

Surrogate Robert L. Fowler made a ruling on Oct. 18 which is expected to result in substantial investments in Liberty bonds by executors of estates. Under the ruling executors, provided there is no restriction in the will regarding the character of investments, may purchase Liberty bonds up to any amount they have in hand from the proceeds of the estate. It is pointed out that hitherto it has always been held by lawyers that under the law executors had no other functions than winding up an estate, and that never under any circumstances could they invest the funds or proceeds of an estate as they might see fit, that being a privilege reserved for the trustees. The Surrogate's ruling was on a petition filed with him by Joseph Treanor McNair, executor and attorney for the estate of Georgiana E. Reynolds, requesting permission to invest the cash proceeds of the estate, amounting to about \$50,000, in Fourth Liberty Loan bonds.

**PROPOSED FIFTH LIBERTY LOAN CAMPAIGN
SCHEDULED FOR NEXT SPRING.**

Already, it is announced, plans are under way for the Fifth Liberty Loan campaign, which is expected to be brought under way in March or April of the coming year. Press dispatches from Washington on Oct. 22 had the following to say with regard to the prospective loan:

Whether present German manoeuvres for peace are successful or not, the Government by that time will need more billions to pay the war costs, which can decrease only gradually, even if cessation of military effort should come. Within a few months, the Treasury will again begin issuing new certificates of indebtedness as a means of financing itself, and by next spring the accumulated billions of these must be redeemed out of proceeds from sale of more bonds.

So with this situation in mind, the loan organization of the Treasury to-day had turned its attention to campaign plans for the next loan. Two features have been given study thus far in advance—publicity and campaign methods, both closely connected.

As for publicity, it is probable that there will be a fifth Liberty Loan honor flag, honor buttons for subscribers, window cards for the homes of bond buyers, percentage stickers and art posters. It has been suggested that the honor flag, instead of bearing five bars, might carry the Roman numeral V, standing not only for "five", but also for "Victory." Applications for the manufacture of these articles already have been received.

REDEMPTION OF 3% TREASURY NOTES.

With regard to the redemption of 3% Treasury notes issued to the Federal Reserve Banks, the "Wall Street Journal" of Oct. 24 said:

The Treasury is redeeming the one-year 3% Treasury notes issued to Federal Reserve banks in connection with the plan created by the Federal Reserve Act to retire national bank notes.

Under the Reserve Act the Reserve banks could be required by the Federal Reserve Board to purchase yearly not in excess of \$25,000,000 United States 2% bonds held by national banks to secure national bank notes. This plan was followed in the early years of the Reserve system, but as the United States was in the war the Reserve Board did not require the Reserve banks to purchase additional 2% bonds this year as it was desired to keep the Reserve banks in as liquid a condition as possible.

The Reserve Act further provided that Reserve banks purchasing the 2% bonds from national banks could exchange the 2s for 50% 30-year 3% bonds and 50% in one-year 3% Treasury notes renewable yearly at the option of the Treasury for a period of 30 years.

The Reserve banks who purchased the 2s took advantage of this privilege and before the United States entered the war most of the banks sold the 30-year 3% bonds to investors above par. Early in 1917 these conversion 3s due in 1947 sold as high as 102, but when the Treasury sold \$2,000,000,000 of tax-free 3½s, the conversion 3s dropped in a few weeks to 87. They later were quoted at 83.

The Treasury issued in all \$50,902,000 of the 3% Treasury notes. A recently as March 30 1918 there were outstanding \$27,312,000 of the notes. The conversion 3% bonds and the 3% notes issued in exchange for the 2s did not bear the circulation privilege but the Pittman Act of last April authorized the Reserve banks to use the Treasury notes to secure Federal Reserve bank notes in denominations of \$1 and \$2 issued to replace silver certificates withdrawn from circulation.

Under the Pittman Act the Reserve banks deposited with the Treasurer of the United States on July 9 \$14,365,000 of the Treasury notes to secure the small denomination Reserve bank notes.

The Pittman Act also authorized the Reserve banks to use United States certificates of indebtedness to secure the \$1 and \$2 denominations of Reserve bank notes, and the Treasury on Aug. 28 last began issuing a new special series of certificates bearing 2% interest for this purpose. The initial deposit with the Treasurer of the United States was \$4,000,000.

On Sept. 30 the Reserve banks had purchased \$26,000,000 of the special 2% certificates and on Oct. 1 the Treasury redeemed \$5,064,000 of the 3% Treasury notes, reducing the amount of Treasury notes held against small Reserve bank notes to \$9,301,000.

In the fiscal year 1919 to date the Treasury has redeemed \$9,849,000 of the Treasury notes. The Reserve banks together now hold only \$9,301,000 of the 3% Treasury notes, all of which are pledged to secure circulation.

Up to Oct. 17 the Treasury has sold \$40,717,000 of the special 2% certificates of indebtedness to the Reserve banks for circulation purposes.

The Reserve banks still hold about \$6,500,000 of the conversion 3s and proposals have been made at various times to allow the Reserve banks to convert these bonds into Liberty Loan bonds.

**MATURING TREASURY CERTIFICATES ISSUED IN
ANTICIPATION OF FOURTH LIBERTY LOAN.**

The first of the seven issues of 4½% Treasury Certificates of Indebtedness put out in anticipation of the Fourth Liberty Loan matured this week—Oct. 24. The total subscriptions to this particular issue of certificates were \$839,646,500, and of that amount \$312,844,500 were taken by the New York Federal Reserve District. The maturing certificates were used by banks in making the initial 10% payment on Fourth Liberty bonds on the 24th inst.

**COL. HOUSE IN FRANCE TO CONFER WITH ALLIES'
REPRESENTATIVES.**

The arrival at a French port of Col. E. M. House, personal representative of President Wilson was announced yesterday (Oct. 25) by the State Department. Col. House is accompanied by Admiral William S. Benson, Chief of Naval Operations; Gordon Auchincloss, son-in-law of Col. House; Joseph G. Grew, Chief of the State Department's Division of Western European Affairs and former Secretary of the American Embassy at Berlin; and Frank I. Cobb, of the New York "World." Col. House and his party will, it is said, go immediately to Paris for conference with the representatives of the Allied Governments. It is stated that Col. House will represent President Wilson in all diplomatic matters growing out of the existing war situation. Admiral Benson will represent the Navy in the various conferences which are to deal with the armistice request of Germany which has been referred to the Allies by Presi-

dent Wilson. In all conferences that may be held Col. House, it is said will deal with matters purely political; General T. S. Bliss, will handle the purley military matters and Admiral Benson will deal with Naval questions.

APPEAL OF PRESIDENT WILSON FOR RETURN OF DEMOCRATIC MAJORITY TO CONGRESS.

An appeal to the voters of the country to return a Democratic majority to the Senate and House of Representatives at the coming Congressional elections has been made by President Wilson. In his appeal the President says: "The leaders of the minority in the present Congress have unquestionably been pro-war, but they have been anti-Administration." "If," he adds, "the control of the House and Senate should be taken away from the party now in power, an opposing majority could assume control of legislation and oblige all action to be taken amidst contest and obstruction." He furthermore says: "The return of a Republican majority to either House of the Congress would, moreover, certainly be interpreted on the other side of the water as a repudiation of my leadership." The following is the appeal, made public yesterday (Oct. 25):

My Fellow Countrymen:

The Congressional elections are at hand. They occur in the most critical period our country has ever faced or is likely to face in our time. If you have approved of my leadership and wish me to continue to be your unembarrassed spokesman in affairs at home and abroad, I earnestly beg that you will express yourselves unmistakably to that effect by returning a Democratic majority to both the Senate and the House of Representatives. I am your servant and will accept your judgment without cavil, but my power to administer the great trust assigned me by the Constitution would be seriously impaired should your judgment be adverse and I must frankly tell you so because so many critical issues depend upon your verdict. No scruple of taste must in grim times like these be allowed to stand in the way of speaking the plain truth.

I have no thought of suggesting that any political party is paramount in matters of patriotism. I feel too deeply the sacrifices which have been made in this war by all our citizens, irrespective of party affiliations, to harbor such an idea. I mean only that the difficulties and delicacies of our present task are of a sort that makes it imperatively necessary that the nation should give its undivided support to the Government under a unified leadership and that a Republican Congress would divide the leadership.

The leaders of the minority in the present Congress have unquestionably been pro-war, but they have been anti-Administration. At almost every turn, since we entered the war, they have sought to take the choice of policy and the conduct of the war out of my hands and put it under the control of instrumentalities of their own choosing. This is no time either for divided counsel or for divided leadership. Unity of command is as necessary now in civil action as it is upon the field of battle. If the control of the House and Senate should be taken away from the party now in power, an opposing majority could assume control of legislation and oblige all action to be taken amid contest and obstruction.

The return of a Republican majority to either House of Congress would, moreover, be interpreted on the other side of the water as a repudiation of my leadership. Spokesmen of the Republican party are urging you to elect a Republican Congress in order to back up and support the President, but even if they should in this way impose upon some credulous voters on this side of the water, they would impose on no one on the other side. It is well understood there as well as here that the Republican leaders desire not so much to support the President as to control him.

The peoples of the Allied countries with whom we are associated against Germany are quite familiar with the significance of elections. They would find it very difficult to believe that the voters of the United States had chosen to support their President by electing to the Congress a majority controlled by those who are not in fact in sympathy with the attitude and action of the Administration.

I need not tell you, my fellow countrymen, that I am asking your support, not for my own sake or for the sake of a political party, but for the sake of the nation itself, in order that its inward unity of purpose may be evident to all the world. In ordinary times I would not feel at liberty to make such an appeal to you. In ordinary times divided counsels can be endured without permanent hurt to the country. But these are not ordinary times. If in these critical days it is your wish to sustain me with undivided minds, I beg that you will say so in a way which it will not be possible to misunderstand either here at home or among our associates on the other side of the sea. I submit my difficulties and my hopes to you.

(Signed)

WOODROW WILSON.

CONSIDERATION OF WAR REVENUE BILL BY SENATE FINANCE COMMITTEE.

Important changes were made this week by the Senate Committee on Finance in the War Revenue bill which it has under consideration. Revision of the income surtax section was decided upon on the 22d, as a result of which surtaxes on net incomes below \$100,000 would be lowered, while surtax on incomes in excess of that amount would be increased. The change made by the Committee provides for a surtax of 1% on incomes between \$5,000 and \$6,000, with an additional 1% surtax for each \$2,000 in excess of that amount up to \$100,000; over that amount a graduated scale would bring the tax up to 65% on net incomes over a million. Under the process proposed by the Senate Committee, incomes of from \$100,000 to \$150,000 would pay a surtax of 52%; those between \$150,000 and \$200,000 would be taxed 56%. From \$200,000 to \$300,000 the rate would be 60%; \$300,000 to \$500,000, 63%; \$500,000 to \$1,000,000 and over, 65%. Under the House bill incomes be-

tween \$100,000 and \$200,000 are taxed 50%; those between \$200,000 and \$300,000 52%; those between \$300,000 and \$500,000 54%; between \$500,000 and \$1,000,000 58%; between \$1,000,000 and \$5,000,000 60%; and exceeding \$5,000,000 65%. Of the \$1,045,069,000 which the Senate Committee's amendment is expected to yield, it is estimated that \$700,045,000 would be paid by persons having incomes exceeding \$100,000. The yield from surtaxes under the House bill is estimated at \$930,000,000. The following table, showing the working of the surtaxes proposed by the Senate Committee, appeared in the daily papers of the 23d:

Income—	Surtax Rate.	Amount of Tax.	Income—	Surtax Rate.	Amount of Tax.
\$5,000 to 6,000	1%	\$4,000,000	60,000 to 62,000	29%	6,090,000
6,000 to 8,000	2%	7,400,000	62,000 to 64,000	30%	6,150,000
8,000 to 10,000	3%	7,250,000	64,000 to 66,000	31%	6,200,000
10,000 to 12,000	4%	7,490,000	66,000 to 68,000	32%	6,240,000
12,000 to 14,000	5%	8,250,000	68,000 to 70,000	33%	6,240,000
14,000 to 16,000	6%	8,300,000	70,000 to 72,000	34%	6,358,000
16,000 to 18,000	7%	10,080,000	72,000 to 74,000	35%	6,440,000
18,000 to 20,000	8%	10,960,000	74,000 to 76,000	36%	6,450,000
20,000 to 22,000	9%	10,350,000	76,000 to 78,000	37%	6,512,000
22,000 to 24,000	10%	8,000,000	78,000 to 80,000	38%	6,574,000
24,000 to 26,000	11%	8,250,000	80,000 to 82,000	39%	6,600,000
26,000 to 28,000	12%	8,400,000	82,000 to 84,000	40%	6,600,000
28,000 to 30,000	13%	7,800,000	84,000 to 86,000	41%	6,560,000
30,000 to 32,000	14%	7,840,000	86,000 to 88,000	42%	6,510,000
32,000 to 34,000	15%	7,950,000	88,000 to 90,000	43%	6,450,000
34,000 to 36,000	16%	8,320,000	90,000 to 92,000	44%	6,420,000
36,000 to 38,000	17%	8,500,000	92,000 to 94,000	45%	6,435,000
38,000 to 40,000	18%	8,640,000	94,000 to 96,000	46%	6,440,000
40,000 to 42,000	19%	8,550,000	96,000 to 98,000	47%	6,439,000
42,000 to 44,000	20%	8,200,000	98,000 to 100,000	48%	6,432,000
44,000 to 46,000	21%	7,770,000	100,000 to 150,000	52%	124,800,000
46,000 to 48,000	22%	7,040,000	150,000 to 200,000	56%	86,240,000
48,000 to 50,000	23%	6,670,000	200,000 to 300,000	60%	111,000,000
50,000 to 52,000	24%	6,240,000	300,000 to 500,000	63%	102,690,000
52,000 to 54,000	25%	6,250,000	500,000 to 1,000,000	64%	101,440,000
54,000 to 56,000	26%	6,240,000	Over 1,000,000	65%	173,875,000
56,000 to 58,000	27%	6,210,000			
58,000 to 60,000	28%	6,160,000			
			Total		\$1,045,069,000

The following are the taxes carried in the House bill:

Surtax.

Sec. 211. That in addition to the normal tax imposed by Section 210 there shall be levied, collected and paid for each taxable year upon the net income of every individual a surtax equal to the sum of the following:

- 2% of the amount by which the net income exceeds \$5,000 and does not exceed \$7,500;
- 3% of the amount by which the net income exceeds \$7,500 and does not exceed \$10,000;
- 7% of the amount by which the net income exceeds \$10,000, and does not exceed \$15,000;
- 10% of the amount by which the net income exceeds \$15,000, and does not exceed \$20,000;
- 15% of the amount by which the net income exceeds \$20,000 and does not exceed \$30,000;
- 20% of the amount by which the net income exceeds \$30,000 and does not exceed \$40,000;
- 25% of the amount by which the net income exceeds \$40,000 and does not exceed \$50,000;
- 32% of the amount by which the net income exceeds \$50,000 and does not exceed \$60,000;
- 38% of the amount by which the net income exceeds \$60,000 and does not exceed \$70,000;
- 42% of the amount by which the net income exceeds \$70,000 and does not exceed \$80,000;
- 46% of the amount by which the net income exceeds \$80,000 and does not exceed \$90,000;
- 48% of the amount by which the net income exceeds \$90,000 and does not exceed \$100,000;
- 50% of the amount by which the net income exceeds \$100,000 and does not exceed \$200,000;
- 52% of the amount by which the net income exceeds \$200,000 and does not exceed \$300,000;
- 54% of the amount by which the net income exceeds \$300,000 and does not exceed \$500,000;
- 58% of the amount by which the net income exceeds \$500,000 and does not exceed \$1,000,000;
- 60% of the amount by which the net income exceeds \$1,000,000 and does not exceed \$5,000,000; and
- 65% of the amount by which the net income exceeds \$5,000,000.

The Committee also on the 22nd struck out the alternative system of taxing war and excess profits carried in the House bill, and adopted a compromise plan, which, it is stated, will raise somewhat less than the estimated yield of 3,200,000,000 under the House provisions. Under the new provision, based, it is stated, on an arbitrary mathematical formula, the general rate of 80% on war profits is retained, but the rates on excess profits reduced, a change which Secretary McAdoo has constantly urged. Adopting the same credits in computing taxes as provided in the House bill, the new tax system of the Committee provides:

Sec. 301. That the tax shall be the sum of the amounts computed under the following brackets:

First Bracket. Thirty per cent of the amount of the net income in excess of the excess profits credit and not in excess of 20% of the invested capital.

Second Bracket. Sixty per cent of the amount of the net income in excess of 20% of the invested capital.

Third Bracket. The amount by which 80% of the net income in excess of the war profits credit exceeds the tax as computed under the first and second brackets.

In any case where the full amount of the excess profits credit is not allowed under the first bracket, the part not so allowed shall be deducted from the amount in the second bracket.

The above rates were adopted in place of the House provisions imposing 80% on all war profits in excess of \$3,000 and 10% of invested capital, and rates varying from 35 to 70% on excess profits. With a view to protecting small

corporations under the war profits schedule, the Committee on the 22nd adopted a substitute for Section 302, the new provision stipulating that in no case shall the tax "be more than 35% of the amount of the net income in excess of \$3,000 and not in excess of \$20,000, plus 80% of the amount of the net income in excess of \$20,000." This amendment, Senators explained, will prevent the taxes of small corporations running up to the 80% limit.

Changes with regard to the definition of capital were among the matters disposed of by the Committee on the 23d.; among other changes, the definition was made to include "the increase in value of any asset above the original cost." A "relief" clause for determining cases of taxation of invested capital was also adopted by the Committee on Wednesday; the amendment with respect to invested capital reads as follows:

Section 327 (a). That in the following cases the invested capital shall be determined as provided in subdivision (b) of this section:

1. Where the Commissioner is unable satisfactorily to determine the invested capital as provided in Section 326;

2. In the case of a foreign corporation;

3. Where a mixed aggregate of tangible property and intangible property has been paid in for stock or for stock and bonds and the Commissioner is unable satisfactorily to determine the respective values of the several classes of property at the time of payment, or to distinguish the classes of property paid in for stock and for bonds, respectively;

4. Where, as compared with representative corporations engaged in a like or similar trade or business, the corporation would (under Section 326) be placed in a position of substantial inequality, because of the time or manner of its organization, or because the actual value of its assets on March 1 1913 was substantially in excess of the amount at which such assets would be valued for the purpose of computing its invested capital under the provisions of Section 326;

5. Where the invested capital is materially disproportionate to the net income as compared with representative corporations engaged in a like or similar trade or business because:

(a) The capital employed, although a material income-producing factor, is very small, or is, in large part, borrowed.

(b) There are excluded from invested capital, as computed under the provisions of Section 326, intangible assets of recognized and substantial value built up or developed by the corporation.

(c) The net income for the taxable year is abnormally high, due to the realization of one year of (a) gains, profits, or income earned or accrued during a period of years, or (b) extraordinary gains or profits derived from the sale of property acquired by prospecting, exploration or discovery. When the tax is determined under this clause proper allowance shall be made for the taxes which would have been payable in prior years if the gains, profits or income earned or accrued in such years had been taxed at the rates then applicable.

(d) Proper recognition or allowance cannot be made for amortization, obsolescence or exceptional depletion due to the present war, or to the necessity in connection with the present war of providing plants which will not be wanted for the purposes of the trade or business after the termination of the war.

The following addition to the definition of invested capital was also made by the committee:

Unless the actual cash value of such tangible property at the time paid in is shown to the satisfaction of the Commission to have been clearly and substantially in excess of such par value, in which case it shall be treated as paid-in surplus.

The Committee furthermore made provision on the 23rd inst. for the consolidation of returns of affiliated corporations, prohibited under the House bill. According to the "Journal of Commerce" the Senate Committee's action was taken to prevent as far as possible evasions of the law where holding corporations and subsidiaries operate under a system of bookkeeping that either from its own method or by design holds but from the taxable return lawful taxable values. The text of this amendment is given as follows in the "Journal of Commerce":

Sec. 24½. Corporations which are affiliated within the meaning of this section shall under regulations to be prescribed by the Commissioner with the approval of Secretary, make a consolidated return of net income and invested capital for the purpose of the income and the war profits and excess profits taxes, and such taxes shall be computed and determined in accordance therewith.

In any case in which a tax is assessed upon the basis of a consolidated return, the total tax shall be computed in the first instance as a unit and shall then be assessed upon the respective affiliated corporations in such proportions as may be agreed upon among them, or in the absence of any such agreement, then on the basis of the net income and invested capital property assignable to each. Only one specific credit (as provided in Section 236) shall be allowed in computing the income tax, and only one specific exemption of \$3,000 shall be allowed in computing the war profits or excess profits tax.

For the purpose of this section, two or more domestic corporations will be deemed to be affiliated—

(a) If such corporations are engaged in the same or a closely related trade or business; and

(b) If one corporation owns directly or controls through closely affiliated interests or by nominee or nominee substantially all of the stock of the other or others, or if substantially all of the stock of two or more corporations is owned or controlled by the same interests, or if one such corporation buys from or sells to another products or services at prices above or below the current market, thus effecting an artificial distribution of profits, or in any way so arranges its financial relationship with another corporation as to assign to it a disproportionate share of net income or invested capital.

For the purpose of this section two or more railroads, gas, electric, water or other public service corporations will not be deemed to be affiliated when operated independently and not physically connected or merged; provided, that when a railroad or public utility is owned by an industrial corporation and operated as a plant facility as an integral part of a group organization of affiliated corporations, it shall be included in the consolidated returns, if any, of such affiliated corporations.

The same paper announces that a new paragraph was added to Section 330 to provide for cases wherein the process of reorganization consolidation or change of ownership values are attributed to good will or other advantage flowing from the merger in a different measure from that applied in the former ownership. The language of this amendment reads as follows:

If any assets of the trade or business in existence, both during the taxable year and any pre-war year, is included in the invested capital for the taxable year, but is not included in the invested capital for such pre-war year, or is valued on a different basis in computing the invested capital for the taxable year and such pre-war year, respectively, then under rules and regulations to be prescribed by the Commissioner, with the approval of the Secretary, such readjustments shall be made as are necessary to place the computation of the invested capital for such pre-war year on the basis employed in determining the invested capital for the taxable year.

On the 24th inst. the Committee agreed to impose an inheritance tax instead of an estate tax on bequests. The tax is made collectible after the deduction of the State inheritance tax and will fall on the beneficiary after the estate has passed into the latter's control. The tax will apply on inheritances over \$10,000 net. The committee decided on the 24th to reduce the tax on non-beverage alcohol from \$4 20 to \$2 20.

We referred last week to the elimination by the Committee of the 6% differential against undistributed earnings of corporations and the fixing of a flat rate of 12% upon all income after the usual deductions and allowances have been made. Senator Simmons explained that under the amendment corporations would be permitted to retain for the operation of their business a part of their earnings exempt from an additional tax. It is the committee's purpose, he said, to authorize the Secretary of the Treasury to determine whether the amount retained by a corporation for this purpose is excessive and as to what part of this amount should be subject to extra taxes. In making this change, Senator Simmons said, the Committee felt that because of the increased cost of operating business and the necessity for a larger working capital, an undue hardship would be worked by imposing the additional 6% tax. Another amendment adopted on the 18th inst. by the Committee exempts from taxation bonds issued by the War Finance Corporation. The House provision relating to amortization in war industries was amended to include shipbuilding. House provisions exempting from taxation farmers' insurance and telephone companies and similar organizations, the income from which consists of assessments used for the purpose of paying expenses, were accepted. M. L. Requa, oil director of the Fuel Administration, and Norman B. Beecher, solicitor of the division, conferred with the Committee on the 18th to obtain liberal legislation for producers and operators in the oil industry in order to stimulate and encourage production throughout the country. Chairman Simmons on the 18th stated that it probably would be necessary to insert in the bill some special provision for the benefit of oil producers. The Committee, he said, appreciated the precarious character of the business and was willing to make some concession. On the 21st the Committee agreed to certain amendments asked by the Fuel Administration. Under the amendment owners of oil and gas wells, timber, and mines, are to be allowed a liberal deduction for the depletion of their properties. This deduction will be determined on the basis of the fair market value of the properties and where properties are under lease, the deduction is to be equitably apportioned between the lessor and the lessee. Another amendment agreed to will extend special protection in the payment of individual income tax by persons who sell mines, oil or gas wells. The amendment adds to the income tax title the following:

In the case of a bona fide sale of mines, oil or gas wells, or any interest therein, where the material value of the property has been demonstrated by prospecting, exploration or development work due to the taxpayer, the portion of the tax imposed by this title attributable to the sale shall not exceed 20% of the selling price of such property or interest.

SIX BILLION DOLLAR DEFICIENCY BILL PASSED BY HOUSE.

Six and one-third billion dollars—more than the entire amount raised by the Fourth Liberty Loan—was provided for, in cash and authorizations, in "the first deficiency appropriation bill," introduced in the House on Oct. 16, and passed by it on the 18th without a dissenting vote and with very few changes. The bill makes the final provisions for the increased army now contemplated, under which 80 divisions, or 3,600,000 men, will be placed in France by next June, with 18 divisions, numbering 1,250,000, in training here—a total of 4,850,000 men. It was passed by the Senate on the 24th and now goes to conference.

A cut of more than \$2,500,000,000 was made by the House Appropriations Committee from the original estimate submitted in the bill. The estimates amounted in all to \$8,886,131,659. The army asked for \$8,599,889,599, receives \$6,152,062,704, the sum of \$2,293,712,928 being in cash. The navy requested \$125,064,601 and received \$107,277,778, all in cash. The cut in the civil estimates was from \$161,177,450 to \$86,475,183. Of the original civil estimates, \$134,000,000 was for payment of military and naval family allowances, but the committee reduced this to \$70,000,000.

The committee submitted the following schedule in its report:

Estimates, all requested in cash.....	\$8,886,131,659 49
Amount granted in cash.....	2,847,405,890 04
Reduction in cash.....	6,398,725,761 45
Amount of cash requested which was granted in the form of authorization.....	3,858,349,776 00
Net reduction in estimates.....	2,540,375,985 45
This net reduction in estimates is distributed as follows:	
Military establishment and War Department, including fortifications.....	\$2,447,826,894 86
Naval establishment and Navy Department.....	17,846,823 00
Civil services, including \$64,000,000 for payment of military and naval family allowances.....	74,702,267 59
Total reduction.....	\$2,540,375,985 45

The appropriations for the army were huge, as has been characteristic since the entrance of the country into the war. The Quartermaster Corps received \$1,635,821,562, all but \$15,750,000 being in cash. The Ordnance Department received \$3,699,256,642, of which \$286,656,866 was in cash. The new branch of Chemical Warfare received \$250,000,000; the Medical Corps and Hospital Department, \$95,000,000; the Signal Corps, \$95,000,000; the Division of Military Aeronautics, \$60,000,000; the Provost Marshal General's office (expenses of registration, &c.), \$20,000,000 and the Engineer Corps, \$326,250,000.

The larger sums in the navy appropriations and authorizations were: \$11,185,301 for ordnance and ordnance stores; \$26,529,464 for new batteries for ships; \$9,230,000 for ammunition for vessels, \$15,000,000 for outfits on first enlistment; and \$28,560,807 for training camps.

The State Department received \$1,022,450; the Treasury Department, \$77,989,373, and the Department of Commerce, \$983,447.

Before the House took a final vote several legislative sections were stricken out on points of order. They included one for a war salvage commission to be appointed by the President and to recommend to Congress what disposition should be made of property acquired by the Government during the war. Another would have granted authority to the Chief of Ordnance to make agreements with local authorities for the Government to pay half of the cost of roads damaged by army vehicles.

Testimony given by General Peyton C. March, Chief of Staff of the Army, before the Appropriations Committee on Sept. 18, gave some interesting figures as to the training and shipment of men in our new army. No attention is being paid, Gen. March said, to peace talk. General March was heartily in favor of the enormous sums asked for by the army to meet its expenditures. He said when Germany realized that American was throwing such great sums into the war, it would have great moral effect in the empire. As quoted in press dispatches from Washington, General March said:

"It is the best propaganda in the world for Germany, because she cannot keep her people from knowing that the United States is putting these billions of dollars into this war. It is a concrete, tangible thing, and is very important from that standpoint. They know they are becoming impoverished. They know they are getting down to bedrock, and here is this nation throwing its whole strength into it, which is a very fine thing."

"We propose to have 4,850,000 men, involving eighty division in France and eighteen divisions at home. The estimated status of the army on Sept. 17 shows that there are in the United States 1,422,768 men; there are in France, or on the high seas, en route to France, 1,708,437 men; there are in Siberia, our island possessions, and elsewhere, including the Panama garrison and the Alaska garrison, 69,958 men. This gives us for the entire American army, as well as it can be estimated to-day, 3,201,162 men. That does not include marines, but the number of marines turned over to the army in France or embarked for there is 19,821."

"In drawing up the military program, we have determined, first, the maximum number of troops we propose to use abroad, and then the number of troops necessary to hold in the United States to feed into those divisions. We have determined that number abroad at eighty divisions."

"The scheme that has been worked out for the whole fiscal year of the number of divisions per month that will have to be obtained in order to keep the machine going corresponds quite closely to the number of troops that we are sending abroad each month. For instance, in July we shipped six divisions abroad. As those six divisions went, carrying 300,000 men, we got from General Crowder 300,000 more men to take their places."

"In August the same thing happened. We were able to ship six divisions abroad in August, and six new divisions were organized here. In September were sent very largely S. O. S. (Service Over Seas) troops. We are shipping, or expect to ship, three divisions of combatant troops, plus the necessary S. O. S. troops, and we will form three new divisions at home. We have already, in entering upon the program, organized fifteen new

divisions, and the scheme is worked out so as to arrive by June 30 to our estimate of eighty divisions.

"Our estimate of eighty divisions provides for five divisions in October, four in November, four in December, four in January, four in February, and then, during the months between that and June 30, there is to be an average of five divisions per month. We will organize so as to arrive at that point with ninety-eight divisions by June 30 1919."

General March was asked what period of training was contemplated to keep up with the overseas demands of the army.

"I am called upon," he replied, "to send six divisions abroad per month, and the reservoir is eighteen divisions. That means that those troops will have three months of training at home before going abroad. If I am able to send only five divisions abroad per month, the amount of training at home increases, and if I send four divisions abroad per month the amount of training at home increases still further. If we have 1,500,000 men in the reservoir and we send 300,000 men abroad per month, each one of those men going abroad will have had five months' training in America."

"Is it the idea of the staff that they can by three months' training fit these troops for service abroad?" General March was asked.

"What we propose to do in the United States is to give them the maximum amount of preliminary instruction that can be obtained," he replied.

"When they are sent to France they are put in training camps or the final polishing for actual trench warfare for a period of from six weeks to two months. They have trenches constructed on the ground that are exact duplicates of the trenches that they will occupy in actual warfare, and in the training the men in the trenches will have before them duplicates of the German trenches that they will try to take."

General March told the committee that reports from abroad indicated that training abroad was becoming so systematized that the period was being constantly cut down.

Chairman Sherley asked when the "maximum strength abroad" would be reached, and General March replied June 30 1919.

"You propose to train from the raw 1,600,000 additional soldiers?" the chairman asked.

"Yes," answered the Chief of Staff. "We will not send any one unless he has had at least two months' work at home."

When Mr. Sherley asked how many men could be taken care of in America, General March said 1,708,000 represented the maximum capacity in this country.

France is supplying the America troops with divisional artillery until "our program comes through," said General March, giving 75-millimeter field guns and 155-millimeter howitzers. England is lending 8-inch and 8.2 howitzers.

Mr. Sherley asked how many men would have to be called to maintain the program of ninety-eight divisions. General March said 2,750,000 must be called. General Crowder, who attended the hearing, was called upon and testified that 50% of these men would come from 19 to 36 class, and thus 1,350,000 must come from the 37 to 45 and 18 to 19.

CUBAN SUGAR CONTRACT.

Details of the contract between the Cuban Commission and the United States Sugar Equalization Board for the new 1918-19 Cuban sugar crop were made public yesterday. It provides for the purchase of the entire crop on a basis of 5.50c. per pound f. o. b., or 5.88c. cost and freight, based on a freight rate of 38½c. from Northern ports to New York and Philadelphia, and from 45½c. to 53c. per 100 pounds from South Side ports. The basic price, it is stated, was made 5.88c. instead of 5.885c., as the Board is to assume risks of insurance. At least 2% of the crop is to be shipped in December, and the balance in equal monthly installments from January to November 1919. The Cuban Government agrees to export no sugar from Cuba, except as provided for in the contract.

NOTICE OF CHICAGO BOARD OF TRADE CONCERNING REPORTS TO BE FILED BY GRAIN DEALERS.

Members of the Chicago Board of Trade have been notified of the requirements of the U. S. Food Administration concerning reports to be filed by grain handlers and dealers. The notice issued by J. R. Mauff, Secretary of the Board of Trade, says:

All grain handlers and grain dealers who hold licenses from the United States Food Administration are advised that it is the purpose of the cereal division to call on such licensees on Jan. 1 1919 for a report of their three months' operations from Oct. 1 1918 to Dec. 31 1918, such report to show gross proceeds from sales, total expense and amount of net profit earned during the period; also percent of profit on total sales. In figuring the net profits interest on capital cannot be considered as an item of expense, but interest actually paid on loans is recognized as a legitimate expense item. No item is to be included in expense account which is not allowed by the Treasury Department in returns for income tax or excess profits taxes.

FOOD BOARD NOT DEALING IN GRAIN FUTURES.

Reports to the effect that the Food Administration would be in the market for a large amount of corn for exportation for November and December shipment have brought from John R. Mauff, Secretary of the Chicago Board of Trade, a statement in which he is quoted as saying "the Food Administration does not enter into any contracts of this nature, their business being confined to cash grain entirely."

MOVEMENT FOR STABILIZATION OF CORN PRICES.

With regard to a movement by farmers for the stabilization of corn prices at Chicago, the New York "Sun" of the 18th inst. said:

Reports from the West yesterday stated that a movement had been started by Western farmers to take up, in connection with the Food Administration, the bringing before Congress of a proposition to stabilize the

price of corn at \$1 65 in Chicago. There was also a report that an effort was in progress to stabilize the price of corn in relation to the price of hogs. The argument used, it was stated, was that an effort to maintain, ever a minimum, \$15 50 hogs in Chicago would be practically impossible with \$1 25 corn. The Food Administration has endeavored to stabilize hogs at \$15 50 per 100 pounds minimum, based on the idea of 13 to 1 as relate to the price of corn in the big hog-producing States. Such a price would be possible, it is claimed, only if the price of corn was on about the same level as that of hogs. There would be so much profit in feeding hogs at the present low level of corn and the present high level of hogs that the country would be swamped with hogs another year.

The idea of \$1 65 corn as a Government guarantee was spoken of as somewhat in line with the price of wheat and also in line, to a certain extent, with the price of hogs. The point was overlooked, however, that there is no such demand for corn as there is for wheat, and \$1 65 corn might mean that the country would have to buy and store large quantities of corn which it might not be possible to dispose of.

Argument in favor of the \$1 65 corn was that some such price should be stabilized in order to encourage sufficient planting of coarse grain next spring to meet the required feed conditions and not have everything possible put into wheat at the stabilized wheat price.

The fact that hog prices are to be maintained if possible will mean that as long as there is sufficient live stock in the country to consume the grain there will be no incentive for the country to sell grain below its feeding value, excepting temporarily. Although corn is selling in Chicago around \$1 20@1 25, the fact that the feeder or man on the farm can get the equivalent of \$1 80 for his corn in the snape of hogs is not going to induce the farmer who can raise live stock to quit raising live stock, but will encourage him to raise more corn and more live stock in order to get the value out of his corn. The great need of the world will be meats and fats, peace or war.

WAR TRADE BOARD TO CONSIDER APPLICATIONS FOR COFFEE IMPORTS—CALL FOR REPORT OF OUTSTANDING FUTURE DELIVERIES.

Following last week's announcement (referred to in these columns, page 1535) that the issuance of licenses for imports of coffee into the United States would hereafter be under the direction of the United States Sugar Equalization Board, the War Trade Board has this week announced that, beginning Oct. 22, it would consider applications for coffee importations. This week's announcement states that the Sugar Equalization Board shall have the right at its discretion to purchase or direct the distribution of coffee covered by such licenses at a fair price over cost. If offered for sale before arrival it must first be offered to the Sugar Equalization Board for decision. The following is the War Trade Board's announcement of the 22d:

Effective Oct. 22 1918 and until further notice, the War Trade Board will give consideration to applications for coffee importations, an arrangement providing for the approval of such applications by the Food Administration having been determined upon. All such applications must contain full particulars, giving the grade of coffee and the actual cost price to the licensee, from whom purchased, and name of vessel if possible. The War Trade Board will absolutely give no consideration to applications where this information has not been furnished the Food Administration.

As one of the conditions of issuing such licenses, the Sugar Equalization Board shall have the right, at their discretion, to purchase or direct the distribution of the coffee covered by such licenses at a fair price over cost, and this condition attaches to the coffee whether sold afloat or not by the licensee. If offered for sale before arrival it must be first offered to the United States Sugar Equalization Board for their decision.

Further applications for the importation of coffee into this country may be refused to applicants whose importations for the calendar years exceed the average of their importations for the years 1916-17.

On Oct. 23 the following notice from the Food Administration, calling upon members to furnish particulars concerning outstanding contracts within two days, was posted by the New York Coffee and Sugar Exchange:

Please instruct all members of your Exchange to furnish within two days from date United States Food Administration Coffee Section full particulars of all outstanding contracts for future delivery, giving name and residence and principal amount in bags, month of delivery and price. United States Food Administration.

With reference to this notice, the "Journal of Commerce" on Oct. 24 said:

Some adverse criticism of the ruling was heard in the trade, which was based on the ground that the furnishing of such information would disclose details of private business, and there was informal talk of the desirability of entering a protest, but no broker was willing to be quoted for publication. The above notification is accepted as indicating the first steps to be taken by the food control authorities to enforce liquidation of outstanding certificates, a move that was advocated by a number of trade factors prior to the suspension of trading, at the time when prices on all future months had reached the maximum figure established early in September, it then being held by its advocates that such action would tend to afford a much needed measure of relief from the deadlock that had been created.

PROHIBITION AGAINST KREUZEN OR NEW BEER FOR BREWING.

The "Kreuzen" process for carbonizing old beer has been prohibited after Dec. 1. Announcement to this effect, under date of Oct. 18, was made in response to a request by brewers that they be allowed to brew "Kreuzen" or new beer for carbonizing after the date fixed by President Wilson (Dec. 1) for all brewing to cease. The following is the statement issued by Herbert Hoover, U. S. Food Administrator, and Dr. H. A. Garfield, Fuel Administrator

Various Government agencies concerned, after carefully considering the request of the brewers, confirm their earlier announcement that no beer, not even the so-called "Kreuzen" or new beer for the purpose of carbonizing old beer, shall be brewed after Dec. 1.

It is to be remembered that warning of impending closure was sent out July 10. In consideration of the final date it was contemplated that brewing should cease on Nov. 1, and the time was only extended to Dec. 1 for the purpose of permitting brewers to finish up their beer and make the other necessary preparations for closing up the breweries. Brewers had ample notice in July that the food and coal situation would probably result in the action which has now been taken.

If necessary in order to use up the material already on hand, brewers may use as much of their fuel allotment as they choose between now and Dec. 1.

For the purpose of refrigeration after Dec. 1, it is considered that the allotment of fuel under the order of July 3 is sufficient, and it will be necessary for brewers to save sufficient coal out of their allowance for the purpose of such refrigeration.

CUT IN SUGAR ALLOTMENT TO MANUFACTURERS OF CANDY, ICE CREAM AND SYRUPS.

Besides announcing on Oct. 18 that sugar allotments for household use will be held rigidly to two pounds a person per month, the Food Administration made known further restrictions for manufacturers. Under the new restrictions the amount of sugar allowed to manufacturers of beverage syrups, confections, chewing gum, chocolate, soda water, &c., will be cut to 50% of the average monthly use from July 1 to Dec. 31 1916 and 1917 combined. Soft drink and ice cream manufacturers will be supplied with only 25% of their normal requirements during November and December. The following is the Food Administration's announcement:

Restrictions upon the use of sugar by manufacturers will be even more rigid in November and December than in recent allotments by the Food Administration. The Food Administration has telegraphed Federal Food Administrators in all States advising them that sugar allotments for household use will be held rigidly to two pounds per person per month, and announcing further restrictions for manufacturers.

Soft drink manufacturers will given only 25% of the amount of sugar normally required in their business. This cuts in half the amounts they were entitled to use in the months of July, August, September, and October. Ice cream manufacturers will come under the same restrictions, receiving only one-fourth of the amount of sugar normally required. Practically all manufacturers of beverage sirups, confections, chewing gum, chocolate, cocoa, cough drops, malted milk, sirups and molasses, soda water, adulterated honey, and similar articles will be cut to 50% of the average monthly use of sugar from July 1 to Dec. 31 1916 and 1917, combined.

Candy and chocolate manufacturers are being instructed to give preference to the army, navy, Red Cross, Y. M. C. A., K. C., and Salvation Army. Sugar needed to care for these orders should come out of their regular allotment, except when furnished for shipment overseas.

DISCONTINUANCE OF USE OF SUGAR IN VANILLA EXTRACT.

The War Department recently issued the following announcement:

The Subsistence Division of the Quartermaster Corps has found that many manufacturers of vanilla extract are using sugar in their product. This practice, as far as the army is concerned, will be discontinued.

Sugar in vanilla extract does not improve the flavor and is non-essential. A manufacturer with an army order for twenty-five thousand 8-ounce bottles of vanilla extract, has just been declined 2,500 pounds of sugar to fill the order, and has been instructed to make the extract without sugar. If the vanilla extract used by the army were to be made by the formula which includes sugar, over 100,000 pounds of sugar would be required yearly to fill the army needs. This amount will now be saved.

GOVERNMENT BEEF PURCHASES TO BE MADE ON BASIS OF QUALITY.

It is announced that at a conference attended by Secretary Daniels of the Navy, Secretary Houston of the Department of Agriculture, Herbert Hoover of the Food Administration, and representatives of the Quartermaster-General of the Army and of the Paymaster-General of the Navy, a unanimous agreement was reached that all future purchases of beef for the U. S. Army, Navy and Marine Corps and fighting forces of the Allies shall be made on a basis of quality, irrespective of weight. The representatives of the other departments agreed that the Department of Agriculture should select the meats on the basis of quality through its inspectors at the purchasing markets. The announcement also says:

The arrangement effected will protect the fighting forces in the matter of quality of meats and at the same time will bring about a better balanced condition in the live-stock industry. This course of action is in accordance with sound principles of production and conservation which have been advocated by the Department of Agriculture, the Food Administration, and the other departments, with a view to an assurance of an adequate supply of beef for the future.

CONTINUANCE OF MAXIMUM PINE LUMBER PRICES FOR VIRGINIAS AND CAROLINAS.

The War Industries Board, in announcing on Oct. 3 the continuance of the prices of long and short leaf pine lumber from Virginia and North and South Carolina, said:

At a hearing of the manufacturers of long and short leaf pine lumber from the States of Virginia and North and South Carolina before the price fixing committee of the War Industries Board on Oct. 1 1918, it was agreed that the ruling of June 28 1918 fixing maximum prices on long and short leaf lumber produced in Virginia and North and South Carolina should remain in effect from midnight Oct. 1 to midnight Dec. 31 1918, inclusive.

On the question of the readjustment of item prices it was decided that the Director of Lumber, in conference with the War Service Committee

of the manufacturers, should have discretion to make certain minor changes and corrections in the item prices which, however, should not affect the average base price.

WEST COAST LUMBER PRICES CONTINUED.

The Price Fixing Committee of the War Industries Board makes the following announcement concerning the West Coast lumber prices:

At a meeting between the representatives of the West Coast Lumber manufacturers and loggers and the Price-Fixing Committee, it was agreed that the ruling as to present maximum prices should remain in effect from midnight Oct. 15 1918 to midnight Jan. 15 1919, inclusive.

CONTINUANCE OF FIR LUMBER PRICES IN THE PACIFIC NORTHWEST.

The Price Fixing Committee of the War Industries Board, in an announcement last week, said:

At a hearing of the manufacturers and loggers of the fir lumber industry of the Pacific Northwest before the Price Fixing Committee of the War Industries Board, Oct. 11 1918, it was agreed that the ruling expiring Oct. 15 1918 fixing maximum prices on fir logs and lumber in the Pacific Northwest, should remain in effect from midnight Oct. 15 1918 to midnight Jan. 15 1919, inclusive.

NEW RESTRICTIONS AFFECTING MANUFACTURE OF RUBBER TIRES.

The War Industries Board on Sept. 29 issued instructions to manufacturers of solid automobile tires to restrict at once their production of such tires to 40 sizes and types. Mr. Baruch in his announcement said:

There are now more than one hundred such sizes and types. There will be a further elimination of four of these forty sizes and types on Nov. 1, and a gradual reduction during the next two years to fourteen sizes and types. The use of caustic soda by the manufacturers of rubber of all types is to be discontinued at once.

The Conservation Division of the War Industries Board, which prepared the solid automobile tire schedule with the co-operation of representatives of the industry, points out that the conservation of rubber is very necessary to aid in carrying on the war program. It believes this can be brought about through the standardization of sizes and types because such standardization enables the maximum quantity of finished products to be made with the minimum amount of labor and materials. It likewise reduces capital and material represented in excess manufacturers' and dealers' stocks.

The Standardization Program.

Following is the standardization program:

Class A.—Hard base, pressed on, and all removable types of tires: 32 by 3, 32 by 3½, 32 by 4, 36 by 4, 36 by 5, 40 by 5, 36 by 6, 40 by 6, 36 by 7, 36 by 8, 36 by 10, 40 by 10, 40 by 12, 40 by 14. The manufacture of the types and sizes of tires included in Class A to be continued.

Class B.—Hard base, pressed on, and all removable types of tires: 34 by 3, 34 by 3½, 36 by 3½, 34 by 4, 34 by 5, 40 by 7, 30 by 3½. The manufacture of the types and sizes of tires included in Class B to be discontinued not later than Nov. 1 1920.

Class C.—Hard base, pressed on, and all removable types of tires: 32 by 2½, 36 by 3, 38 by 4, 38 by 5, 34 by 6, 38 by 6. Cushion tires to fit standard clincher rims: 30 by 3, 34 by 4, 32 by 4, 34 by 4½, 36 by 4. Side wire, for International Harvester Co. trucks: 38 by 2½, 42 by 2½. Clincher flange type for International Harvester Co. trucks: 38 by 2½, 38 by 3. The manufacture of the types and sizes of tires included in Class C to be discontinued not later than Nov. 1 1919.

Class D.—Hard base, pressed on, and all removable types of tires: 42 by 5, 42 by 6. Cushion tires to fit standard clincher rims: 34 by 3½, 38 by 4½. The manufacture of the types and sizes of tires included in Class D to be discontinued not later than Nov. 1 1918.

Class E.—All other types and sizes. The manufacture of the types and sizes of tires included in Class E to be discontinued at once.

Previous reference to the reduction in sizes and types of auto tires appeared in our issue of July 13, page 143.

FUEL COMMISSION APPOINTED TO VISIT FOREIGN COUNTRIES.

The appointment of a special commission of the United States Fuel Administration to inquire into conditions and Government regulations affecting the coal industry in foreign countries has been announced by Fuel Administrator Harry A. Garfield. The commission will consist of Walter E. Hope, who joined the Fuel Administration on Sept. 19 1917 as director of the Bureau of State Organizations; S. Brinckerhoff Thorne of New York, coal expert; and James H. Allport, one of the engineers to the Fuel Administration. Mr. Hope went to the Fuel Administration from New York, where he is a member of the law firm of Maston & Nichols. Mr. Thorne is President of the Temple Coal Co. and of Thorne, Neal & Co., coal distributors. Mr. Allport is a consulting engineer of national reputation. Prior to his connection with the Fuel Administration he was connected with many companies.

WAR LABOR POLICIES BOARD SEEKS ENFORCEMENT OF PLANS FOR INCREASE IN PRODUCTION OF NECESSITIES AND STABILIZATION OF PRICES.

Announcement of the adoption by the War Labor Policies Board of a resolution requesting the War Industries Board, the Food and Fuel Administrations and the Department of Agriculture "to proceed as rapidly as possible with the for-

mulation and enforcement of plans for the increase in production of the necessities of life, for the stabilization of the prices of food, textiles, clothing and other necessities and for the equitable limitation of profits" was recently announced as follows by Felix Frankfurter, Chairman of the War Labor Policies Board:

Various branches of the Government are vigorously bending their efforts toward a just control of the prices of the necessities of life. Labor is especially concerned in the maintenance of a fair level of prices. The subject, therefore, naturally forced itself upon the attention of the War Labor Policies Board representing as it does the industrial agencies of the War Administration.

The Policies Board in common with all who have considered the problem appreciates fully the great public benefits which have already resulted from the activities of the War Industries Board, the Fuel Administration, and Food Administration, and the Department of Agriculture. Above all it realizes the tremendous difficulties inherent in undertaking price control, but, like other great problems presented by the war, this undertaking must be pursued because the successful enforcement of labor policies is inextricably bound up with all those conditions, usually called the cost of living.

The Policies Board, therefore, felt impelled to place at the disposal of the price-controlling agencies the needs of the situation as seen by the agencies responsible for dealing with labor matters.

Resolutions.

Whereas the War Labor Policies Board in its task of formulating labor policies during the war recognizes the intimate relation of the cost of the necessities of life to the success of a labor policy, and the influence of a belief that profits in these commodities are excessive in causing industrial unrest,

Whereas the successful formulation of a practical labor policy depends upon large production of the necessities of life, price stabilization, and the elimination of inequitable profits; therefore be it

Resolved, That the War Industries Board, the Food Administration, the Department of Agriculture, and the Fuel Administration be requested to proceed as rapidly as possible with the formulation and enforcement of plans for the increase in production of the necessities of life for the stabilization of the prices of food, textiles, clothing, and other necessities, and for the equitable limitation of profits.

GEN. GOETHALS ON WAR INDUSTRIES BOARD.

B. M. Baruch, Chairman of the War Industries Board, recently announced that Major-Gen. George W. Goethals had become a member of the Board. Gen. Goethals is Assistant Chief of the General Staff and director of the Division of Purchase, Storage and Traffic. As such his work brings him into close and frequent contact with the operations of the War Industries Board which the membership will intensify. Gen. Goethals takes the place on the Board formerly filled by his recent assistant, Brig.-Gen. Hugh A. Johnson, who has been assigned to a field brigade for active service. Gen. Johnson's position in Gen. Goethal's organization as assistant to the director is being filled by Gerard Swope, of New York.

BRIG. GEN. LORD APPOINTED ASSISTANT TO GEN. GOETHALS.

Announcement of the appointment of Brig.-Gen. Lord as assistant to Gen. Goethals has been made as follows by the War Department:

Brig.-Gen. Herbert M. Lord, Quartermaster Corps, United States Army, has been appointed assistant to Major-Gen. George W. Goethals, Director of Purchase, Storage and Traffic, and has been designated as Director of Finance.

As Director of Finance, Brig.-Gen. Lord will have the authority over and responsibility for the activities, personnel, and equipment of the several finance and accounts divisions, branches and offices of the General Staff and of the Supply Corps of the Army. He will also have authority over, and responsibility for, the finances of the several corps, departments and other separate activities of the army, including the accounting for funds and property.

As Director of Finance he will also have responsibility for and authority over the preparations of estimates, disbursements, money accounts, finance reports and pay and mileage of the army.

B. M. BARUCH'S WARNING AGAINST EMPLOYMENT OF SPECIAL AGENTS FOR PRESENTATION OF CASES TO WAR INDUSTRIES BOARD.

B. M. Baruch, Chairman of the War Industries Board, in warning on Sept. 25 against the employment by citizens of attorneys or agents to present their cases before the Board, said:

B. M. Baruch, Chairman of the War Industries Board, at his regular conference with the Washington newspaper correspondents yesterday emphasized the desire of the Board to get the view of every citizen as to business conditions and matters affecting the welfare of his special industry, but asserted that the employment by such citizens of attorneys or agents to present their cases was both unnecessary and undesired.

He called attention to the fact that some time ago the War Industries Board had issued a special bulletin on the subject, warning business men against employment of men as representatives who claim influence with members of the War Industries Board or divisions of the Board. He denied that such influence existed to the extent of value to business men. Mr. Baruch said that with the War Industries Board every citizen is on an equal footing and any cause that needs special pleading is liable to prejudice. The Board wants to hear everybody on matters of importance, and Mr. Baruch stated he saw as many as he could.

An effort is being made by Mr. Baruch to decentralize the work of the Board where possible, so that each individual citizen interested can get his hearing locally and not be forced to come to Washington. The local organization of the Resources and Conversion Section of the War Industries Board is being used in this connection.

Mr. Baruch said that there existed some confusion in the minds of business men as to the functions of the War Industries Board in the matter of contracts. He pointed out that the Board did not originate any contracts and that it simply cleared contracts originating elsewhere with the Government by directing the flow of materials to fill those contracts.

Another point touched on by Mr. Baruch in his conference was in connection with some reports that certain allies of the United States in the present war were profiteering at the expense of the United States through sales made to various agencies of this Government. Mr. Baruch said he did not believe this to be true. Quoting figures obtained from the War Trade Board, he showed that the re-export business of Great Britain in 1918 had decreased 86% from the re-export business of 1913, and that there was a falling off of 70% in the direct export business of the United Kingdom between 1913 and 1918.

NEW MEMBERS OF PRIORITIES BOARD.

In announcing the recent appointment of several new members to the Priorities Committee the War Industries Board said:

B. M. Baruch, Chairman of the War Industries Board, announces the following appointments to membership on the Priorities Committee of the War Industries Board:

W. W. Chase, succeeding Charles P. Howland, specializing on emergency fleet work.

Percy Holbrook, acting also as member of the Sub-Committee on Rating. J. M. Hopkins, handling export matters except those for the Allied Governments having war missions in Japan.

Henry Krumb, handling textile materials, machinery, and supplies, including cotton and woolen yarns and goods, hemp, flax, hemp rope, rubber and rubber goods, equipment and supplies for copper and nonferrous mines and smelters.

Marcus B. Hall has been appointed Assistant Secretary of the Priorities Committee.

A. W. Clapp has been appointed Chief of the Labor Section of the Priorities Board and will assist Judge Edwin B. Parker in dealing with priorities in labor.

DISCONTINUANCE OF CERTAIN ELECTRIC HEATING APPLIANCES ORDERED—OTHER RESTRICTIONS.

The discontinuance of the manufacture of certain electrical utensils and appliances such as carburetor heaters, frying pans, waffle irons, peanut roasters, soup kettles, stew pans, &c., is called for under restrictions issued by the War Industries Board on Sept. 29. The number of styles and sizes of certain other appliances is also restricted under the order, among the articles included in these being chafing dishes, percolators, fireless cookers, flat irons, &c. The Board's announcement of these restrictions was made as follows:

The Conservation Division of the War Industries Board, applying its program of eliminations to conserve essential materials and labor to free capital tied up unnecessarily in manufacturers' and merchants' stocks and to simplify factory production, has issued a schedule for manufacturers of electrical heating appliances which calls for discontinuance of the manufacture of the following electrical utensils and appliances:

Carburetor heaters, hand-wheel heaters, in-take heaters, manifold heaters, primer heaters, blankets, robes, cigar lighters, frying pans, plate warmers, curling irons, saute pans, waffle irons, fluting irons, egg boilers, soup kettles, stew pans, corn poppers, hand dryers, hosiery forms, peanut roasters, transfer irons, vaporizers, varnish sprayers, entree dishes, cigar lighters for automobile, bookbinding appliances, instantaneous water heaters, automobile foot warmers, fudge warmers, vegetable dishes, and all Sheffield plated ware.

The schedule for domestic appliances (660 watts or less, except ranges) provides:

All appliances that are to be eliminated, but which are now in the process of manufacture or are completed and in stock may be sold, but no more material for any of these appliances to be purchased except to balance up stocks on hand, and their manufacture is to be discontinued entirely Dec. 31 1918.

In no case is any manufacturer to add to the number of styles and sizes that he is now making.

Each manufacturer of the following appliances to restrict his output to the number of styles and sizes specified:

	No. of Total No. Styles. of Sizes.		No. of Total No. Styles. of Sizes.
Chafing dishes.....	3 1	Toasters.....	2 1
Percolators:		Toaster stoves.....	1 1
With faucets.....	3 2	Convactor heaters..	1 1
Without faucets..	3 2	Disk stoves.....	2 2
Samovars.....	1 1	Fireless cookers....	1 2
Nursery water heat's	1 2	Flatirons, 7½ lbs. or	
Teapots.....	1 1	less.....	2 2
Hot-water kettles...	1 1	Grills.....	2 1
Ovens.....	1 1	Heating pads.....	2 2
Reflector heaters...	2 2	Hair dryers.....	2 *1

*One in each style.

Ranges: Not more than six different ranges covering both styles and sizes to be made at any one factory, and none to be made at any factory that is not producing ranges at this date. Nickel-plating and fancy ornamentation to be eliminated.

Industrial appliances (over 660 watts).—Each manufacturer of the following appliances to restrict his output to the number of styles and sizes specified:

	No. of Total No. Styles. of Sizes.		No. of Total No. Styles. of Sizes.
Convec'n air heaters	3 7	Gluepots (no aluminum pots to be made).....	1 3
Confectioners' appliances.....	2 2	Circulation water heaters.....	2 11
Corset irons.....	1 1	Immers. water heat's	1 8
Matrix dryers.....	1 1	R'nd disk hot plates, open-coil type....	1 4
Tailor's irons, 12 lbs. or over.....	2 4	R'nd disk hot plates, solid top.....	1 3
Laundry irons, 7½ to 10 lbs.....	1 2		

Steam boilers: To be sold only where the electrical energy is generated from water power and there is a surplus of such energy available.

Restaurant equipment.—Each manufacturer of the following appliances to restrict his output to the number of styles and sizes specified:

	No. of Total No. Styles. of Sizes.		No. of Total No. Styles. of Sizes.
Bake ovens.....	1 5	Toasters.....	2 2
Broilers.....	2 3	Hotel ranges.....	1 2
Grids.....	2 3		

In the appliances not discontinued, the Conservation Division has cut out 691 different styles and sizes. For instance, in chafing dishes, there were 36 styles and but 3 will be allowed; of electric teapots, 20 styles and 1 allowed; of toasters, 10 styles and but 2 allowed. Manufacturers are to discontinue silver-plated and copper finish appliances from the styles and sizes they will continue to make.

WAR INDUSTRIES BOARD ADVISES DISCONTINUANCE OF MANUFACTURE OF GASOLINE STOVES.

The discontinuance of the manufacture at this time of gasoline stoves, because of the heavy war and industrial uses of gasoline has been advised by the War Industries Board. Chairman Baruch in announcing this on Oct. 18 said:

The Priorities Division in granting priority to the oil and gasoline heating and cooking devices and appliances industries require a pledge of the manufacturers to reduce consumption of iron, steel, brass, copper and aluminum used in the manufacture of their products to a basis of not exceeding 50% of 6-12 of the 1917 consumption.

With reference to the discontinuance of the manufacture of gasoline stoves when present stocks are exhausted, the Priorities Division says:

The war and industrial uses for gasoline are so heavy at this time that it is advisable to ask you to discontinue the manufacture of gasoline stoves during the present emergency, and to use the materials which are ordinarily applied to the manufacture of such products to the manufacture of gas-heating and cooking devices and appliances. This will not be construed as interfering with your working up materials on hand, which are suitable only for the manufacture of gasoline stoves.

It may be that the lines of some of your manufacturers contain substantially no other products than gasoline stoves. The shutting down of the plants of such manufacturers is to be avoided if possible, but such manufacturers are urged to get into war or other important production, so that they may lay as little burden as possible upon the gasoline supply. Until their resources can be converted to the manufacture of such new products, they may continue to make gasoline stoves within 50% limitation, but they are urged to keep their production of stoves as low as possible.

IMPORTS INTO UNITED STATES OF FRENCH OPTICAL GLASS CONTROLLED BY GOVERNMENT.

The importation into the United States of French optical glass is to be controlled by the Government, according to a statement issued by B. M. Baruch of the War Industries Board, which says:

American manufacturers and importers desiring this glass must place their orders through the War Industries Board and the War Trade Board. Direct orders will lack the Government approval and necessary endorsements to allow the importation.

Regulations for the importation of French optical glass adopted following conferences between the Military Optical Glass and Instruments Section of the War Industries Board, of which George E. Chatillon is Chief, and the Bureau of Imports of the War Trade Board, provide:

1. All import orders for French optical glass should be placed with the Service Geographique, who will distribute them among the various French manufacturers.
2. The order, together with the application for import licenses, should be forwarded to the War Trade Board, Bureau of Imports, to the attention of Mr. Reardon.
3. The applications should state in detail the purpose for which the glass is intended.
4. The War Trade Board will in all cases consult with the Military Optical Glass Section of the War Industries Board before applications are granted.
5. Orders placed direct will not have the approval of the Military Optical Glass Section nor the necessary indorsement of the War Trade Board to allow the glass to be imported from France.
6. If glass of a special manufacture is desired, it may be noted on the order.

WAR INDUSTRIES BOARD DECLINES REQUEST FOR PUBLICATION OF NEWSPAPER SUPPLEMENT IN NATIONAL WAR WORKERS' CAMPAIGN.

B. M. Baruch of the War Industries Board has declined to sanction a request made by John D. Rockefeller Jr., Chairman of the United War Work Campaign for Greater New York, for the issuance of an eight-page newspaper supplement on Nov. 10—the Sunday prior to the opening of the campaign to raise \$170,500,000 for the Young Men's Christian Association, the Young Women's Christian Association, the National Catholic War Council, Jewish Welfare Board, American Library Association, War Camp Community Service and Salvation Army. Mr. Baruch states that "the restrictions placed upon the use of newsprint are so sharp and so necessary that the War Industries Board has been compelled, in the face of all entreaties to the contrary, to uphold them as an act of simple justice to the interests directly concerned, and indirectly as a protection to the war program itself." Apart from other considerations Mr. Baruch also points out that "at the end of September, even under the tight rationing process now employed, there was approxi-

mately six days' reserve of newsprint at the mills." The correspondence between Mr. Baruch and Mr. Rockefeller is made public as follows by the War Industries Board:

New York, N. Y., Oct. 15 1918.

Mr. Bernard M. Baruch, Chairman War Industries Board, Washington, D. C.:
As Chairman of Greater New York United War Work Campaign, which includes all the Jewish, Catholic and Protestant organizations working for soldiers and sailors under authority of the War Department, and which was brought about by the President, have arranged with all New York dailies to publish an 8 page supplement regarding work of campaign Sunday, Nov. 10, immediately preceding campaign week.

Mr. T. E. Donnelley, Chairman Pulp and Paper Section, has declined to issue priority order for necessary paper on the ground that a similar position was taken regarding Liberty Loan and Red Cross requests. The amount of paper involved is so trifling compared with the value to the campaign advertising and educational advantages of the supplement as to seem to fully justify a reconsideration on your part of this decision, which I earnestly request. Immediate action necessary. Will appreciate telegram at my office at your earliest convenience. Failing to get you to-day by telephone, am sending this message.

JOHN D. ROCKEFELLER JR.

The following is Chairman Baruch's reply:

Oct. 16 1918.

Mr. John D. Rockefeller Jr., 26 Broadway, New York City:

Your telegram of Oct. 15, referring to the plan of having the New York papers publish an 8-page supplement in connection with the United War Work campaign finds me sympathetically disposed to the purpose you seek to achieve, but unable to remove the obstructions that are in the way. The restrictions placed upon the use of newsprint are so sharp and so necessary that the War Industries Board has been compelled, in the face of all entreaties to the contrary, to uphold them as an act of simple justice to the interests directly concerned, and indirectly as a protection to the war program itself.

Although the worthiness of your cause can not be questioned, least of all by me, it is obvious that were an exception made it would have to be repeated each time that a similarly worthy enterprise was put under way. The grave danger lies in the creation of a precedent, which would open the doors to every applicant. As an evidence of the deep importance which we attach to the present rule, let me call your attention to the fact that plans of a nature similar to yours projected for the benefit of the Liberty Loan were not allowed in consistency with our attitude.

The patriotic disposition of all New York papers, in fact all the papers throughout the country, will, I feel sure, enable you to use all the space that you need for the successful completion of your object. In addition thereto, the large amount of advertising space that has been reserved by those supporting your campaign will give you a further chance to make your appeal felt. I agree that your plan is desirable were all conditions favorable, but the extreme pressure under which we now are makes its necessity questionable.

Apart from other considerations, let me point out to you as a practical man that at the end of September, even under the tight rationing process now employed, there was approximately six days' reserve of newsprint at the mills. That tells its own story. The other considerations involving the elements of capital, labor, material, and especially fuel and transportation are points that speak for themselves. I am sure that with these facts in mind you will agree that the national need we are serving by our conservation program overbalances the advantage that might be gained through the execution of your plan, especially as your object can be gained through the methods I have indicated.

With the hope that your campaign may be overwhelmingly successful, I am, with sincere regards,

BERNARD M. BARUCH, Chairman.

REGULATIONS GOVERNING SHIPMENT OF CHRISTMAS PACKAGES TO SOLDIERS AND SAILORS ABROAD.

Regulations governing the shipment of Christmas parcels to American soldiers abroad and sailors in home or foreign waters have recently been issued by the War and Navy Departments. The procedure concerning the forwarding of packages to soldiers overseas are summarized as follows:

One parcel will be accepted by the War Department through the Red Cross for each soldier overseas.

Each soldier will be provided with one Christmas parcel label. This label will be forwarded by him to the person in the United States from whom he wishes to receive his Christmas package. Packages that do not bear this label will not be accepted by the Red Cross for delivery to the post office authorities. Labels that are lost will not be duplicated.

Christmas parcels must be placed in cardboard boxes, 3 by 4 by 9 inches in size. These boxes will be provided, to holders of labels, by the American Red Cross. They may be obtained at Red Cross chapters or branches after November 1.

With each box will be given complete instruction regarding the articles which may be sent, and a list of articles which are barred by the postal authorities. Study these instructions and avoid mistakes. No message or written material of any kind will be allowed to go in the boxes. When the boxes are packed, but unwrapped, they must not weigh more than 2 pounds 15 ounces. If the parcel is overweight, some article must be removed.

Do not put perishable food, soft candy, liquids, or anything in glass containers in the package if you wish it to reach its destination with the other contents unspoiled.

Do not mail the box yourself. When packed, the box should be taken to the nearest collection station designated by the Red Cross, unsealed, and unwrapped, ready for inspection. Red Cross representatives are authorized to remove objectionable articles from parcels. Shippers will then affix sufficient postage on their parcels to carry them to Hoboken, N. J. Parcel post zone rates will be charged. The parcels are to remain in custody of the Red Cross until delivered to the postal authorities.

No Christmas parcel will be accepted by the Red Cross for shipment after November 20. Keep this fact in mind when planning a Merry Christmas for the boys "Over There."

The War Department in its announcement as to the regulations which will govern the shipment of Christmas packages to soldiers abroad, said:

Regulations governing the shipment of Christmas parcels to Army men in service overseas by relatives in this country have just been completed,

following a series of conferences between officials of the War Department, the Post Office Department, and the American Red Cross. Under the plan worked out every American soldier in a foreign land will be permitted to receive one package containing Christmas gifts from the United States.

The Navy Department has a separate arrangement to enable men in that branch of the service on duty abroad to obtain holiday boxes from loved ones at home.

Relatives and friends who are planning to make Christmas for the soldiers in the war zones as merry as conditions will permit, should bear in mind that each soldier is entitled to but one of these packages. The War Department will not accept more than one parcel for each man. It is expected that approximately 2,000,000 of these packages will be sent abroad, and the amount of shipping space provided for their transportation will not permit of any deviation from the "one-parcel-a-man rule."

The men themselves will decide who is to send these parcels. They are now receiving Christmas-parcel labels with instructions to mail these labels to the persons in this country from whom they wish to receive the holiday box. To avoid any chance of duplication each soldier gets but one of these labels. Packages that do not bear these labels will not be accepted. In the event of this label being lost it can not be replaced. No Christmas parcels will be accepted for shipment after November 20. The cardboard boxes or cartons to be provided for these parcels are 3 by 4 by 9 inches in size. When packed, wrapped, and ready for mailing, these boxes must not weigh more than 3 pounds.

The American Red Cross has agreed to provide these cardboard boxes and to supervise their distribution to relatives of the soldiers who present the proper Christmas parcel label credential. The distribution of the cartons will be made by Red Cross branches throughout the country. It will be incumbent upon the person receiving one of these boxes to return it when filled, but unwrapped, to the collection point designated by the Red Cross. Here it will be inspected by Red Cross inspectors authorized to exclude any articles barred by the postal authorities, after which the box will be shipped. In short, the Red Cross is responsible for the distribution, receipt at designated points, the inspection, and mailing of the boxes.

The following is an outline of the procedure to be followed by persons planning to send one of these parcels abroad:

On receiving one of these Christmas parcel labels it should be presented at the nearest chapter, branch, or auxiliary headquarters of the Red Cross, where the holder will receive a carton. These labels are not expected to reach this country before November 1, but by that time each Red Cross branch will have its allotment of boxes based on the number of soldiers in service overseas from that community.

These boxes may be filled with any combination of articles, except those on the list barred by the postal officials. The articles prohibited are all intoxicating liquors, all inflammable material, including friction matches any composition likely to ignite or explode (cigarette lighters come under this classification), liquids, and fragile articles improperly packed. Under the postal regulations no note or message or written matter of any kind will be permitted to remain in the boxes. In addition to the foregoing list of prohibited articles, relatives and friends of the soldiers are urged to bear these facts in mind when preparing Christmas parcels:

Do not put anything in the package which will not keep fresh until Christmas.

Pack dried fruits and other food products in small tin or wooden boxes. Give preference to hard candy over chocolates, unless the latter are enclosed in heavy wrappers. Soft chocolates are easily crushed and may spoil the other contents.

Do not put articles packed in glass in the package.

Gifts should be wrapped in khaki-colored handkerchiefs, 27 inches square. When the package has been packed it should be taken, unwrapped and unsealed, together with the label and sufficient stamps, to the nearest collection centre designated by the Red Cross. After the package has passed the inspection of the Red Cross representatives, as to contents and weight, and been wrapped in stout paper, the Christmas label bearing the address of the man for whom it is intended is placed on it. The person sending the package, in the presence of the Red Cross worker, is required to affix stamps sufficient to carry it to Hoboken, N. J. The postal charges are to be at the rate of fourth class or parcel post zone rate. A label certifying that the inspection has been completed by the Red Cross is placed on the package, which is left in the custody of the Red Cross until delivered to the postal authorities.

The Navy Department has issued the following instructions regarding the shipping of Christmas packages to sailors in home waters and abroad:

(a) Packages forwarded by parcel post for men in the Navy must comply with the postal regulations and should be enclosed in substantial boxes with hinged or screw-top cover to facilitate opening and inspecting.

(b) All boxes shipped by express are limited to 20 pounds in weight, should measure not more than 2 cubic feet in volume, be of wood, well strapped, and have a hinged or screw top to facilitate opening and inspecting.

(c) All mail matter should be addressed as now prescribed by the postal regulations. All express packages should be forwarded in care of supply officer, fleet supply base, Twenty-Ninth Street and Third Avenue, South Brooklyn, N. Y.

(d) No perishable food product other than those enclosed in cans or glass jars should be packed in parcel post or express shipments.

(e) All packages must be plainly marked with the name and address of the sender, together with a notation indicating the nature of the contents, such as "Christmas box," or "Christmas present."

(f) The supply officer at New York will cause each express package to be opened and carefully examined to see that nothing of an explosive or other dangerous character is forwarded.

The shipment of Christmas packages for United States naval vessels abroad should be made so as to reach New York as early as possible, and not later than November 15.

SIX HUNDRED MILLION MORE ASKED FOR NAVAL CONSTRUCTION.

Secretary of the Navy Daniels on Oct. 22 appeared before the House Naval Committee in behalf of a bill prepared by his Department and providing for an appropriation of \$600,000,000 to carry out a second three-year naval building program to provide ten additional superbreadnoughts, six battle cruisers and 140 smaller vessels. The authorization was asked for the next fiscal year and is in addition to the 156 naval vessels comprising the first three-year building program, authorized in 1916, and the great number of new destroyers and other special types contracted for since the

United States entered the war. Work on the first three-year program was delayed by the war, but Congress has required that a start must be made on all the vessels before next July 1.

Including the \$600,000,000 for the three-year program, Secretary Daniels said, the total estimates of the Department for ship construction, including armor and armament, amount this year to \$972,090,000. Only \$200,000,000 of the \$600,000,000 will be made available next year for structural work on the three-year program. In addition, \$372,090,000 is asked for completing vessels already authorized. In explaining the need of the new appropriation, Secretary Daniels, as quoted in Associated Press dispatches from Washington, said:

The program of 156 vessels prescribes specific numbers of battleships and battle cruisers only, there being ten battleships asked for and six battle cruisers. As regards small vessels, although the total number is to be 140, it is simply asked that they be of types already approved and in existence, or of new types which may develop during the life of the program, the details being left to the discretion of the Navy Department.

The new three-year program is a continuation of the policy adopted in 1916 of increasing the navy, and contemplates its steady upbuilding and improvement. It is in line with the policy adopted by this Government and which has met with the entire approval of the American people, of building up a navy strong enough to meet all requirements.

This program, if authorized by Congress, as I am confident it will be, will give us 16 capital ships that will be the equal of any afloat at the time they are built. The battleships and battle cruisers authorized in the first three-year program will be unexcelled by those of any other navy, and the country may rest assured that, in the new construction authorized, our constructors will produce the most powerful and effective of fighting craft.

The imperative necessity of turning out as rapidly as possible all the destroyers and other types of craft needed in the war against the submarine for the necessities of warfare for the time required us to concentrate upon this class of construction—has led to the fear in some quarters that in devoting such necessary attention in the building of smaller craft we might fall some in looking out for the future in building the capital ships on which the strength of a navy ultimately depends. This the naval authorities have always had in mind. The three-year program adopted in 1916 provided for ten battleships and six battle cruisers. Now we ask for as many more, to be built as those formerly authorized are completed and facilities become available.

The total expenditure authorized upon this new program is \$600,000,000, the provision for the first year being a third of this, \$200,000,000. This is exclusive of estimates for emergency appropriations for new vessels to be built under war urgency, which total \$140,000,000, and also of estimates for continuing and pushing the old program, the emergency construction of destroyers under way, &c.

Including the \$600,000 for which authorization is requested in the new three-year program, the total estimates of the Department for ship construction, including armor and armament, amount this year to \$972,000,000. The total amount recommended for appropriation next year for ship construction, that is for completing vessels already authorized and for new vessels, is \$572,090,000.

INTER-STATE COMMERCE COMMISSION OVERRULES DIRECTOR-GENERAL McADOO ON RAILROAD RATES.

An Associated Press dispatch from Washington Oct. 24 states that the Inter-State Commerce Commission on that day asserted its authority to alter railroad freight rates initiated by Director-General McAdoo, even without affirmative showing that they are wrong, and announced that the assumption that such rates are presumed to be right and just is incorrect. The pronouncement was contained in a decision written by Commissioner McChord, finding for the complainants in the case of the Willamette Valley Lumbermen's Association against the Southern Pacific and others.

The complainants operate logging and lumber mills in the Willamette Valley in Oregon, selling their products in Montana, Wyoming, the Dakotas, Nebraska, Minnesota, Wisconsin, and Michigan and Western Canada. Mills in the vicinity of Portland, Ore., and on the Pacific Coast, manufacturing the same kind and grades of lumber, have access to the same markets at a through joint rate materially lower than the combination of rates quoted from Willamette Valley mills, which have to pay local rates to Portland and then the Pacific Coast group rate.

Efforts to obtain joint through rates failed, it was complained, because participating carriers were unwilling to forego extra profits and also wished to favor coast mills established on their own lines. The recent general advance of 25% in freight rates increased the difficulties of the Willamette Valley Mills. The railroad contention was that the rates with the 25% increase became rates initiated by the Director-General, and therefore should not be disturbed. The Commission holds that such discrimination in favor of shippers on their own lines by carriers is unlawful, and the railroad defendants are ordered to establish joint through rates from Willamette Valley Mills to territories taking a 40-cent rate from Portland, which shall not exceed the rates from the coast group, including Portland. The opinion by Commissioner McChord declares:

It is inconceivable in our opinion that the Congress did a vain thing in conferring on this Commission power to determine whether or not rates initiated by the Director-General are just and reasonable. The same force and effect must be given to that part of the law as to its other provisions.

APPRECIATION BY DIRECTOR-GENERAL McADOO OF CO-OPERATION OF BANKS IN RAILROAD FINANCING.

In authorizing an announcement with regard to the extension at 6%, without the usual bankers' commission, of \$22,500,000 short-time collateral notes of the Baltimore & Ohio Railroad, maturing Oct. 1, Director-General McAdoo on Oct. 3 took occasion to express his appreciation of the public spirit and patriotism of American bankers generally, and particularly of the attitude of the two New York banking firms through whose co-operation the extension in question was arranged. In speaking of the matter, he said that:

My duties as Secretary of the Treasury and Director-General of the Railroads, involving as they do the raising of enormous sums of money, have been greatly lightened by the reliance that I have come to feel upon the wholesome public spirit of the American banking fraternity.

With but few exceptions they have shown themselves willing and eager to help in distributing the financial burden of the war that is now being carried with an ease that surprised the world.

They have helped to educate the financial community to a broader vision, and to widen the field of investments in this country, and in so doing have been themselves benefited, for from being American bankers they have become world bankers, with all the duties and opportunities that the description implies.

The particular incident which evoked this comment was an announcement by the Division of Finance and Purchases of the United States Railroad Administration, reading as follows:

This office was advised a short time ago that the Baltimore & Ohio Railroad had \$22,500,000 short-time collateral notes maturing October 1; that the railroad had made inquiries as to the prospect for renewal, as the result of which authority was requested to arrange for a four months' extension on an interest basis of 7½%, including bankers' commission.

In reply the company was informed that market conditions did not, in the opinion of the Director-General, justify the rate asked and that in agreeing to it he would be lending his approval to an interest charge which he considered unwarranted in the present conditions.

Agree to Lower Rate.

The Division of Finance and Purchases thereupon telegraphed a number of banks who were understood to be holders of the maturing Baltimore & Ohio notes asking whether they would be willing, under the circumstances, to accept a renewal at 6% per annum. With but two or three exceptions these banks responded promptly agreeing to renew at 6%. Upon receipt of these replies the Baltimore & Ohio Railroad was notified that the holders of approximately \$11,000,000 of the notes had readily agreed to the desired extension and it was suggested that the railroad should communicate with the remaining holders and ascertain their attitude in the matter, with the understanding that the Railroad Administration would furnish the Baltimore & Ohio Railroad with any money that might be required to pay off the holders who refused to extend their notes at 6% per annum.

As result the Baltimore & Ohio Railroad has just been able to inform the Director-General that the holders of about 80% of the outstanding notes have agreed to an extension at 6% per annum, so that the Government will be called upon to supply only about \$4,000,000 out of the \$22,500,000.

The Director of the Division of Finance and Purchases added that "the success of the railroad in effecting the extension thus secured was very largely due to the public-spirited co-operation of the bankers through whom these notes were originally placed. They charged no commission for their services in the matter and their assistance and co-operation is much appreciated."

RAILROAD ADMINISTRATION'S ORDER GOVERNING COSTS OF REPAIRS TO EQUIPMENT.

Regulations which are to govern the determination of costs and the compilation and rendition of bills by one carrier under Federal control against another carrier under such control for repairs to equipment actually made on and after Oct. 1 1918, were issued by the Railroad Administration under date of Oct. 5. The regulations are embodied in General Order No. 47, which states that "bills for repairs actually made prior to that date shall be compiled and rendered and the costs for such repairs shall be determined as heretofore." The further reading of the order is as follows:

Repairs to Cars.

- (1) The cost to repair freight and passenger train cars and work equipment shall be borne and included in the operating expenses of the carrier which, under the rules and practices, applicable at the time repairs are made may be responsible for such repairs.
- (2) The cost of repairs made by any carrier to its own cars or to cars of another carrier for which it the repairing carrier is responsible shall be based upon actual applied material and labor costs plus a proper proportion of "shop expenses," as prescribed by the rules of the Inter-State Commerce Commission or which may hereafter be prescribed.
- (3) If the cost of repairs made to cars by one carrier be chargeable to another carrier such costs shall be based on the rules, prescribed by the Master Car Builders' Association which were applicable at the time such repairs were made. Details in support of such repair costs shall be prepared as heretofore.
- (4) There shall be compiled monthly, from the detail record referred to in the preceding paragraph, one statement against each carrier under Federal control for the repair costs chargeable to it. Such monthly statements shall be made in duplicate and shall show separately for freight train cars, passenger train cars, and work equipment:
 - (a) Total cars repaired.
 - (b) Total labor costs including shop expense costs.

- (c) Total material costs including handling and other costs chargeable to material.
- (d) Added per cent.
- (e) Total costs.
- (5) The originals of such statements shall be rendered to and accepted by debtor carriers as rendered, in accordance with the provisions of General Order No. 20.
- (6) The duplicates of such statements shall be attached to the detail data from which they are made and retained by the carrier making the repairs.

Repairs to Locomotives.

- (7) The provisions of paragraphs (1) and (2) of this order with respect to repairs of cars shall in like manner apply to repairs of locomotives.
- (8) The costs for repairing locomotives of one carrier under Federal control for or for account of another carrier under such control shall be determined in the following manner:
- (a) To the cost of all applied material there shall be added fifteen (15) per cent to cover cost of handling.
- (b) To the cost of all applied labor there shall be added ten (10) per cent to cover accounting and other incidental costs.
- (c) Proportion of shop expense costs.
- (d) The aggregate of all such costs shall represent the amount to be charged for the repairs.
- (9) Details comprising such repair costs shall be compiled and kept by the repairing carrier, from which monthly statements in duplicate shall be prepared against the carrier responsible for such costs. Such statements shall show the repair costs for each individual locomotive stated in the following detail:
- (a) Total labor costs.
- (b) Total material costs.
- (c) Shop costs.
- (d) Added per cent for labor.
- (e) Added per cent for material.
- (f) Total cost.
- (10) The originals of such statements shall be rendered to and accepted by debtor carriers as rendered, in accordance with the provisions of General Order No. 20. Duplicates shall be attached to the detail data from which they are made and retained by the carrier making the repairs.

Additions and Betterments Costs.

- (11) If additions and betterments be made by one carrier under Federal control to the equipment of another carrier under such control, the owning carrier shall be billed by the carrier making the improvements for the costs thereof. Such bill shall show the kind and class of equipment, the initial and number thereof, as well as such details as to specifications and costs as may be necessary to enable the owning carrier to make proper record of the improvement. Bills for such costs shall be subject to check and verification by the owning carrier. Bills for additions and betterments costs shall not be included with bills for repair costs.
- (12) If, in repairing a unit of equipment, a change in the standard established by the owner be made such as substitution of parts, advice of such change shall be given the owner.

Equipment Destroyed.

- (13) If a unit of equipment of one carrier under Federal control be destroyed on the line of another carrier under such control, advice of such destruction shall be promptly given to the owning carrier by the carrier on whose line the unit was destroyed. Upon receipt of such advice the owning carrier shall bill the destroying carrier therefor, in accordance with Master Car Builders' Association rules as now in effect, or as may hereafter be prescribed.

Materials Furnished by One Carrier to Another.

- (14) Material furnished by one carrier under Federal control to another carrier under such control for use in repairing or improving the equipment of the owning carrier shall be billed by the carrier furnishing it and paid for by the repairing carrier at costs at which the material is carried in the accounts of the owning carrier plus actual out-of-pocket handling or shipping costs. Such material shall be taken into the accounts of the carrier to which shall be added freight and other handling costs actually incurred by the receiving carrier. The costs thus determined shall be used as a basis for determining the cost of material used in such repairs or improvements.
- (15) Bills for material furnished as prescribed in the preceding paragraph shall be made in detail. They shall be subject to check and reclamation or rejection by the debtor carrier in respect to damage or shortage.
- (16) Bills for repairs to equipment for which private owners or carriers not under Federal control (including Canadian and Mexican railroads) are responsible shall, unless and until otherwise ordered, be made and rendered as heretofore in accordance with Master Car Builders' rules applicable at the time such repairs are made.
- (17) Bills for repairs to equipment made by carriers not under Federal control against carriers under such control shall be tested, verified, and paid by the carrier responsible for such repairs as heretofore.
- (18) The provisions of this order in respect to the rendition of monthly statements shall take effect on Oct. 1 1918 and shall apply only to repairs actually made on and after that date. Bills for repairs made prior to that date shall be rendered as heretofore.

W. G. McADOO,
Director-General of Railroads.

PROPOSED UNIFORM RATES AND RULES FOR BAGGAGE ON RAILROADS.

It is the intention of Director-General of Railroads to make effective on Dec. 1 uniform rates, rules and regulations for checking and handling baggage. These standard rules and charges, it is announced, will be published in one joint baggage tariff for all lines under Federal management, including also many roads not under Federal control. The announcement says:

Baggage agents at union and joint stations will be relieved of the present necessity of consulting numerous tariffs, the provisions of which now vary. Service will thus be expedited and the public will enjoy the distinct advantages as result of this standardization in all sections of the country.

While efforts to standardize these rules and regulations were undertaken as early as 1912 by committees appointed by the carriers, complete standardization was found to be impracticable, due to the then existing competitive conditions.

No change has been made in the excess baggage rate, free allowance of 150 pounds, the maximum weight per piece, nor the maximum dimensions of baggage.

A convenience that will be appreciated by the commercial traveler in the new regulations will be a provision permitting checking of baggage on one-way tickets to a point short of final destination.

Baby carriages, go carts and bicycles will be checked in baggage service at a nominal charge as heretofore. Invalid chairs will be checked free.

Provision has also been made to handle in baggage service certain articles other than baggage such as adding machines, cash registers, computing scales, talking machines, baseball and other club paraphernalia, guns, &c., rules for the transportation of which have not been uniform throughout the country heretofore.

Corpses will be checked as heretofore on the payment of one first class passenger fare. Reasonable and adequate arrangements have been made for the transportation of dogs in baggage service.

While out of the millions of pieces of baggage checked comparatively few go astray it would greatly facilitate the location of stray pieces of baggage if every piece were marked with the name and address of the owner.

THE PRESIDENT'S OBJECT IN THE PEACE DISCUSSIONS WITH GERMANY.

[From a copyrighted Washington dispatch to "The Evening Post" of New York on Oct. 24 by David Lawrence.]

The President has no patience with those who argue that there should be no talking at all, but only fighting. Those critics do not know the tremendous expense in human life of such a policy, as it means at least two years more of incessant fighting, and possibly more, to conquer a whole nation. The President believes the ends of the Allies can as well be accomplished by political revolution inside Germany, which shall punish the culprits who started this war and bring reparation, but shall also set up a democratic government in Germany that can be admitted into a League of Nations. The dangers of the policies of the extremists is that they would lead either to Bolshevism throughout Europe, with a reign of terror inside Germany that would give no reparation and teach no lesson, or would lead to a fight to the finish by a people who believed they might better die fighting than submit to an enemy who intended destroying them anyway.

As the situation is viewed in Government circles, not only would the American people disapprove of such a course, did they truly understand that it merely meant a war of extermination with heavy sacrifices that would get no more in the end than the present course is expected to get, but the Allied peoples who have been in the war four years would not sustain a bitter-end struggle, unless absolutely necessary to get the right kind of peace. The President is well informed on what opinion is among the peoples of Great Britain and France, and he has been guided by the knowledge that the wishes of those peoples for an honorable peace at the earliest possible moment, victory by negotiation if that can be secured, are not to be brusquely set aside by the belligerent mood of American critics who are in no position to assess the facts abroad.

The President has, therefore, to steer a middle-of-the-road course, to keep in mind, on the one hand, the big radical elements abroad that want his terms of peace applied, the peoples who want to see the war ended on a basis of justice to the common people of enemy countries who have had no share in the making of the war, and, on the other hand, the impossibility of anything that permits the retention of Kaiserism or its return to power.

His note was intended to show all the world that voices that cry out for peace shall not be impatiently dismissed but given explicit understanding of what the obstacles are. Again, Mr. Wilson has put the responsibility where it has belonged from the beginning, on the Prussian war lords. Germany is again asked to make her choice. But as she is in the midst of making it the President takes occasion to elicit from the other Allied belligerents statements that back up his contention that this is a war for democracy and human justice, and not for the enhancement of any quasi-imperialistic regimes, a people's war and one that wants the wrongs of the past corrected not by the imposition of more wrongs but in a way that will lead to a healing peace.

PUBLIC OPINION WITH REGARD TO THE LATEST GERMAN PEACE NOTE.

Germany's reply to President Wilson's note of Oct. 14, a wireless version of which was received at Washington on Oct. 21, followed two days later by the official text, did not meet with general approval in Washington or elsewhere. At the same time, the communication was recognized as a shrewd move in the diplomatic game, with the meaning of parts of it quite obscure. For this very reason, those Senators and others who have been inclined to criticize President Wilson for having consented to parley with the enemy, renewed their demand that the interchange of notes be cut short, and that Germany be told bluntly that no terms of peace would

be considered short of absolute surrender—a suggestion which the President did not see fit to adopt. "In accepting the proposal for an evacuation of occupied territories," the note says, "the German Government has started from the assumption that the procedure of this evacuation and of the conditions of an armistice should be left to the judgment of the military advisers." President Wilson had said that the terms of an armistice must be left to "the military advisers of the Government of the United States and the Allied Governments." The German note went on to say that "the actual standard of power on both sides in the field has to form the basis for arrangements safeguarding and guaranteeing the standard." The note then suggests "to the President to bring about an opportunity for fixing the details." The German Government also "trusts that the President of the United States will approve of no demand which would be irreconcilable with the honor of the German people and with opening a way to a peace of justice." This reference to "the honor of the German people" has called forth bitter comments in the press, both here and in the Entente countries abroad, where attention has been called to the German Government's consistent record of duplicity throughout the war as evidenced by the original violation of Belgian neutrality, the "spurlos verseukt" incident in Argentina, and innumerable other incidents which readily come to mind.

A similar reception met the denial contained in the note that the German military forces had been guilty of cruel and inhumane practices in carrying on the war. "The German Government protests," said Dr. Solf, who signed the note "against the reproach of illegal and inhumane actions made against the German land and sea forces and thereby against the German people. For the covering of a retreat, destructions will always be necessary, and are, in so far, permitted by international law. The German troops are under the strictest instructions to spare private property and to exercise care for the population to the best of their ability. Where transgressions occur in spite of these instructions the guilty are being punished. The German Government further denies that the German navy in sinking ships has ever purposely destroyed lifeboats with their passengers. The German Government proposes with regard to all those charges that the facts be cleared up by neutral commissions."

Nothing but scorn and derision has greeted this denial of facts held to be so well authenticated as to need no further discussion. "In order to avoid anything that might hamper the work of peace," however, the German Government announces that it "has caused orders to be dispatched to all submarine commanders precluding the torpedoing of passenger ships, without, however, for technical reasons, being able to guarantee that these orders will reach every single submarine at sea before its return."

With regard to the President's statement that the fundamental condition for peace "every arbitrary power that can separately, secretly and of its own single choice disturb the peace of the world." must be destroyed, the German Government reviews its assertion that the present German Government meets that test. It admits that the people formerly had no voice in the formation of the Government and that the representatives of the people had no voice in deciding for war or peace. But a "new Government has been formed in complete accord with the wishes of the representation of the people, based on the equal, universal, secret, direct franchise. The leaders of the great parties of the Reichstag are members of this Government," and "in the future no government can take or continue in office without possessing the confidence of the majority of the Reichstag." Continuing, the note says:

The responsibility of the Chancellor of the empire to the representation of the people is being legally developed and safeguarded. The first act of the new government has been to lay before the Reichstag a bill to alter the constitution of the empire so that the consent of the representation of the people is required for decisions on war and peace.

The permanence of the new system is, however, guaranteed not only by constitutional safeguards, but also by the unshakable determination of the German people, whose vast majority stands behind these reforms and demands their energetic continuance.

The question of the President, with whom he and the Governments associated against Germany are dealing, is therefore answered in a clear and unequivocal manner by the statement that the offer of peace and an armistice has come from a Government which, free from arbitrary and irresponsible influence is supported by the approval of an overwhelming majority of the German people.

With regard to this part of the German reply comment has been more mixed. It is admitted that the steps taken in the direction of parliamentary government, if actually carried out and retained after peace, would represent a long advance over the previous conditions. It is possible, too; to take a certain grim satisfaction in the spectacle of the

haughty German Junkers remodeling their Government—the super-State that was to rule the world—and submitting their handiwork for approval to the leaders of the great democracy of the New World. But so deep-seated is the distrust of the German Government and especially of its military leaders, that it seems likely that nothing short of absolute surrender will satisfy the majority of people.

On the other hand, there are some who incline to the belief that the German people are really taking the reins of Government into their own hands. Confidential information, is said to have been received indicating that internal conditions in Germany are far more serious than has been heretofore recognized. Officials at Washington are said to be convinced that the German leaders really want to make peace as quickly as possible; that this situation has been forced upon them both by the pressure at the western front and at home. It is believed that the German leaders are afraid that their failure to give the German people peace may result in something like a repetition of the commune in Paris, if not in activities in Germany smacking of what the Bolsheviki have done in Russia. Highly significant statements have appeared in some German newspapers indicating that the abdication of the Kaiser and the Crown Prince, even of the dynasty itself, is being talked about openly in Germany as being necessary to peace.

TEXT OF GERMAN REPLY TO PRESIDENT WILSON'S NOTE OF OCT. 14.

The official text of the reply of the German Government, dated Oct. 20, to President Wilson's note of Oct. 14, was received by cable at the Swiss Legation in Washington on Oct. 22, and, after being decoded, was delivered to Secretary of State Lansing on the 23d. As in the case of the preceding German notes, however, the text had already been sent out by wireless from the station at Nauhen, Germany; this wireless version was picked up at London and forwarded to this country by cable on Oct. 21. The wireless version, although containing several minor inaccuracies, proved to be substantially the same as the official text when published.

The official reply as presented by the Charge d'Affaires of Switzerland was made public as follows by Secretary of State Lansing on Oct. 23:

The Secretary of State makes public the following communication from the Charge d'Affaires a. i. of Switzerland:

DEPARTMENT OF GERMAN INTERESTS, Legation of Switzerland,

Washington, Oct. 22 1918.

Sir: By direction of my Government, I have the honor to transmit herewith to your Excellency the original German text of a communication, dated Oct. 20 1918, from the German Government, which has to day been received from the Swiss Foreign Office. I beg to also enclose an English translation of the communication in question as transmitted to the Swiss Foreign Office by the German Government with the request that it be forwarded to your Excellency's Government.

Please accept, Sir, the renewed assurances of my highest consideration.
(Signed) F. OEDERLIN,

Charge d'Affaires, a. i., of Switzerland.

His Excellency, Robert Lansing, Secretary of State, Washington.

(ENCLOSURE.)

Translation issued by the German Government of its communication dated Oct. 20 1918, transmitted to the Secretary of State by the Charge d'Affaires, a. i., of Switzerland on Oct. 22 1918.

In accepting the proposal for an evacuation of the occupied territories the German Government has started from the assumption that the procedure of this evacuation and of the conditions of an armistice should be left to the judgment of the military advisers and that the actual standard of power on both sides in the field has to form the basis for arrangements safeguarding and guaranteeing this standard. The German Government suggests to the President to bring about an opportunity for fixing the details. It trusts that the President of the United States will approve of no demand which would be irreconcilable with the honor of the German people and with opening a way to a peace of justice.

The German Government protests against the reproach of illegal and inhumane actions made against the German land and sea forces and thereby against the German people. For the covering of a retreat, destructions will always be necessary, and are in so far permitted by international law. The German troops are under the strictest instruction to spare private property and to exercise care for the population to the best of their ability. Where transgressions occur in spite of these instructions the guilty are being punished.

The German Government further denies that the German Navy in sinking ships has ever purposely destroyed lifeboats with their passengers. The German Government proposes with regard to all these charges that the facts be cleared up by neutral commissions. In order to avoid anything that might hamper the work of peace, the German Government has caused orders to be dispatched to all submarine commanders precluding the torpedoing of passenger ships, without, however, for technical reasons, being able to guarantee that these orders will reach every single submarine at sea before its return.

As the fundamental conditions for peace, the President characterizes the destruction of every arbitrary power that can separately, secretly and of its own single choice disturb the peace of the world. To this the German Government replies: Hitherto the representation of the people in the German Empire has not been endowed with an influence on the formation of the Government. The Constitution did not provide for a concurrence of the representation of the people in decision on peace and war.

These conditions have just now undergone a fundamental change. The new Government has been formed in complete accord with the wishes of the representation of the people, based on the equal, universal, secret, direct franchise. The leaders of the great parties of the Reichstag are members of this Government. In future no Government can take or continue in office without possessing the confidence of the majority of the Reichstag. The responsibility of the Chancellor of the Empire to the representation of the people is being legally developed and safeguarded. The first act of the new Government has been to lay before the Reichstag a bill to alter the Constitution of the empire so that the consent of the representation of the people is required for decision on war and peace. The permanence of the new system is, however, guaranteed not only by constitutional safeguards, but also by the unshakable determination of the German people, whose vast majority stands behind these reforms and demands their energetic continuance.

The question of the President, with whom he and the Governments associated against Germany are dealing, is therefore answered in a clear and unequivocal manner by the statement that the offer of peace and an armistice has come from a Government which, free from arbitrary and irresponsible influence, is supported by the approval of the overwhelming majority of the German people.

(Signed)

SOLF,

State Secretary of Foreign Affairs.

Berlin, Oct. 20 1918.

PRESIDENT WILSON'S REPLY TO THIRD GERMAN NOTE.

In answer to the German Government's proposal for an armistice, President Wilson has advised that Government that the only armistice he would feel justified in submitting for consideration to the Allies would be one which would make a renewal of hostilities on the part of Germany impossible. The President advises the German Government that he has transmitted his correspondence with it to the Allies, and has suggested that if they are disposed to effect peace on the terms and principles indicated by this Government, the military advisers of the United States and the Allies be asked to submit such terms as will fully protect the interests of the people involved and insure to the associated Governments the unrestricted power to safeguard and enforce the details of peace. The President points out the reason why extraordinary safeguards must be demanded. It may be that future wars have been brought under the control of the German people, but the present war has not been. The President observes that "it is evident that the German people have no means of commanding the acquiescence of the military authorities of the Empire in the popular will, that the power of the King of Prussia to control the policy of the Empire is unimpaired, that the determining initiative still remains with those who have hitherto been the masters of Germany," and he declares that "the Government of the United States cannot deal with any but veritable representatives of the German people who have been assured of a genuine constitutional standing as the real rulers of Germany." He concludes with the significant statement that "If it (the United States) must deal with the military masters and the monarchical autocrats of Germany now, or if it is likely to have to deal with them later in regard to the international obligations of the German Empire, it must demand, not peace negotiations, but surrender." The following is the reply in full as handed to the Charge d'Affaires of the Swiss Legation on Oct. 23:

From the Secretary of State to the Charge d'Affaires of Switzerland, ad interim, in charge of German interests in the United States.

DEPARTMENT OF STATE.

Washington, D. C., Oct. 23 1918.

Sir.—I have the honor to acknowledge the receipt of your note of the 22d transmitting a communication under date of the 20th from the German Government and to advise you that the President has instructed me to reply thereto as follows:

Having received the solemn and explicit assurance of the German Government that it unreservedly accepts the terms of peace laid down in his address to the Congress of the United States on the 8th of January 1918, and the principles of settlement enunciated in his subsequent addresses particularly the address of the 27th of September, and that it desires to discuss the details of their application, and that this wish and purpose emanate, not from those who have hitherto dictated German policy and conducted the present war on Germany's behalf, but from Ministers who speak for the majority of the Reichstag and for an overwhelming majority of the German people; and having received also the explicit promise of the present German Government that the humane rules of civilized warfare will be observed both on land and sea by the German armed forces, the President of the United States feels that he cannot decline to take up with the Governments with which the Government of the United States is associated the question of an armistice.

He deems it his duty to say again, however, that the only armistice he would feel justified in submitting for consideration would be one which should leave the United States and the Powers associated with her in a position to enforce any arrangements that may be entered into and to make a renewal of hostilities on the part of Germany impossible.

The President has, therefore, transmitted his correspondence with the present German authorities to the Governments with which the Government of the United States is associated as a belligerent, with the suggestion that, if those Governments are disposed to effect peace upon the terms and principles indicated, their military advisers and the military advisers of the United States be asked to submit to the Governments associated against Germany the necessary terms of such an armistice as will fully protect the interests of the peoples involved and insure to the associated

Governments the unrestricted power to safeguard and enforce the details of the peace to which the German Government has agreed, provided they deem such an armistice possible from the military point of view. Should such terms of armistice be suggested, their acceptance by Germany will afford the best concrete evidence of her unequivocal acceptance of the terms and principles of peace from which the whole action proceeds.

The President would deem himself lacking in candor did he not point out in the frankest possible terms the reason why extraordinary safeguards must be demanded. Significant and important as the Constitutional changes seem to be which are spoken of by the German Foreign Secretary in his note of the 20th of October, it does not appear that the principle of a Government responsible to the German people has yet been fully worked out or that any guarantees either exist or are in contemplation that the alterations of principle and of practice now partially agreed upon will be permanent. Moreover, it does not appear that the heart of the present difficulty has been reached. It may be that future wars have been brought under the control of the German people, but the present war has not been; and it is with the present war that we are dealing.

It is evident that the German people have no means of commanding the acquiescence of the military authorities of the Empire in the popular will; that the power of the King of Prussia to control the policy of the Empire is unimpaired; that the determining initiative still remains with those who have hitherto been the masters of Germany. Feeling that the whole peace of the world depends now on plain speaking and straightforward action, the President deems it his duty to say, without any attempt to soften what may seem harsh words, that the nations of the world do not and cannot trust the word of those who have hitherto been the masters of German policy, and to point out once more that in concluding peace and attempting to undo the infinite injuries and injustices of this war the Government of the United States cannot deal with any but veritable representatives of the German people who have been assured of a genuine Constitutional standing as the real rulers of Germany.

If it must deal with the military masters and the monarchical authorities of Germany now, or if it is likely to have to deal with them later in regard to the international obligations of the German Empire, it must demand, not peace negotiations, but surrender. Nothing can be gained by leaving this essential thing unsaid.

Accept, sir, the renewed assurance of my high consideration.

(Signed) ROBERT LANSING.

Mr. Frederick Oederlin, Charge d'Affaires of Switzerland, ad interim in charge of German interests in the United States.

Comment of Senators and Congressmen on the note, as given in newspaper interviews was quite varied. The New York "Times" quotes Senator Lodge of Massachusetts, ranking Republican member of the Committee on Foreign Relations as expressing himself as follows:

The President says in his last sentence that, if we must deal with the military masters and autocrats of Germany, we must demand "not peace negotiations, but surrender." With this I am in full accord, as I was with the President's statement of Sept. 27.

In the first paragraph the President says that, as the present German Government, which, as all the world knows, is controlled by the Kaiser and the military party, represents through its Ministers "the majority of the Reichstag and an overwhelming majority of the German people," he feels that he cannot decline to take up with the Allied Governments the question of an armistice. With this I am not in accord, for the German Government described in the first paragraph and that described in the last sentence are one and the same.

My own view is a very simple one. There is no German Government in existence with which I would discuss anything. I deplore at this stage, when we are advancing steadily to a complete victory, any discussion or exchange of notes with the German Government. The only thing now is to demand unconditional surrender. I would leave that to Marshal Foch and the Generals of the armies. When they report that the German Army has surrendered and ceased to exist as an army in being, then, and not until then, let the Allies and the United States meet and agree what terms they will impose on Germany to insure the safety of civilization and mankind.

Senator Hitchcock, Democrat, of Nebraska, Chairman of the Committee on Foreign Relations, is quoted as follows:

I think the President has brought to a very logical climax the correspondence with Germany. However much difficulty we have had in understanding the German notes, the Germans can have no possible difficulty in understanding this note. The President practically tells them that they must democratize their Government in order to secure terms of peace and, as an alternative, that, if they persist in the retention of the old form of militaristic Government, he will consider nothing but unconditional surrender. It seems to me that it amounts to giving the German people their choice, and I believe it will produce a political crisis in Germany.

I think the note will meet the approval of the American people, and I think it will receive the approving support of the Allies. I doubt there will be an armistice for some time, because it is almost certain that a crisis will follow in German internal affairs during which time nobody will have the power to make final arrangements.

Senator King, Democrat of Utah, a member of the Foreign Relations Committee, considered the note a diplomatic triumph, saying:

The reply of the President is a diplomatic triumph and will result in the overthrow of Kaiserism and the military and junker class, and hasten a revolution, political in character, which will place the political power of the German people in representatives of their own selection. A casual perusal of the note may leave some disappointment, but when its meaning is understood, particularly in the light of the addresses made by the President and the notes submitted by the German Government, a genuine admiration for the manner in which the entire issues are treated must follow.

It is perfectly obvious that the President recognizes the solidarity of the aims of the Allied Governments and that in dealing with the war and all cognate questions the Central Powers must treat, not alone with the United States, but with her Allies. While it is true the President has been the spokesman for the belligerent nations opposed to the Central Powers, his reply recognizes that, in dealing with the questions of armistice and peace negotiations and all matters relating to the war, the Allies of the United States have a voice in their determination.

The reply means there can be no armistice unless there is an unconditional surrender. While this is not stated in so many words, it is manifest that, when the entire question of armistice is remitted to the military authorities, they will require the same steps to be taken as were followed in the treatment of Bulgaria. Furthermore, it is clear that there cannot even be an armistice, so far as the United States is concerned, unless the

great principles for which the President stands, and as they have been enunciated in his various addresses, are accepted by the German Government. So that, first, before there is an armistice, Germany must accept the democratic principles and all of the points stated by the President in his addresses, which would eventuate, of course, in a change in the form of the German Government and the absolute destruction of the military power of Germany.

In my opinion the reply will result in the overthrow of the military and Junker class and the establishment of a liberal form of government by the German people. They will realize that only by pursuing this course is peace possible, except when the military forces of the Allies have taken physical possession of Germany itself.

On the other hand, Senator Poindexter, Republican, of Washington, said:

The concluding paragraph of the President's note says in substance if the business of arranging an armistice is not taken up by the United States and the Allied Governments with genuine representatives of the German people, and if, on the contrary, it has to be taken up with the military masters, then the United States and the Allies will be satisfied with nothing but unconditional surrender. As I understand that statement, it is equivalent to saying that the President would be willing to arrange terms of an armistice with representatives of the German people, if he is satisfied that they really represent the German people, on some other basis than that of unconditional surrender. I have no idea that France and Great Britain would consider any such proposition. Negotiation of an armistice with the German people without an unconditional surrender of the German armies, would be perfectly worthless so far as accomplishing the purposes of the Allies is concerned.

Senator Brandegee, Republican of Connecticut, said:

I had hoped that the President would decline to submit the German note or the proposals for an armistice to the Allies, as I do not think that the American people want any armistice whatever. If Germany wants to submit the question, it should be submitted to the Allies. I had hoped that the discussion would be terminated here and now. The note will probably produce a reply from Germany, thereby protracting the discussion.

Senator New, Republican, of Indiana, said:

I would prefer to read the entire note and study it carefully before making any extended comment on it. The statement that, if it is necessary for the American Government to deal with the military masters of Germany now or at any time, it must lead to a demand for surrender, rather than for peace negotiations, has the right sound to it, though.

Senator Pomerene, Democrat, of Ohio spoke enthusiastically:

The note is fine. It tells the German people very plainly that we cannot trust those officials with whom we are corresponding now. If that is the truth, nothing would be gained by an armistice agreed upon with the present German authorities. That is the truth. I am glad the President has so said.

Senator Curtis, Republican, of Kansas, said:

If he feels that the present power in Germany is not in earnest and cannot be trusted, I am sorry he does not turn it down flat and advise them that nothing short of an unconditional surrender would be considered. I hope our Allies will refuse an armistice unless they are assured that an unconditional surrender will result from the proposition. This is no time to permit delays by exchanging notes. Time is vital, and the Allies should take advantage of every opportunity and force an unconditional surrender.

Senator Smith, Democrat, of Georgia, said:

I have the greatest admiration for the manner in which the President has conducted this entire correspondence with Germany, and this last letter is the greatest of the three. He is conducting our fight inside of Germany with the force and skill General Foch shows daily at the battlefield. He has avoided a course which might have forced the German people together in what would have been claimed by them to be a purely defensive warfare, and yet he insists upon terms of peace which would be all we could claim after an unconditional surrender.

Senator Thomas, Democrat, of Colorado, said:

I think that the answer is that the war will go on until the Kaiser abdicates or is dethroned. The President's note makes that clear. It is plain that the President will have no dealings with the Kaiser.

Senator McCumber, Republican, of North Dakota, said:

I do not like to pass judgment on the President's reply now, but I do not like the idea of having any negotiations with the Imperial German Government. It seems to me that the reply calls for an armistice, but, if an armistice should be arranged without having the German armies unconditionally surrender, we would be no nearer peace than we are now.

Senator Reed, Democrat, of Missouri, thought part of the note was not clear:

I am fully in accord with the proposition laid down that the only way we can deal with the present rulers of Germany is through unconditional surrender, because the present rulers of Germany I regard as the same crowd that brought on this war. The pretended change in the German Government is, in my opinion, mere pretence, without a particle of substance. I think it a very poor sham.

I confess there is a part of the message that I don't understand, and I want to give it further thought before I discuss it. I do not understand how it can be said that the present Government represents the German people to such an extent as to comply with the President's conditions so that he would transmit the message to the Allies. Their message is now sent to our Allies, and yet the President in his message, as I understand it, says that the present German Government does not represent the people. However, as I say, I wish to give this part of the message further consideration.

My own opinion is that the present conflict with Germany cannot be settled except in the field of battle. Germany must be brought to her knees and made to understand that the consequences of the war which has devastated nations cannot be escaped by a mere pretended change in the form of Government, particularly when that change is ordered by the men who brought on this war.

Senator Watson, Republican, of Indiana, thought the note inconsistent:

The President virtually grants the armistice asked by Germany in that he accepts their terms and refers the whole question to the Governments of the Allies, with the request that they in turn refer it to their military commanders, and he bases his faith in "their solemn and explicit assurance" that Germany has unreservedly accepted all his terms of peace and that he believes them to be sincere in such acceptance. But, as I see it, the last part of the note contradicts the first part, for he explicitly states that the German people have not done the things they so solemnly assured him they have done, that the power of the King of Prussia to control the policy of

the Empire is still unimpaired, and the former masters of Germany are still her masters.

And yet, while basing his action upon their having overthrown the power of the Hohenzollern autocracy, he turns about to charge that they not only have they not done so, but they have no means of commanding the acquiescence of the military authorities of the Empire in the popular will, the reason being that those military authorities are still under the control of their former masters.

As I see it, he has predicated his action upon conditions that do not exist and under present conditions cannot exist.

I very greatly regret that he did not see fit to answer it, in unequivocal terms, that we demand the unconditional surrender of the German armies in the field.

SPEECH OF GERMAN CHANCELLOR PRINCE MAXIMILIAN REGARDING PEACE OVERTURES—FUNDAMENTAL CHANGES.

A speech before the Reichstag on Oct. 22 by the German Chancellor, Prince Maximilian, relative to the attitude which should be observed in Germany with regard to the peace overtures, was approved in a resolution unanimously adopted by the Reichstag. The resolution also expressed confidence in the new Chancellor. Prince Max told the Reichstag that the German people must prepare for "a peace of justice or a peace of violence to the highest point."

Announcement was made by the Chancellor of a bill making the Reichstag responsible for war and peace, the measure to become effective when the project for a League of Nations should become operative. The following account of what he had to say is from the New York "Times" as cabled from Copenhagen Oct. 23:

"The whole German people is anxious to hear the views of the Government regarding the prospects of peace," he said, "but I am able to speak only with the greatest reserve, and urge that the members of the Reichstag limit debate, as is consistent with the seriousness of the hour. The whole German people have been spoken to by President Wilson, and this fact gives the utterances of the representatives of all parties added force.

"To-day, therefore, I am going to say only this regarding the international situation: The President's first answer to the peace move of the German Government has in all countries brought the question of a peace of justice or a peace of violence to the highest point. President Wilson's last note did not make clear to the German people how this public agitation will end. His next answer will, perhaps, bring definite certainty. Until then we must in all our thoughts and in our actions prepare for both eventualities—first, that the enemy Governments are anxious for war, in which case there is no choice for us but to put ourselves in a posture of defense with all the strength of our people driven to the last extremity.

"Should this necessity arise, I have no doubt that the German Government, in the name of the German people, will issue a call for national defense in the same way that it spoke for the German people when it took action for peace. He who honestly took a stand on the basis of peace will also undertake the duty of not submitting to a peace of violence without a fight. The Government which would act otherwise would be left to the mercy of the fighting and working people. It would be swept away by public opinion.

"There is also another possibility. The German people must not be blindly brought to the conference table. The German people to-day have the right to ask, if peace is realized on the basis of President Wilson's conditions, what they mean for our future. Our answers to the President's question must be framed on the German people's understanding of that question. What it now wants is clearness.

"The decision will be of stupendous import. It will be our strength that will decide, but it will be what is thought to be right in free discussion with our opponents that will give the decision. This is a great effort for a proud people accustomed to victory. The legal questions involved will not stop at our national boundaries, which we will never of our own accord open for violence. The principles upon which we have agreed as a rule of conduct also involve internal questions. From many quarters it has been represented to me that an acceptance of President Wilson's conditions would mean submission—anti German submission—to an anti German court of justice which would decide legal question entirely from the viewpoint of its own interests. If that is the case, why then is it the extreme apostles of force in the Entente fear the council chamber as the guilty fear the court of justice?

"The essence of President Wilson's program for a League of Nations cannot be achieved when all peoples have not the right of national self-determination. This realization of community law means the abandonment of part of the unqualified independence which hitherto has been the indication of sovereignty, both by us and others. Should we at home maintain as fundamental the national egoism which until a short time ago was the dominating force of the people's life, there would be no restitution and no renovation for us. There would be a feeling of bitterness which would cripple us for generations.

"But if we comprehend that the significance of this frightful war is, above all, victory for the idea of justice, and if we do not resist this idea, but submit with all good faith, then we shall find in it a cure for our present wounds and a reservoir of future strength."

The Chancellor said that he would not deny that heavy opposition in Germany must be conquered before the ideal League of Nations could be realized, but, he continued:

"Whether the next few days or weeks shall call us to fight on, or open the way to peace, there is no doubt we are now equal to the task of either war or peace by carrying out the Government's program and definitely breaking away from the old system."

He then discussed electoral and parliamentary reform. He cited bills before the Reichstag, one of which enables members of the house to enter the Government without resigning and another proposing a change in the laws regarding the responsibility of the Chancellor.

"Deputies," he said, "will take part in the direction of imperial policy, and, in the name of the Chancellor, will be responsible without being ministers. Thus a new way is opened for arriving at responsible conduct of imperial affairs—the parliamentary way. We are now convinced that it will supply, not only the Government but indirectly Parliament, with precious forces from the people which have hitherto not been utilized."

Prince Maximilian said he hoped soon to announce results of preliminary negotiations to obtain a legal extension of the Chancellor's responsibility, to be secured by the formation of a State tribunal.

"The new system," he said, "involves, as a natural consequence, a new mode of Government in Alsace-Lorraine."

He declared it was the aim of himself and his colleagues to establish the political authority of the German people. After saying that he welcomed expressions of opinion and that he and his colleagues were agreed as to methods and purposes, he added:

"Our aim is the political authority of the German people. This is the guiding star of my collaborators and myself."

The Chancellor said that individual members of the Government at first had different standpoints, but had now been brought nearer together.

"The German people has long been in the saddle," he said. "Now it is to ride. Our first and last thought is for the brave men who are defending themselves against superior forces and whom we must defend against unjust charges. No one must think he can attack our army without also attacking the honor of our people. The lot of our soldiers to-day is terribly hard. They fight with anxiety for the homeland and with their minds fixed on peace, and they hold their ground. We trust and thank them. We cry to them: 'The homeland will not abandon you. What you want, what it can give in men, material, and food, that you shall have.'"

The extraordinary war-time measures, the Chancellor explained, could not yet be dispensed with, but they could be carried out only by the Chancellor, who would be responsible to the Reichstag for their application.

"His Majesty's decrees which I announced recently have now been issued," he went on. "They concern not only the censorship, the right of public meeting and restrictions on personal liberty, but had to do with economic, social and political matters. If local military commanders disagree with the civil authorities the decision must be reached immediately by the highest commander, who will not be able to promulgate any decision to which agreement is not given by myself or my representative—namely Secretary of State Groeber. Care will be taken that the state of siege is maintained in the spirit in which I assumed the functions of the Government and in which I am resolved to discharge them."

He announced a bill making the Reichstag responsible for war and peace, the measure to become effective when the project for a league of nations should become operative. He said the bill provided for the compulsory embodiment in the constitution of the fundamental idea of the new form of government. The effect, he declared, would be to make the Reichstag the people's House of Representatives, which should be responsible "in the decision of the most important question for the nation, namely of peace and war."

"That means peaceful development of the Empire and its relations with other Powers," he continued. "In such an extension of the people's rights the Imperial Government is willing to lend a hand when a league of nations has taken practical form. When such a league puts an end to all secret, separate treaties I am confident that all agreements can be amplified in this sense."

He then declared that the German nation long had possessed political rights which its neighbors envied. He spoke in praise of the municipal and Reichstag election, and said that, although the German people had not made use of their power in dealing with vital questions, the development which had occurred in September had changed everything.

"Therein lies the guarantee of the continuance and growth of the new system," he added. "This is a better and more real guarantee than any law or paragraph."

The German people, he declared, must not resort to forms of Government which they did not in their hearts believe in for the sake of foreign countries or to meet the needs of the moment.

"The enemy is at our gates," he said.

After paying tribute to the men at the front, he added: "Bad elements are to be found in every army, but the fundamental will of the people's army is opposed to them."

"My program of Oct. 6 embraced amnesty for persons under sentence for political crimes, especially those connected with labor troubles, street demonstrations, &c. Far reaching amnesty of this nature was proposed by the Emperor and has now been applied."

Many persons had been set at liberty, Prince Maximilian added, only with strong misgivings on the part of the Government, but "the conviction of the necessity of benevolence and a trustful policy decided the matter."

It was announced yesterday that the German Reichstag had accorded Prince Max a vote of confidence, the ballot standing 193 to 52; 23 of the members, it was stated, did not vote.

AUSTRIA-HUNGARY'S PLEA FOR ARMISTICE REJECTED—"AUTONOMY" FOR SUBJECT RACES NOT ENOUGH.

President Wilson in his reply to the note of the Austro-Hungarian Government requesting an armistice, and accepting the principles laid down by the President in his address of Jan. 8 and subsequent addresses declined to consider an armistice on the basis of his previous pronouncements. Changing conditions, he declared, and the recognition by this country and the Entente of the Czecho-Slovaks and Jugo-Slavs, made "autonomy" for the subject races of the Dual Monarchy no longer sufficient as a basis for peace.

The note, signed by Secretary of State Robert Lansing, quoted that one of the fourteen peace principles in the President's Jan. 8 address to Congress dealing with the subject races of Austria, and reading:

X. The peoples of Austria-Hungary, whose place among the nations we wish to see safeguarded and assured, should be accorded the freest opportunity of autonomous development.

"Since that sentence was written and uttered to the Congress of the United States," the note continued, "the Government of the United States has recognized that a state of belligerency exists between the Czecho-Slovaks and the German and Austro-Hungarian empires and that the Czecho-Slovaks' National Council is a defacto belligerent Government clothed with proper authority to direct the military and political affairs of the Czecho-Slovaks. It has also recognized in the fullest manner the justice of the nationalistic aspirations of the Jugo-Slavs for freedom. The Presi-

dent is therefore no longer at liberty to accept a mere autonomy of these people as a basis of peace, but is obliged to insist that they and not he shall be the judges of what action on the part of the Austro-Hungarian Government will satisfy their aspirations and their conception of their rights and destiny as members of the family of nations."

The full text of the note will be found in another item below. The President's reply was dispatched on Oct. 19 through the Swedish Minister at Washington. When Secretary Lansing's attention was called to the fact that the note referred especially to the Czecho-Slovaks and Jugo-Slavs without mentioning other nationalities oppressed by the Hapsburgs, he replied, according to press reports from Washington, that the position of the United States was the same toward the latter as toward those subject peoples who had been mentioned by name in the communication. This would include the Polish parts of Austria and those parts of Transylvania inhabited by Rumanians, as well as "Italia Irredenta." Both Austria and Hungary would suffer large losses of territory and population if these changes were realized.

No explanation has been made of the long delay in answering the Austrian note, which bore date as of Oct. 7 and was not answered until Oct. 19. It is supposed that the President has in the meantime been in consultation with the heads of the Entente Governments.

TEXT OF PRESIDENT WILSON'S ANSWER TO AUSTRIA-HUNGARY.

President Wilson's answer to the Austro-Hungarian note of Oct. 7, requesting the President to arrange for an armistice, was forwarded by Secretary of State Robert Lansing through the Swedish Government on Oct. 19. The full text read as follows

Department of State, Washington, Oct. 19 1918.

From the Secretary of State to the Minister of Sweden.

Sir, I have the honor to acknowledge the receipt of your note of the seventh instant in which you transmit a communication of the Imperial and Royal Government of Austria-Hungary to the President. I am now instructed by the President to request you to be good enough through your Government to convey to the Imperial and Royal Government the following reply:

The President deems it his duty to say to the Austro-Hungarian Government that he cannot entertain the present suggestions of that Government because of certain events of utmost importance, which, occurring since the delivery of his address of the eighth of January last, have necessarily altered the attitude and responsibility of the Government of the United States. Among the fourteen terms of peace which the President formulated at that time, occurred the following:

"X.—The peoples of Austria-Hungary, whose place among the nations we wish to see safeguarded and assured, should be accorded the freest opportunity of autonomous development."

Since that sentence was written and uttered to the Congress of the United States, the Government of the United States has recognized that a state of belligerency exists between the Czecho-Slovaks and the German and Austro-Hungarian Empires and that the Czecho-Slovak National Council is a de facto belligerent Government clothed with proper authority to direct the military and political affairs of the Czecho-Slovaks. It has also recognized in the fullest manner the justice of the nationalistic aspirations of the Jugo-Slavs for freedom.

The President is, therefore, no longer at liberty to accept the mere "autonomy" of these peoples as a basis of peace, but is obliged to insist that they, and not he, shall be the judges of what action on the part of the Austro-Hungarian Government will satisfy their aspirations and their conception of their rights and destiny as members of the family of nations.

Accept, Sir, the renewed assurances of my highest consideration.

(Signed) ROBERT LANSING.

The official text of the Austro-Hungarian note to which the foregoing was a reply was made public as follows:

Legation of Sweden, Washington, D. C., Oct. 7 1918.

[Translation.]

Excelsency. By order of my Government I have the honor confidentially to transmit herewith to you the following communication of the Imperial and Royal Government of Austria-Hungary to the President of the United States of America.

"The Austro-Hungarian Monarchy, which has waged war always and solely as a defensive war and repeatedly given documentary evidence of its readiness to stop the shedding of blood and to arrive at a just and honorable peace, hereby addresses itself to his Lordship, [Monseigneur in the French text] the President of the United States of America, and offers to conclude with him and his allies an armistice on every front on land, at sea, and in the air, and to enter immediately upon negotiations for a peace for which the fourteen points in the message of President Wilson to Congress of Jan. 8 1918, and the four points contained in President Wilson's address of Feb. 12 1918, should serve as a foundation, and in which the viewpoints declared by President Wilson in his address of Sept. 27 1918 will also be taken into account."

Be pleased to accept, &c.,

(Signed) W. A. F. EKENGREN.

His Excellency, Mr. Robert Lansing, Secretary of State of the United States, Washington.

Although the above note of the Austro-Hungarian Government bore date of Oct. 7, the official translation had not previously been made public. The use of the words "His Lordship" in addressing the President has attracted attention as being an unusual phrase for use in a diplomatic document. In press dispatches from Washington it was explained that the Austro-Hungarian Government's communication was dispatched in French to the Swedish Foreign

Office, which forwarded it in French to its Legation at Washington. The Swedish Legation delivered the communication in French. The translation was made in the State Department. The French word in the communication was "Monsieur," an ecclesiastical title, very difficult of translation. This word was translated as "His Lordship."

BURIAN ADMITS WAR IS LOST—EXPRESSES FAITH IN PRESIDENT WILSON.

The Central Powers found themselves no longer able to hope for a military decision in their favor, and Bulgaria's demand for peace only hastened the presentation of their peace propositions, Baron Burian, the Austro-Hungarian Foreign Minister, recently told the Foreign Affairs Committee of the Hungarian delegation at Vienna. As quoted in a Basle dispatch, dated Oct. 16, Baron Burian said:

"Although the Central Powers have been able to face the new military situation, it must be stated that we cannot hope any longer for a decisive success by arms, while our adversaries are not sure of their power to crush our resistance. Hence further bloodshed is useless."

Confidence that Turkey would remain faithful to the Teutonic alliance was expressed by Baron Burian, who also reasserted Austria-Hungary's fidelity to Germany.

"We shall enter upon the negotiations," he said, "closely united with our faithful German ally and with Turkey, which continues to keep her engagement toward the alliance, notwithstanding the difficult situation in which she is placed by the disappearance of Bulgaria."

"I wish to point out as a self-evident fact resulting from this close union of the Allies that we shall always regulate our attitude in the approaching negotiations in constant reciprocal agreement with them. If the bases of the agreements to be concluded exist as the result of the acceptance of the points of the program. [Baron Burian was evidently referring to President Wilson's program.] the application and execution of these diverse points in their practical bearing can, nevertheless, give rise to differences of opinion which we must try to dissipate by carefully weighing the opposing points of view and vigorously defending the conditions of our constitutional existence."

"The Allies will have to support each other in these discussions. They will have to find in the settlement of litigious questions that line of agreement which will protect their interests from injury."

Baron Burian said that a sentiment of pure humanity always pervaded President Wilson's ideas on the solution of world problems, "even when he joined our adversaries and laid down certain principles directed against us. His declarations, therefore, never remained without influence among us and were never rejected by us in principle."

The Foreign Minister expressed the view that the creation of a League of Nations constituted a preliminary condition for the establishment of a peace of impartial justice, such as President Wilson and we desire.

"Such a league," he added, "would form the framework of the new world. It is upon it that the various States will build up their reciprocal relations."

"Such a league will replace the policy of an equilibrium of groups of powers depending on force by an organization of States voluntarily submitting to an international law established by themselves with the creation of an executive power above the State to enforce the law."

International arbitration tribunals will settle disputes, the Foreign Minister said, and armaments will lose the reason for their existence. The Baron then said:

"It is not my place to enter into a discussion as to the reasons why President Wilson delayed his reply to us when he has communicated with Germany with a view to enlightening certain preliminary questions, for I should be reduced to a pure hypothesis."

"I would only say that our confidence in President Wilson's word is so firm that we categorically reject suppositions attributing to this procedure motives, tactical reasons or intentions malevolent toward the monarchy."

Baron Burian told the committee that President Wilson's assertion that evacuation of territory was necessary before an armistice could be granted was "perfectly just and founded not only on political reasons, but on positive military reasons. . . . Our agreement and that of Germany to this evacuation is certain," he added.

AUSTRIAN EMPEROR ANNOUNCES AUTONOMY FOR ALL SUBJECT RACES.

Emperor Charles of Austria on Oct. 18 issued a manifesto "to my faithful Austrian peoples," announcing that steps would at once be taken, "in the spirit and principles which our allied monarchs have adopted in their offer of peace," to reorganize the Empire on a federal basis, with autonomy for each different nationality. The Emperor was careful to add, however, that this did not mean the union of Austrian Poland with the independent Polish State, nor was the "integrity of the countries under the holy crown of Hungary" to be disturbed. The City of Trieste is also slated for separate treatment, "in conformity with the desires of its inhabitants." As quoted in dispatches sent via Basle on Oct. 18 the proclamation read:

Since I have ascended the throne I have tried to make it my duty to assure to all my peoples the peace so ardently desired and to point the way to the Austrian peoples of a prosperous development unhampered by obstacles which brutal force creates against intellectual and economic prosperity.

The terrible struggles in the world war have thus far made the work of peace impossible. The heavy sacrifices of the war should assure to us an honorable peace, on the threshold of which, by the help of God, we are to-day.

We must, therefore, undertake without delay the reorganization of our country on a natural, and, therefore, solid basis. Such a question demands that the desires of the Austrian peoples be harmonized and realized.

I am decided to accomplish this work with the free collaboration of my peoples in the spirit and principles which our allied monarchs have adopted in their offer of peace.

Austria must become, in conformity with the will of its people, a confederate State in which each nationality shall form on the territory which it occupies its own local autonomy.

This does not mean that we are already envisaging the union of the Polish territories of Austria with the independent Polish State.

The City of Trieste with all its surroundings shall, in conformity with the desire of its population, be treated separately.

Emperor Charles addressed the Austrian land and sea forces at the same time he issued his message to the people. In his order to the sailors and soldiers, the Emperor expressed "firm confidence that the concord which has existed in the army and navy until now will exist for the future for the well-being of the new confederated Austria."

The version of the manifesto of Emperor Charles as received at London on Oct. 18 contained this concerning reconstruction of the Fatherland:

"This reconstruction, which in no way affects the integrity of the countries under the holy crown of Hungary, will guarantee the independence of each individual national State. It will, however, also effectively protect common interests and will bring them to bear wherever community is a condition of vital importance for individual States."

"A union of all our forces will be especially necessary for a just and rightful solution of the great tasks resulting from the reaction of the war. Until legislation for the reconstruction is completed, existing institutions will remain in force unaltered. In order to safeguard the general interest of the country, the Government is charged to prepare everything for the reconstruction of Austria."

The manifesto appeals to the people to "co-operate in the great task with the national councils formed from the ranks of Reichsrath Deputies of each nationality, whose task it will be to assist the interests of the people to each other and toward my Government."

This limited offer of "autonomy," avowedly made to meet the terms demanded by President Wilson as a condition of peace, had been foreshadowed by various recent happenings in the Dual Monarchy. It was apparently too late, however, to stem the tide of disintegration in the Hapsburg dominions which seems to be gaining rapid headway. On the same day on which Emperor Charles made his offer of "autonomy," the Czecho-Slovak National Council issued its declaration of independence (given in full in another article) rejecting all thought of autonomy, and declaring for absolute independence and a republican form of government. General strikes accompanied by rioting were reported from Bohemia and Moravia. In Prague a revolutionary outbreak was reported on Oct. 18, and Czech money is said to be in circulation. There is also said to have been fighting at Brunn, the capital of Moravia, and at Skoda, the latter the seat of the big Austrian gun plant. Czech Deputies participating in the disturbances are said to have announced that the final phase of the Czech revolution had begun.

The Poles, also, through action taken by the Regency Council at Warsaw and by the Polish Deputies in the Austrian Reichsrath, have recently made clear their determination to re-establish a united Poland with an outlet to the sea. A dispatch received by the Polish National Committee of the United States, of which Ignace Paderewski is the head, made public on Oct. 19 the following cablegram received from the Polish National Committee of Paris:

The Polish nation unanimously demands a United Poland with its own free coast. This demand is forming a part of the program of the Inter-Party Alliance and of the parties of the Left, as recently adopted by the Regency Council by special proclamation.

Those few of the members of the Polish Parliamentary Club in Vienna who had until recently preserved a wavering attitude have now joined the independent Polish members of the Austrian Reichsrath, together with whom they have entered a motion demanding a united Poland, with access to the sea. The Polish Parliamentary Club is said to have placed the Central Powers in a position regarded as desperate, inasmuch as it insists upon Germany's compliance with President Wilson's terms.

Correspondence between the Polish Regency Council, meeting at Warsaw, with General Hans H. von Beseler, German Governor General of occupied territory in Russia, printed in the Frankfort "Gazette," shows that the Council threatened "undesirable consequences" if the administrative departments were not transferred to it unconditionally, according to an Amsterdam dispatch on Oct. 16. General von Beseler had promised only a limited transfer. In his final letter the Governor General, in terms of abject politeness, announced the abandonment of his former standpoint and granted the demands of the Council.

The above, it is said, explains the bitter denunciations of Polish "treason" that have appeared recently in the German newspapers as quoted in dispatches from Amsterdam.

In Hungary, also, recent dispatches report a strong movement for the separation of Hungary from Austria. At a session of the Hungarian Diet on Oct. 17, as described in Basle dispatches, dated the 18th, Dr. Alexander Wekerle, the Hungarian Premier, said that the Federal States which would be formed in Austria would organize their economic and military policies on an autonomous and independent basis. He made an appeal for united action by all parties. Count Michael Karolyi, President of the Hungarian Independent party, who followed Dr. Wekerle, demanded that immediate peace negotiations be begun without regard to

the community of interest arising from the policy which has heretofore been followed, according to advices from Budapest.

Count Stephen Tisza, formerly Hungarian Premier, who recently had a narrow escape from a would-be assassin, attacked Count Karolyi, yelling: "You are an Entente agent."

Martin Novassy, one of the members of the Diet, answered: "We are friends of the Entente."

Great disorder ensued in the Chamber.

When the sitting was resumed after a brief postponement a draft of the address to the King was read. It said the result of the war had been such as to place the throne in danger. It stated that Hungary must have full autonomy and continued:

Hungary feels herself to be in full accord with the ideas spreading throughout the world along the lines of the noble principles of President Wilson's address. Hungary must be completely independent, must have general electoral suffrage and the relations between nationalities in the country must be governed by the principles enunciated by President Wilson. Hungary is in danger of invasion. Hungarian troops must be brought back and non-Hungarian troops sent away.

Replying, Premier Wekerle said:

The protection of our integrity as a State and the maintenance of our unity are tasks we must accomplish at all costs. We desire to grant individual rights to the different nationalities who have lived among us for a thousand years. We are not contradicting our traditional point of view in accepting President Wilson's principles. As far as absolute equality of rights to individuals and the defence of our integrity and the unity of the State will permit, we will willingly satisfy the claims of different nationalities.

A dispatch from Basle, dated Oct. 17, published here on the 19th, described a session of the Foreign Committee of the Hungarian Lower House at which Count Karolyi bitterly criticized the foreign policy of the Monarchy. The dispatch said:

Count Karolyi said that Austria's foreign policy during the war had been still worse than that which prevailed before hostilities began and asserted that there were "numberless occasions" when peace might have been concluded.

"When we knew that Germany would not give in and that the whole world has arisen against the policy of Germany, which had become hateful to all nations," he continued, "we might have made peace. Our fidelity to the alliance has limits."

Count Karolyi was ruthless in his criticism of submarine warfare, and said that the main mistake of the Central Powers was in underestimating America. He closed by expressing a desire for the creation of an autonomous Hungary and requesting the abolition of the common institution of the monarchy.

There are plain intimations, however, in the comment appearing in the Hungarian press, that the separatist movement in Hungary has its mainspring in the desire to resist the efforts of the subject races of the Hungarian crown to escape from Magyar domination. A special dispatch from Washington to the New York "Times," dated Oct. 19, dealing with this point says:

News that Premier Hussarek of Austria had opened negotiations with the representatives of the different nationalities, with a view of reforming the Constitution on a Federal basis, and the declaration by the Czech Deputy Stanek that the Czechs were invited to collaborate in the reform, but had refused, have raised a commotion in the Hungarian press.

The official resume of Hungarian press comment has also been received. The "Budapesti Hirlap" (Conservative) said:

"If the inhabitants of Austria cannot be happy without a radical revision of the Constitution, we can do nothing to prevent them from so doing, but in facing this fact we find ourselves confronting a double task. We must, first of all, energetically oppose any attempt to drag us into their gloomy and dangerous business. Then, no matter what organization may be adopted by Austria, it is our duty, independently of Austria, just as she proceeded independently of us in bringing about changes, to draw the necessary conclusions and to adopt the organization which will be dictated by the importance of the Magyar people. The countries under the Crown of St. Stephen are only the equals of the kingdoms and provinces of the Austrian Emperor (countries represented in the upper house), considered as a whole and in their integrity, that is to say, the equals of Austria, an not a Czech State of upper or lower Austria, the Tyrol, &c."

The "Magyarország" (Karolyi's paper) said:

"If Hussarek wants to federalize the entire monarchy—that is to say, not only Austria, but also Hungary—he must have gone mad, because the integrity of the Magyar State is not suffering from any 'Austrian' diseases. It is not admissible, neither possible, to federalize Hungary. Hungary has existed a thousand years, has her Constitution, and until now has constituted a State, and she shall remain so in the future. Independently of that, Hungary does not consider Hussarek any more than she considers the Chinese Empire—even less so.

"An organization which would result in dismantling Austria into three or four small States would be more favorable and advantageous to us in the two following conditions: (1) territorial intangibility and integrity; (2) entrance of Hungary into a personal union with the States created by Austria, a union which would not mean affairs in common, but which would be based solely on international agreements and have a sovereign at its head. This creation would be much more advantageous for us than dualism, not only because we would then realize a complete State independence, but also because in the new union, even from a territorial standpoint and in that which concerns the population, Hungary would be the principal State—the governing State."

The Vienna newspapers, according to a Basle dispatch on Oct. 19, state the Rumanian Deputies in the Austrian Parliament have constituted a separate Rumanian National Assembly. The Assembly was formed under the Presidency of Sopescul Grecul.

Alarmed at the prospective fate of their fellow countrymen in Transylvania when dissolution of the Austro-Hungarian Empire comes, the Rumanian National League of America on Oct. 18 issued the following statement on Oct. 18 from its headquarters in Washington:

The Rumanian National League of America, having in view renewed efforts of the Hungarians to falsify history and truth so as to be able to continue even after the now inevitable downfall of the Austro-Hungarian dualism to oppress the Rumanians, Slovaks and Serbs of Hungary, protests with all its energy against these attempts to hoodwink the good faith of the democracies of the world.

It also calls attention of the American people to the cynicism exhibited by the leading Magyar circles in proposing to appoint as delegate to the future peace conference Count Apponyi, the most ferocious tyrant of the subject races of Hungary, and the too famous author of the law bearing his name, which closed 2,975 Rumanian schools.

The Rumanians of America, all natives of the Austro-Hungarian Empire, see no other possible betterment of the situation of the 4,000,000 Rumanians living under Austrian and Hungarian yoke than their complete liberation and their union with their brethren of Rumania.

This is the only solution that would fulfil their legitimate expectations and be in accord with the noble principles of justice and national free determination for the realization of which this great republic is fighting.

THE CZECHO-SLOVAK DECLARATION OF INDEPENDENCE.

A formal Declaration of Independence was issued simultaneously at Paris and Washington on Oct. 18 by the Czecho-Slovak National Council, speaking in behalf of the Slavic peoples of Bohemia and the northern parts of Austria-Hungary. A copy of the document as adopted by the Provisional Government at Paris, was presented to the State Department by Professor Thomas G. Masaryk, President of the National Council, and also forwarded to all the Entente Governments. It sets forth the claims of the Czecho-Slovak nation to full independence, rejects the proposals of the Austro-Hungarian Government for a Federalized Empire under the rule of the Hapsburgs, and outlines the plan for a republican national organization modeled on the lines of the United States.

The Czecho-Slovak declaration of independence is a ratification of the declaration of the Czech Deputies made at Prague, Bohemia, on Jan. 6 last. The declaration recites the history of the Czecho-Slovak people and denounces not only the conduct toward their race by the Austrian State and the Hapsburg dynasty, but the treatment of the Slovaks by the Hungarian Magyars, asserting that the Magyars have indulged in "unspeakable violence and ruthless oppression upon their subject races," and that by their conduct they have disclosed to the whole world that they "have lost all human and moral right to rule anybody but themselves."

The present declaration is not a constitution, but it proclaims complete religious freedom, universal suffrage, with women on an equal footing "politically, socially and culturally" with men, proportional representation as a guarantee of the defense of minority rights, a recognition of the principle of the right to the enjoyment of equal rights before the law by minorities, and the recognition of the principles of initiative and referendum. The declaration is signed by Prof. Thomas G. Masaryk, Prime Minister of the embryo Government; Gen. Stefanik, Minister of National Defence, and Dr. Edward Renes, Minister of Foreign Affairs. The following is the complete text of the declaration:

DECLARATION OF INDEPENDENCE OF THE CZECHO-SLOVAK NATION, BY ITS PROVISIONAL GOVERNMENT.

At this grave moment, when the Hohenzollerns are offering peace in order to stop the victorious advance of the allied armies and to prevent the dismemberment of Austria-Hungary and Turkey, and when the Hapsburgs are promising the federalization of the empire and autonomy to the dissatisfied nationalities committed to their rule, we, the Czecho-Slovak National Council, recognized by the Allied and American Governments as the Provisional Government of the Czecho-Slovak State and nation, in complete accord with the declaration of the Czech Deputies made in Prague on Jan. 6 1918, and realizing that federalization, and still more autonomy, mean nothing under a Hapsburg dynasty, do hereby make and declare this our declaration of independence.

We do this because of our belief that no people should be forced to live under a sovereignty they do not recognize, and because of our knowledge and firm conviction that our nation cannot freely develop in a Hapsburg mock federation, which is only a new form of the denationalizing oppression under which we have suffered for the last 300 years.

We consider freedom to be the first prerequisite for federalization, and believe that the free nations of Central and Eastern Europe may easily federate should they find it necessary.

We make this declaration on the basis of our historic and natural right. We have been an independent State since the seventh century, and in 1526 as an independent State consisting of Bohemia, Moravia and Silesia we joined with Austria and Hungary in a defensive union against the Turkish danger. We have never voluntarily surrendered our rights as an independent State in this confederation. The Hapsburgs broke their compact with our nation by illegally transgressing our rights and violating the Constitution of our State, which they had pledged themselves to uphold, and we therefore refuse longer to remain a part of Austria-Hungary in any form.

We claim the right of Bohemia to be reunited with her Slovak brethren of Slovakia, once part of our national State, later torn from our national

body and fifty years ago incorporated in the Hungarian State of the Magyars, who by their unspeakable violence and ruthless oppression of their subject races have lost all moral and human right to rule anybody but themselves.

The world knows the history of our struggle against the Hapsburg oppression, intensified and systematized by the Austro-Hungarian dualistic compromise of 1867. This dualism is only a shameless organization of brute force and exploitation of the majority by the minority; it is a political conspiracy of the Germans and Magyars against our own as well as the other Slav and the Latin nations of the monarchy.

The world knows the justice of our claims, which the Hapsburgs themselves dared not deny. Francis Joseph, in the most solemn manner, repeatedly recognized the sovereign rights of our nation. The Germans and Magyars opposed this recognition and Austria-Hungary, bowing before the Pan-Germans, became a colony of Germany and as her vanguard to the East provoked the last Balkan conflict as well as the present world war, which was begun by the Hapsburgs alone without the consent of the representatives of the people.

We cannot and will not continue to live under the direct or indirect rule of the violators of Belgium, France and Serbia, the would-be murderers of Russia and Rumania, the murderers of tens of thousands of civilians and soldiers of our blood and the accomplices in numberless unspeakable crimes committed in this war against humanity by the two degenerate and irresponsible dynasties.

We will not remain a part of a State which has no justification for existence and which, refusing to accept the fundamental principles of modern world organization, remains only an artificial and immoral political structure hindering every movement toward democratic and social progress. The Hapsburg dynasty, weighed down by a huge inheritance of error and crime, is a perpetual menace to the peace of the world and we deem it our duty toward humanity and civilization to aid in bringing about its downfall and destruction.

We reject the sacrilegious assertion that the power of the Hapsburg and Hohenzollern dynasties is of divine origin. We refuse to recognize the divine rights of kings. Our nation elected the Hapsburgs to the throne of Bohemia of its own free will, and by the same right deposes them. We hereby declare the Hapsburg dynasty unworthy of leading our nation and deny all of their claims to rule in the Czecho-Slovak land, which we here and now declare shall henceforth be a free and independent people and nation.

We accept and shall adhere to the ideals of modern democracy, as they have been the ideals of our nation for centuries. We accept the American principles as laid down by President Wilson—the principles of liberated mankind, of the actual equality of nations and of Governments deriving all their just power from the consent of the governed.

We, the nation of Comenius cannot but accept these principles expressed in the American Declaration of Independence, the principles of Lincoln and of the declaration of the rights of man and of the citizens. For these principles our nation shed its blood in the memorable Hussite wars 500 years ago; for these same principles beside her allies our nation is shedding its blood to-day in Russia, Italy and France.

We shall outline only the main principles of the Constitution of the Czecho-Slovak nation; the final decision as to the Constitution itself falls to the legally chosen representatives of the liberated and united people.

The Czecho-Slovak nation shall be a republic. In constant endeavor for progress it will guarantee complete freedom of conscience, religion and science, literature and art, speech, the press and the right of assembly and petition. The church shall be separated from the State. Our democracy shall rest on universal suffrage; women shall be placed on an equal footing with men, politically, socially and culturally. The rights of the minority shall be safeguarded by proportional representation; national minorities shall enjoy equal rights; the Government shall be parliamentary in form and shall recognize the principles of initiative and referendum. The standing army will be replaced by militia.

The Czecho-Slovak nation will carry our far reaching social and economic reforms; the large estates will be redeemed for home colonization; our nation will assume its part of the Austro-Hungarian pre-war public debt. The debts for this war we leave to those who incurred them.

In its foreign policy the Czecho-Slovak nation will accept its full share of responsibility in the reorganization of Eastern Europe. It accepts fully the democratic and social principle of nationality and subscribes to the doctrine that all convenants and treaties shall be entered into openly and frankly without secret diplomacy.

Our Constitutional shall provide an efficient, rational and just Government, which will exclude all special privileges and prohibit class legislation.

Democracy has defeated autocracy; militarism is overcome—democracy is victorious—on the basis of democracy mankind will be recognized. The forces of darkness have served the victory of light, the longed for age of humanity is dawning.

We believe in democracy; we believe in liberty—and liberty evermore. Given in Paris, on the eighteenth of October 1918.

- PROF. THOMAS G. MASARYK,
Prime Minister and Minister of Finance.
- GEN. DR. MILAN R. STEFANIK,
Minister of National Defense.
- DR. EDWARD BENES,
Minister of Foreign Affairs and of the Interior.

A provisional Czecho-Slovak Government with headquarters in Paris has been officially constituted, according to a letter written to Stephen Pichon, then French Foreign Minister, by M. Banes, the Czecho-Slovak Foreign Minister. As quoted in a Paris dispatch on Oct. 19 the letter said:

By the declaration of the United States Sept. 3 1918, the National Czecho-Slovak Council, sitting at Paris, has been recognized as the de facto Czecho-Slovak Government.

This recognition has been confirmed by the Governments of England, Sept. 3; France, Sept. 28, and Italy, Oct. 3.

I have the honor to transmit in view of these successive recognitions that the provisional Czecho-Slovak Government is constituted, with a seat at Paris, as follows: T. G. Masaryk, President of the Provisional Government; Eduard Benes, Foreign Minister, and Milan R. Stefanik, Minister of War.

POLISH ARMY RECOGNIZED AS ALLY BY BRITAIN.

The British Government has recognized the Polish National Army as autonomous, allied, and co-belligerent, according to an official announcement at London on Oct. 16.

The recognition of the Polish Army by Great Britain is different from that accorded the Czecho-Slovaks. Bohemia has been recognized as a belligerent State according

to the legal definition, for Bohemia is a political and military entity, although, for obvious reasons, this entity is directed from abroad. The Jugo-Slavs have been recognized as belligerents without an established Government or recognized territory. Now the military government of the Polish Army is recognized as an autonomous organization which awaits political and territorial identification.

A POLISH ACCOUNT OF AN INTERVIEW WITH KAISER AND CROWN PRINCE.

According to the Paris "Matin," Prince Radziwill and Count Roniker, the Polish delegates who went to the German Emperor's headquarters last August to present to him Poland's claims, were much struck by the monarch's depression and indifference. Said the "Matin:"

Not only did he agree to the creation of an integral and independent Poland, but he let pass without protests allusions to Posen and acquiesced when the delegates spoke to him regarding a sea outlet for Poland at the expense of East Prussia.

As for the Crown Prince, he confined himself to snickering and slapping the delegates on the back, giving them the impression that he was a most unintelligent man. General Ludendorff was the only person who appeared to realize the situation, but did not dare to contradict the Emperor. He relieved himself by grunting furiously.

Emperor William consented readily to demands, the newspaper added which ought to have appeared very excessive to him.

OVER 2,000,000 UNITED STATES SOLDIERS ABROAD.

The disclosure that more than 2,000,000 United States soldiers have been landed overseas since May 8 1917 is made in correspondence between Secretary of War Baker and President Wilson made public on Oct. 23. The following is Secretary Baker's letter:

WAR DEPARTMENT.
Washington, Oct. 22 1918.

My dear Mr. President:
More than two million American soldiers have sailed from the ports in this country to participate in the war overseas. In reporting this fact to you, I feel sure that you will be interested in the following data showing the progress of our military effort:

In my letter of July 1 1918 I informed you that between May 8 1917 and July 30 1918 over a million men had either been landed in France or were en route thereto. Since July 1 1918 embarkations by months have been as follows:

July	306,185
August	290,818
September	261,415
October 1 to 21	131,398
Total	989,816
Embarked to July 1 1918	1,019,115
Grand total	2,008,931

In our overseas operations, I feel that we have good reason to be proud and thankful of the results obtained. Our losses have been exceedingly small, considering the size of the force transported, and this is due to the efficient protection given American convoys by the naval forces. We also have been greatly assisted in the dispatch of troops abroad by the allocation of certain vessels from our allies, principally those of Great Britain.

Cordially yours,
NEWTON D. BAKER,
Secretary of War.

The President, the White House.

The President in reply said:

THE WHITE HOUSE.
Washington, Oct. 22 1918.

My dear Mr. Secretary:
I am very glad to have your letter of this morning reporting that more than two million American soldiers have sailed from the ports of this country to participate in the war overseas. I am sure that this will be a matter of deep gratification and reassurance to the country and that every one will join me in congratulating the War and Navy Departments upon the steady accomplishment in this all-important application of force to the liberation of the world.

Cordially and sincerely yours,
WOODROW WILSON.

POST OFFICE MONEY ORDERS TO AGENCIES IN SIBERIA.

The Post Office Department recently issued the following announcement concerning the sending of money orders to Siberia:

Office of Third Assistant Postmaster-General,
Washington, Sept. 28 1918.

In order to convey remittances to members of the United States military forces operating in Siberia, a postal agency has been established in that country under the name of "United States Postal Agency, Siberia." From now on postmasters will therefore accept the applications of intending remitters for money orders payable there, and will be careful to draw such orders on the domestic form, to the name "United States Postal Agency, Siberia," as the office of payment, and to enter in the spaces set apart for the payee's address his full military designation as furnished by the remitter. The orders thus issued must be delivered to the remitter for transmission to the payee as in the case of all other domestic money orders.

A. M. DOCKERY,
Third Assistant Postmaster-General.

BELGIUM PREPARING ITS CLAIMS FOR REPARATION.

Official announcement was made at Washington on Oct. 20 that the Belgian Government had taken steps to compute the total damage done to property in Belgium by the Germans. A cablegram received by the Belgian Legation said that the Council of Ministers met at Havre and adopted measures for verifying claims for damages to private and public property as a basis for determining the total compensation to be demanded from Germany. The Council discussed measures for the resumption of the circulation of Belgian money in the liberated territory and decided on modifications of the communal law to meet changes due to the German evacuation.

A statement issued by the Belgian Legation on Oct. 22 through the medium of the Belgian Official Information Service declared that reparation and liberty were Belgium's only peace terms, coupled with the necessity of guarantees against future aggression. The statement read:

Belgium's terms of peace are simple. They can be stated in a single sentence. Our country demands only what the whole world has agreed she has the right to expect. That cannot better be stated than in the words of King Albert in his reply to the Pope's peace message this year. Belgium's terms now are the same as they were then. Here are the King's words:

"If there is a country that has the right to say that she took up arms to defend her existence, such assuredly is Belgium. She desires passionately that an end be brought to the unheard of sufferings of her population, but she would accept only a peace that would assure her at the same time suitable reparation and security and guarantees for the future.

"The integrity of Belgium, the territory of the mother country and colonies, political, economic and military independence without condition or restriction, reparation for damage suffered and guarantees against a renewal of the aggression of 1914—such remain the indispensable conditions of a just peace so far as concerns Belgium. Any settlement that would not recognize them would shake the very foundations of justice, since it would forever more be established that in international domains the violations of right creates a claim for its author and might become a source of profit."

The only remaining question is that of the sufficiency of Germany's guarantees against further aggression. In this connection emphasis is laid on the language of the King's reply, referring to political, economic, and military independence without condition or restriction, which precludes the possibility of Belgium again submitting to a neutralized status.

London cables of Oct. 21 (via Montreal) gave the following as "some of the items which figure on Germany's bill in Belgium," the items being credited to "an official Belgian source:

Local contributions and fines levied by Germany on Belgium in 1914—£8,000,000.

War contributions from November 1914 to October 1916—£38,400,000.

War contributions, seven months to May 1918—£23,000,000.

War contributions from May 1917 to May 1918—£28,000,000.

War contributions from June to October of the current year—£15,000,000.

Raw materials and machinery taken by the Germans were reckoned by them in January 1915 at £80,000,000. The damage to December 1914, estimated by the "North German Gazette," amounted to £200,000,000. This makes a grand total of £384,200,000.

These items do not include material destruction and requisitions since January 1915, which alone must be reckoned at several hundred million pounds.

During the winter of 1916, Belgian workmen to the number of 1,750,000 were deported to Germany. The future production of these men was thus totally lost to their country.

For relief work in Belgium during the ten months ending last June 30 the American Red Cross, it is said, appropriated \$1,432,374, and it has set aside 1,947,325 for the remainder of the present year. The money spent went to provide comfort and medical assistance for Belgian soldiers, 90,000 residents of that part of the country then outside the German lines, and the 600,000 Belgian refugees scattered throughout France, England, Holland and Switzerland. The establishment of 82 canteens, which provide daily refreshments for 25,000 soldiers, the financial assistance given to nine hospitals that are combatting disease among the civilian population and refugee colonies, the construction and support of barracks which shelter 400 children and the maintenance of a home for disabled Belgian soldiers are a few of the things the Red Cross has done for Belgium.

DENMARK ANXIOUS TO REGAIN SCHLESWIG-HOLSTEIN.

Denmark, according to news agency telegrams to the Dutch press, quoted in Amsterdam dispatches dated Oct. 20, has sent a note to Germany suggesting that certain terms of the treaties executed between the two countries from 1860 to 1870 be carried out. Article V of the treaty of 1864, which ceded the dukedoms of Schleswig-Holstein and Lauenburg to Prussia, is said to provide for a plebiscite in Schleswig to decide whether the inhabitants would prefer allegiance to Germany or to Denmark. This provision, it is declared, never has been carried out.

Schleswig-Holstein and Lauenburg were combined into a Prussian province as a result of the Seven Weeks' War of 1866 between Austria and Prussia. Wrested from Denmark by the two larger nations in 1864, the two duchies of Schleswig

and Holstein were taken over respectively by Prussia and Austria, against the protests of the other German States. Military occupancy, even after Prussia had bought the Austrian claim to Lauenburg, led to a speedy quarrel, which was referred to the Diet of the German Federation by Austria. Bismarck, having in mind his scheme for the unification of North Germany, preferred war to arbitration, as a result of which Prussia obtained her footing on the North Sea.

The Kiel Canal, connecting the North Sea and the Baltic, and the German naval base at Helgoland, constituting Germany's chief menace against Britain, are both included in Schleswig-Holstein's territory for administrative purposes. The total land area is 7,340 square miles. It is famous for its cattle, its horses, and is mostly good farming country. There are few manufacturing industries, but the shipping is important, the three chief ports being Altona, Flensburg and Kiel. The population in 1910 was 1,621,004, with the Danish language still predominant, in the north, despite Prussia's efforts of half a century to Germanize the land.

The Danes, who have looked upon Schleswig-Holstein much as the French have looked upon Alsace-Lorraine and the Italians upon the Dalmatian provinces and the Trentino, are said to be reluctant, however, to assume the guardianship of the Kiel Canal, owing to its immense strategic importance, and according to late advices from Copenhagen, would greatly prefer to see it internationalized.

Under the title "Schleswig-Holstein," the "North German Gazette" is quoted as saying:

The Scandinavian Press, especially the Danish, has lately given much space to the question of northern Schleswig, attempting to have that question considered of such a nature as to make a discussion possible at the peace conference, and seemingly wishing to submit to the judgment of our adversaries a question which concerns Germany alone.

On the part of one of its neutral and very friendly neighbors such a line of conduct does not simplify the situation.

LUXEMBURG APPEALS TO PRESIDENT WILSON TO PROTECT RIGHTS.

An Amsterdam dispatch dated Oct. 15 quoted the Bremen "Weser Zeitung" as saying that the Luxemburg Chamber of Deputies had unanimously adopted an order of the day begging President Wilson to protect Luxemburg's rights. The order demanded that the Government should obtain the evacuation of the country and the liberation of all nationals of Luxemburg condemned by the German military courts. The statement said the Government associated itself with the order.

NEW TURKISH CABINET COMPLETED.

A dispatch from Basle, Switzerland, dated Oct. 20 reported that the new Turkish Cabinet had been completed and was made up of the following:

Grand Vizier—Tewfik Pasha.
Minister of Foreign Affairs—Befast Pasha.
Minister of Justice—Hayri Effendi.
Minister of Public Instruction—Said Bey.
Minister of Finance—Djavid Bey.
Minister of Public Works—Zia Pasha.
Minister of Supply—Djelal Mukhtar Bey.
President of the Council of State—Rachid Aki Pasha.
Sheikh-ul-Islam—Houloussi Effendi.

Upon the fall of the Ministry headed by Talaat Pasha and Enver Pasha, it was reported that Tewfik Pasha had been chosen to head the new Government. Subsequently this was denied, and it was announced that Izzet Pasha had been chosen. The earlier report would now seem to be confirmed.

UNITED STATES OFFERS COAL TO HOLLAND—NEGOTIATIONS REOPENED FOR RATIONING AGREEMENT.

Announcement was made at the American Legation at The Hague on Oct. 18, according to Associated Press dispatches, that the United States Government had offered to place at the immediate disposal of the Dutch Government 100,000 tons of coal monthly for the next twelve months, or until the end of the war. The coal is to be shipped in vessels sent from Holland. The only condition to this offer is that Holland cease sending food to Germany. The United States Government suggested that opinions be exchanged regarding tonnage required for this purpose, which, it was suggested, might be arranged for by the shipment of the balance of grain to which Holland is entitled from American instead of more remote ports. This would insure quicker and more regular traffic between the United States and Holland.

A Washington dispatch on Oct. 17 reported that negotiations for a rationing agreement with Holland were to be resumed in London immediately. America's representative in the conference was expected to be L. P. Sheldon, London

representative of the War Trade Board. The negotiations were brought to a stand still last January, owing to Holland's failure to accept an agreement provisionally decided on because of German opposition and interference. It is expected that a new agreement will be reached, similar somewhat to the commercial agreements with other neutral countries, whereby they get needed supplies.

Holland has now decided, it is said, to release from her ports approximately 50,000 tons of idle shipping to carry the balance of grain due her in accordance with the terms of President Wilson's offer of last March, which provided 100,000 tons of bread cereals, half to come from the United States and half from South America. Holland's change of policy is attributed in some quarters to the change in the military situation.

JAPAN'S FIRST COMMONER PREMIER EXPRESSES FRIENDSHIP FOR UNITED STATES.

That Japan also has responded to the world-wide demand for democracy and government responsible to the people is shown by the first public statement made by Takashi Hara, Japan's first commoner Premier, which reached here on Oct. 21 in delayed Associated Press dispatches from Tokio dated Oct. 10. In addition to emphasizing the democratic tendencies of the new Government, Premier Takashi expressed the friendliest sentiments toward this country and a desire to strengthen in every way the bonds of friendship between the two countries. The press dispatch referred to read as follows:

Takashi Hara, Japan's first commoner Premier and leader of the Seiyukai party, said to-day in his first statement of his policies that he and his colleagues constantly would labor on the future questions arising out of the war.

Although the alliance with Great Britain would remain the cornerstone of Japan's foreign relations, he said, he wished to emphasize that his special effort would be to promote friendly relations with the United States.

"Please tell that to the American people as convincingly as you can," he said, "because my colleagues and I keenly desire to see Japan and America brought closer together and every shadow of misunderstanding removed."

With democratic simplicity and directness Premier Hara discussed frankly all questions put to him and left the impression that Japan, which for the last fifty years has been largely ruled by bureaucrats, has entered upon a new and significant period of constitutional progress, in which popular opinion is more effectively to guide the nation's policies.

Beginning life as a newspaper reporter, Hara's attainment to the Premiership is regarded as proving that the time has arrived when in Japan, as in America, any citizen can hope to climb to the places of highest responsibility.

Premier Hara pointed out that previous attempts to establish the party system of Government has been made, but called attention to the fact that the present ministry was the first to have come into power on so clearly based an idea of parties.

"I will make it my aim to develop party Government into consonance with the age in which we live," he said.

Requested to explain his views on some criticism that Japan, like the German military autocracy, may sometime become militarily aggressive, Premier Hara declared that he was amazed on visiting America eleven years ago to hear the fears voiced by some Americans that Japan's military strength was designed against America.

"This is of course absurd," he said. "History shows that Japan has never engaged voluntarily in wars. It is admitted that our war against Russia was purely defensive. We have no ambition nor intention of aggression or conquest. The present war has shown that our agreements were defective and this will be remedied, but Japan has no idea except to be in a proper condition for defence."

"Our victories in the Chinese and Russian wars naturally led the Japanese people to admire their army, and this in turn may have led to a misconception abroad of the importance which Japan gives to armaments."

"The military influence is not so dominant in Japan as outsiders may believe. Our constitution is still young, and some of our people may favor a similar form of Government to the German system, but the present Ministry is united in the determination to obtain the constitutional development of Japan along the popular lines which the war has so indisputably demonstrated as the world's tendency and the desire of the peoples of the world."

"The voice of the people must be obeyed and the press is the great medium for that voice. I have in mind several measures calculated to embody this popular movement in concrete form."

Speaking of China, Premier Hara said he held to the open door policy of the Lansing-Ishii agreement and constantly would adhere to the policy of non-interference in the internal affairs of China. The same, he said, was true in the case of Russia, where Japan only wished a responsible Government, whether Bolshevik or otherwise. Japan, however, would never agree to see Russia dominated by German influence.

In conclusion, the Premier declared that Japan's expedition into Siberia was the result of a consultation with the United States and the Allies, and that Japan had no intention of taking independent action in the future.

NEW PRESIDENT OF CHINA INAUGURATED.

The inauguration on Oct. 10 of Hsu-Shi-Chang as President of China was described in a special cablegram from Peking to the New York "Times" under date of Oct. 16. The election was made by the Chinese Parliament. The dispatch referred to said:

Hsu-Shi-Chang has been inaugurated President. The press was not invited to attend the ceremony; neither were foreigners, the reason alleged being the scarcity of accommodation in the Throne Room, which is a spacious building capable of accommodating thousands. The real reason of the authorities is the uncertain attitude which the legations adopt toward the new President.

At the reception the Dean of the Diplomatic Corps tendered congratulations to the President, who responded.

Yesterday Parliament assembled for the election of a Vice President, but there was no quorum, and the Speaker drove to the Zoological Gardens, where a party of members were dining; but the latter, warned of the impending visit, decamped. Votes are quoted at \$300 each. There were lively scenes at the banks, the party leaders having stopped payment on checks issued because the election failed.

An Associated Press dispatch from Canton dated Oct. 6 reported that the Military Government at Canton had issued a formal declaration of war against Hsu Chi-Chang "for having accepted an election to the Presidency from a bogus Parliament."

GERMANY PROTESTS AGAINST SALE OF GERMAN OWNED PROPERTY IN UNITED STATES.

A protest by the German Government against the sale of German-owned property in the United States on the ground that such sale was "consciously aimed to do lasting injury to German economic existence" was received by the State Department through the Swiss Legation on Sept. 16 and made public on Oct. 17 by A. Mitchell Palmer, the Alien Property Custodian. The sale of German-owned ships, as well as the docking privileges of the North German Lloyd and Hamburg-American Lines, was said by the German Government to be an endeavor "to shackle, through measures of force, the opportunities of German shipping interests to develop in the near future."

The fact of the German Government's protest was revealed in connection with an announcement by Joseph P. Guffey, Manager of Sales for the Alien Property Custodian, that the following German-owned concerns, valued at more than \$100,000,000, would be sold on the dates mentioned:

- Oct. 21.—The rights of the Great American Insurance Company.
- Nov. 1.—The Kienzle Clock Company.
- Nov. 4.—Andreas Saxlehner.
- Nov. 5.—Mayer & Co.
- Nov. 26.—The American Metal Company.
- Nov. 27.—Bosch Magneto Company.
- Dec. 3.—Bayer Company.
- Dec. 4.—Hayden Chemical Company.
- Dec. 5.—International Textile Company.
- Dec. 6.—Dresden Lace Company.
- Dec. 10.—Botany Worsted Mills.

Mr. Palmer, it is said, has more than 200 enemy-owned concerns in his custody, all of which will be sold to American citizens as quickly as they can be prepared for sale. The value of these concerns is approximately \$300,000,000. The total value of enemy-owned property taken over by Mr. Palmer to date is said to be between seven and eight hundred million dollars. Full information in regard to the treatment of this property has been sent to Germany through the Swiss Legation. It has not been the policy of the Alien Property Custodian to sell securities which represent the private investments of individual Germans; it has been the policy, however, to transfer to American ownership those properties, such as the great steamship terminals, and certain textile and chemical properties, which represented an attempt by the great German banking and industrial interests, backed by the German Government, to get a strangle hold on American industry. The present protest by the German Government is a tribute to the thoroughness and effectiveness with which the work has been done. In connection with the German Government's threat of retaliatory treatment of American property in Germany, it has been pointed out that as against the seven or eight hundred millions of German-owned property here, there is not more than about fourteen million dollars worth of American-owned property in Germany.

In its note of protest through the Swiss Legation the German Government said:

The German Government must protest against the addendum to the Trading with the Enemy Act of Oct. 6 1917, in the Urgent Deficiency bill, which empowers the President of the United States to dispossess the North German Lloyd and the Hamburg-American Line of their establishments in New Jersey. The condition put upon the dispossession which is left to the discretion of the President, that it shall be necessary for the national security and defense, cannot be accepted as a valid ground for such rule, since the above-stated ground can always justify a seizure for use during the war, but not a lasting acquisition of the property. Supposing it, however, to be a valid ground, it should then be held as it is against the German company against all the other American and other steamship companies and enterprises established at similar places. As this is obviously not contemplated, and that the case is rather one of discrimination against German private property appended to the Trading with the Enemy Act, the German Government must, in case the President of the United States exercises the power conferred upon him, see therein an attempt antagonistic to the spirit of the treaties of 1785, 1799 and 1828, and in no wise warranted, to shackle through measures of force the opportunities of German shipping interests to develop in the future.

When further on the amendment to Paragraph 4 of Section 12 of the Trading with the Enemy Act of Oct. 6 1917, also contained in the above-mentioned bill, vests the Alien Property Custodian with the power of disposing of all the property in his care, money excepted, to American citizens, there lies therein another measure consciously aimed to do lasting

injury to German economic existence, which is not in the least affected in its contemplated operation by the assuaging Alien Property Custodian's declaration of March 28, of this year. The German Government is constrained to repeat what it said on the subject in its note verbale IIIa 4.532 of March 10, of this year; it again lays emphasis on the statement that it cannot but be guided in the enforcement of the retaliatory orders that have been issued against American property in Germany by the manner in which the United States of America will proceed against German property.

The refusal of the German Government to give any information whatever concerning the treatment of American property in Germany was contained in a note received through the Spanish Embassy, in reply to a note addressed by this Government to Germany through the Spanish Government, which is representing American interests in Germany. In this note the German Government said that "the Imperial Government will only be able to furnish it (the United States) information concerning the treatment of American private property in Germany in proportion as it received precise answers from the American Government to the German inquiry and protest addressed to it through the Swiss Government."

THE PRESIDENT'S POLICY CONCERNING GERMANY— SENATE RESOLUTION GIVING BLANKET APPROVAL, ALSO RESOLUTION TO RESTRICT.

A resolution was introduced in the Senate on Oct. 17 by Senator Lewis of Illinois, endorsing "whatever course may be taken by the President" in his dealings with Germany and Austria, and approving in advance "whatever method he may employ" to achieve a victorious peace. Senator Lewis explained his resolution by saying that he desired to assure the President of the unwavering support of Congress in any war move he might make. The resolution follows:

Be it Resolved in the United States Senate by the Senate assembled:

That the United States Senate approves whatever course may be taken by the President of the United States in the matter of his replies and in his dealings with the German Imperial Government and the Austrian Imperial Government and the allies of either, or both, in response to the demand of either for peace or armistice. Be it further

Resolved, That the Senate, having complete and full confidence in the discretion, judgment and patriotism of the President, indorses and approves whatever methods he may employ to achieve the result of victorious peace and the establishment of the principles for which the United States of America entered the war, and indorses such determination as he shall reach as to the manner best calculated to preserve the dignity of the nation and its complete vindication in the contest between the United States and its associates in the war and the Imperial German Empire and its allies.

The resolution was not referred to a committee, but went to the table, permitting it to be called up at any time. There was no discussion.

Senator Lewis's resolution was branded as "a step toward absolutism in government" on Oct. 18 by Henry C. Quinby, Chairman of the Executive Committee of the National Defence Society. Mr. Quinby, as quoted in the New York "Tribune," said:

The resolution will not pass. Its intention is that the settlement of the world war, in so far as America has a voice, is to be placed in the hands of one man. It is unnecessary to state that this is not democracy, but absolutism. Such a situation never has arisen in this country, and it is hardly necessary to fear that it ever will.

A further resolution, designed to prohibit any discussion of peace terms with Germany, and calling for the prosecution of the war "with the utmost vigor and dispatch possible continuously until the armed forces of Germany shall have laid down their arms and surrendered. . . . without condition or stipulation," was introduced in the Senate by Senator Poindexter on Oct. 21. It reads as follows:

Whereas, Congress has the sole and exclusive power to declare war, to make rules concerning captures on land and water, to raise and support armies, to provide and maintain a navy, to make rules for the Government and regulation of the land and naval forces, to levy all taxes, to authorize bonds, to make all appropriations for the conduct of the war and to make all laws which shall be necessary and proper for carrying into execution the foregoing powers, and all other powers vested by the Constitution in the Government of the United States or in any department or officer thereof; and

Whereas, No treaty of peace can be made without the consent and advice of the Senate, with the concurrence of two-thirds of the Senators present; be it

Resolved, By the Senate and the House of Representatives of the United States of America in Congress assembled:

That no officer of the United States shall enter into any discussion with the Government of Germany as to terms of peace; and it is hereby made unlawful for any official of this Government to answer in any way any note, message, or representation from the German Government or the German people or from any official representing or purporting to represent them, or either of them, on the subject of peace, or an armistice between the German Government or the German nation, or people, and the Governments with which they are now at war, until, and before such time as the German armed forces shall have surrendered to the Allied nations in the war in which they are now engaged;

That the war against Germany shall be prosecuted by the United States with the utmost vigor and dispatch possible continuously until the armed forces of Germany shall have laid down their arms and surrendered to the commanding General in the field of the Allied forces, without condition or stipulation;

That German territory shall then be occupied and taken under control by the armed forces of the United States in co-operation with its Allies and that such occupation and control shall be continued until such time as the chosen representatives of the United States and the nations Allied with the United States, in a conference appointed for that purpose, shall have formally agreed among themselves upon the specific terms of peace to be imposed by said Allies upon Germany, and a practical application of the same in detail;

That no official of the United States shall agree that any representatives of the German Government shall participate in the said conference, or have a vote therein, or be present thereat, except for the purpose of conveying data or information to said conference when called on by the conference therefor.

THE GERMAN CONSTITUTION—WHERE AUTOCRACY IS INTRENCHED.

[From "The World," of New York City, Oct. 25 1918.]

When President Wilson says there is no guarantee that the changes in the German Government so widely heralded will be permanent and that the United States will deal only "with veritable representatives of the German people who have been assured of a genuine constitutional standing as the real rulers of Germany," he evidently has in mind some peculiarities of the German Government and Constitution not always recognized by those who discuss autocracy.

Thus far the only move to amend the Imperial Constitution has been made in the Federal Council, or Bundesrat, in which the members, representing the Kings and Princes of twenty-five States, have fifty-eight votes. In this body Prussia has seventeen votes. Amendments to the Federal Constitution may be effected in the same way that legislation is enacted, and, like practically all important legislation, they have their origin in the Bundesrat and then go to the Reichstag for humble approval. The obedience of the Lower House is proverbial, but after it has given its assent the measure must be returned to the Bundesrat, which even then is under no obligation to promulgate it.

Autocracy is firmly established in many sections and articles of the Imperial Constitution, but the Bundesrat has confined its action to only one of them—relating to the right of the Kaiser, concurred in by the Bundesrat, to make war and enter into treaties with other countries. To liberalize the German Government constitutionally and deprive the King of Prussia of irresponsible power in every direction, it would be necessary to rewrite a fundamental law cleverly designed to give the people an impression that they have some important part in a Government from which in fact they have been excluded by inveterate despotism.

The supremacy of Prussia and Prussianism is finally safeguarded so far as this instrument is concerned in the concluding article:

"Amendments to the Constitution shall be made by legislative enactment. They shall be considered as rejected when fourteen votes are cast against them in the Federal Council. The provisions of the Constitution of the Empire, by which fixed rights of individual States of the confederation are established in their relation to the whole, shall only be modified with the consent of that State of the confederation which is immediately concerned."

It will be noted that in the case of Prussia no chances were taken. Its seventeen votes are cast by one delegate, who is the personal representative of the Kaiser. As fourteen negative votes will cause the rejection of any amendment, it is obvious that, unless there is to be resort to violence, the democratization of Germany depends upon the Emperor, and so long as his authority remains as it is his veto of any measure at any stage is conclusive.

This probably is why the President is sceptical of the "reforms" so widely advertised in Berlin and of the good faith of those who propose them. Nothing done there as yet has had popular sanction of any kind. There are no promises except by those who are steeped in perfidy. Even the new ballot law in Prussia may be questioned, for in the possible event of a German triumph in the field or of Allied disagreements, who believes that the Junkers, wholly unaccountable to the people, would not speedily retrace their steps?

President Wilson knows the German nation and, more important still, the institution with which he is dealing. Germany's peace proposals come now grudgingly and experimentally from the very Kings and Princes who decreed this war. They believed that a successful war would save them and increase their power. The whole world knows that their word is worthless, and it knows, furthermore, that the Imperial Constitution, with no hint in it of popular responsibility, is where they have taken refuge.

When the German people are ready to ask for peace and to guarantee it on the ruins of their Imperial Constitution, the road will be wide open. In the meantime the guns of democracy must thunder at the gates of autocracy. The terms that they are to enforce will be made known at military headquarters.

GEORGE W. WICKERSHAM WOULD CANCEL DEBTS OF THE ALLIES.

A proposal, similar to that of James M. Beck, former Assistant U. S. Attorney-General, that the United States cancel the obligations of the Allies, was made on the 20th inst. by George W. Wickersham, in addressing a gathering at the 23rd Street branch of the Y. M. C. A. Mr. Beck's suggestion was referred to in these columns on May 4 last. Mr. Wickersham is quoted as follows in the New York "Times" of Oct. 21:

I should like to see America forgive our allies the debts they owe us. I should like to have our country send a receipted bill to Great Britain, France and Italy.

We can afford to do so, for we must remember all they have borne, what they suffered during the years before we entered this war to hold the line against the Hun and to keep autocracy from crushing democracy, and that they held that line so well and valiantly that they kept the door open for us to enter to do our part.

When I say we can afford it, I not only refer to what we owe our allies for holding back the Germans, but also to the vast sums of money we made by supplying them with what they needed before we entered the war. These debts should be forgiven and they can be if all our people want to do it.

We must not be too optimistic, for this war will not be won so long as there is a German army, and after that army ceases to exist Germany will not be safe to treat with and trust till the German people have eliminated the terrible and horror of the whole military savagery of the Hohenzollern dynasty. We may beat them and crush them. But Germany will not be safe for other nations to deal with till Germany has been regenerated by the total elimination of the Hohenzollernism.

After the war is finally ended and readjustment begins, there will be a new competition for the commerce of the world, and when this takes place we should remember, when competing with our allies, that they paid a higher cost and had to bear more and suffer more than we.

BRITISH HOUSE OF PARLIAMENT WOULD PERMIT WOMEN TO SIT IN PARLIAMENT.

On Oct. 23 the British House of Commons adopted a resolution in favor of women sitting in Parliament. The resolution was passed by a majority of 240. The New York "Tribune" points out that the right to sit in Parliament is an extension of the national political rights to women as accorded in the Representation of the People's bill, or Reform Act of 1918, which passed the House of Lords early this year after receiving a tremendous majority in the House of Commons in June 1917. Suffrage was granted under the Reform Act to about 6,000,000 women of the United Kingdom. The Act, it is noted by the "Tribune," gives the right to vote for Members of Parliament to any woman thirty years old who is entitled to vote at municipal elections, or who is the wife of any man entitled to vote at such elections.

SUSPENSION OF CABLE SERVICE TO AMERICAN EXPEDITIONARY FORCES.

J. F. Nathan, Commercial General Superintendent of the Western Union Telegraph Company, issued the following notice on Oct. 24:

To Our Patrons: The company announces that the necessity for conserving its cable facilities for Government and other urgent cable traffic makes it necessary to temporarily suspend all (EFM) American Expeditionary Force service.

AMERICA CALLS UPON WORLD TO CONDEMN BOLSHIEVIK OUTRAGES IN RUSSIA.

Secretary Lansing on Sept. 21 took steps to secure the cooperation of other Governments in bringing to an end the reign of terror instituted by the Bolsheviki in Russia. In a telegram sent to American Ambassadors and Ministers in all neutral and Allied countries, Mr. Lansing instructed them to inquire whether the Governments to which they were accredited were disposed to take immediate action to impress upon the Bolshevist leaders "the aversion with which civilization regards their present acts." The dispatch of this protest followed the receipt by the State Department of reliable information showing that the Bolsheviki were deliberately conducting a campaign of wholesale murder and terrorism which has resulted in thousands of persons being shot without the semblance of a trial. Reports have been received showing that subjects of Entente nations were in grave danger and unofficial reports have referred to attacks on Americans. Mr. Lansing's telegram to our representatives abroad read as follows:

This Government is in receipt of information from reliable sources revealing that the peaceable Russian citizens of Moscow, Petrograd and other cities are suffering from an openly avowed campaign of mass terrorism and are subject to wholesale executions. Thousands of persons have been shot without even a form of trial; ill administered prisons are filled beyond capacity and every night scores of Russian citizens are recklessly put to death and irresponsible bands are venting their brutal passions in the daily massacre of untold innocents.

In view of the earnest desire of the people of the United States to befriend the Russian people and lend them all possible assistance in their struggle to reconstruct their nation upon people of democracy and self-government and acting therefore solely in the interest of the Russian people themselves this Government feels that it cannot be silent or refrain from expressing its horror at this existing state of terrorism. Furthermore, it believes that in order successfully to check the further increase of the indiscriminate slaughter of Russian citizens all civilized nations should register their abhorrence of such barbarism.

You will inquire, therefore, whether the Government to which you are accredited will be disposed to take some immediate action, which is entirely divorced from the atmosphere of belligerency and the conduct of war, to impress upon the perpetrators of these crimes the aversion with which civilization regards their present wanton acts.

Recent advices from Russia have indicated that the power of the Bolshevik regime is steadily waning, but that as they still hold the reigns of Government, they have been able, by arbitrary and terroristic methods, to prevent any successful combination against them. The press has been ruthlessly silenced. Committees have been set up clothed with arbitrary power to arrest and execute as "counter-revolutionists" all who dared to protest against the tyrants of the day. Innocent people have been arrested and held as hostages to prevent attacks upon the Red leaders, and in general all forms of law and order seem to have given way to a lawless despotism bolstered up by terror. This state of affairs has not only endangered Allied nationals still residing in Russia, but has seriously interfered with the organization of relief for those districts where famine is impending.

HAMBURG-AMERICAN LINE BASE IN VIRGIN ISLANDS SEIZED BY ALIEN PROPERTY CUSTODIAN.

The extensive shipping plant established by the Hamburg-American Line at St. Thomas, Virgin Islands, has been taken over by the Alien Property Custodian, according to an announcement made at Washington on Sept. 12, and will be used as a United States naval base and for the Customs service.

The base consists of land, buildings, docks, warehouses, large water tanks and cisterns, lighters, loading paraphernalia, and coaling facilities formerly owned by the Hamburg-American Line. In announcing seizure of the marine plant Alien Property Custodian Palmer said that Germany considered that it admitted of possibilities as a naval base, "as shown by the fact that their principal building commanding the harbor is of reinforced concrete and the plaza in front of it is said to have an eight-foot foundation of concrete, fit for gun emplacements." An Associated Press dispatch containing the above information further said:

After the United States acquired the Islands from Denmark, and when it appeared that it would declare war on Germany, Mr. Palmer said, the Hamburg-American Line agent, who also was the German Consul, "sold" the plant to the line's lawyer, a Danish citizen named Jorgensen. The sole consideration mentioned was a note for \$210,000, which Jorgensen was said to have given to the German company. This note was payable three months after date, renewable every three months until after the war, and bore no interest, Mr. Palmer said.

Darwin O. Curry, the Alien Property Custodian's representative at St. Thomas learned of the transaction, and Jorgensen finally executed a deed to the Alien Property Custodian, but not, Mr. Palmer said, until after he had protested and sought refuge in his Danish citizenship. The Alien Property Custodian assumed whatever obligations were attached to the note Jorgensen had given to the German company, and the note itself was seized.

One of the reasons for the purchase of the Danish West Indies by the United States was the fact that St. Thomas offered a natural base for the defense of the Panama Canal. It is the intention of the Government to fortify the harbor and establish a naval station there.

COMMITTEE TO REPORT ON STANDARDIZATION OF TELEPHONE AND TELEGRAPH RATES.

Announcement of the appointment of committees to make necessary studies and recommendations to the Postmaster-General with a view to standardizing the rate schedule of the telephone and telegraph service of the United States was made by the Post Office Department on the 13th. David J. Lewis, Chairman; John C. Willever, Vice-President Western Union Telegraph Co., and Edward Reynolds, General Manager Postal Telegraph-Cable Co., will undertake the inquiry into the standardization of the rate schedule of telegraph service. The committee which will report on the standardization of the rate schedules of the telephone service is composed of David J. Lewis, Chairman; Harry B. Thayer, Vice-President American Telephone & Telegraph Co., and Charles Y. McVey, President of the Ohio Telephone Co.

POSTMASTER-GENERAL'S ORDER EXPLAINING INSTALLATION COST FOR NEW TELEPHONES.

Under a new order with regard to the installation cost of telephones, issued Sept. 14, Postmaster-General Burleson announces that in cases of "changes of name" or where no lapse of service occurs the minimum charge of \$3 shall apply. Under the previous order of Aug. 28 (published in our issue of Sept. 7, page 954) the minimum installation charge was \$5. The following is the Postmaster-General's latest announcement:

TELEGRAPH AND TELEPHONE SERVICE.

Bulletin No. 8.

September 14 1918.

Order No. 1931, issued by me under date of Aug. 28, provided certain charges for all installations of telephones on and after Sept. 1 1918, also a charge for the "moving" of telephones. On account of the many inquiries regarding the order the following instructions are issued:

1. Installation charges made effective by Order No. 1931 shall be referred to by telephone companies and collected from subscribers as "service connection charges," and shall be based on the minimum net rate charged to the subscriber. These service connection charges shall be collected from all applicants for new or additional service at the time of application and before such new service or additional service is established.

2. In cases of "changes of name" or where no lapse of service occurs the minimum charge of \$3 shall apply in all cases.

3. Service connection charges do not apply to extension bells, push buttons or miscellaneous equipment of like character, nor to directory listings.

4. With the exceptions above noted the service connection charge shall apply to each class of service and class of equipment furnished the applicant for which the company shall have a regular separate established rate, and the amount of the service connection charge shall be determined by the amount of the regular established rate, in accordance with the terms of Order No. 1931.

5. All subscribers who pay the service connection charges established under Order No. 1931 shall be relieved of any other service connection charges, cancellation charges, charges made in liquidation of damages on account of short terms, and short-term rates; and the use of one year or

any other period in excess of one month as a minimum contract period for telephone service.

6. The "moving charge" referred to in Order No. 1931 applied only to changes in the location of equipment on the premises. Such changes are generally known as "inside moves." For purposes of economy in administration and for the convenience of the public the charge for moving a telephone set from one location to another on the same premises shall be \$3. The charge for moving all other equipment from one location to another on the same premises shall be based on the cost of labor and materials.

7. Order No. 1931 abolishes the distinction heretofore made by some companies between a new installation or a new service connection and an outside move; and all changes in the location of the subscriber which have heretofore been described as outside moves will hereafter be treated as new "service connections" and subject to the service connection charges of Order No. 1931 and of these instructions supplementary thereto.

8. Service connection charges do not apply to the service known as "service stations" or "switching service;" and they do not supersede special installation or construction charges or mileage charges of any kind.

A. S. BURLERSON, Postmaster-General.

TELEPHONE AND TELEGRAPH COMPANIES AUTHORIZED TO FILE EXEMPTION CLAIMS WITH DRAFT BOARDS.

All telephone and telegraph companies have been authorized by the Post Office Department to file claims with local draft boards for exemption from military service of "absolutely indispensable" employees. The companies have also been notified that to stop embarrassments to the service reported from various sections, where employees have quit their places without notice, often to engage in non-essential work, all employees leaving the service should be required to give two weeks' notice. These several notices read as follows:

To All Telegraph and Telephone Companies.

Telegraph and telephone companies are hereby authorized to file claims with the local exemption boards for deferred classification for employees who are absolutely indispensable to the operation of the service. The claims for deferred classification shall be sworn to by the supervisory officer under whom the employee works. However, before filing the claim with the local exemption board it must be approved by the division head in charge of the territory in which the employee is registered.

To All Telephone and Telegraph Companies.

Some telephone and telegraph companies have reported to the Department that they are being seriously embarrassed in the operation of their services by employees leaving immediately upon submitting their resignations. In many cases they do so to engage in non-essential work. In order that the telephone and telegraph services may not be handicapped in their operation employees should give the usual two weeks' notice when they desire to terminate their employment.

CONFIRMATIONS OF CABLEGRAMS MUST BE IN PLAIN LANGUAGE.

The "Official Bulletin" in its issue of Sept. 13 announced that the Censorship Board had authorized the following announcement:

On and after Oct. 1 1918 no confirmation of a cablegram shall be allowed to leave the United States, its Territories or possessions unless it be in plain language.

On and after Nov. 1 1918 no confirmation of a cablegram shall be allowed to enter the United States, its Territories or possessions unless it be in plain language.

It is to be noted that code confirmations will not be passed by Postal Censorship even when accompanied by what purports to be or actually is a translation thereof.

Supplementing the above, the "Bulletin" on the 16th printed the following:

In the "Official U. S. Bulletin" of Friday, Sept. 13 1918, there appeared an announcement of the Censorship Board to the effect that confirmations of cablegrams must be in plain language on and after certain specified dates. Inadvertently the word "confirmations" was omitted from the caption under which the statement was printed, and it was to that extent misleading. The new requirement applies only to confirmations and not to the use of authorized codes in the original cablegrams. The rules and regulations promulgated by the chief cable censor on May 21 1918 continue to govern the transmission of cablegrams themselves.

The order issued on Sept. 13 reads as follows:

"On and after Oct. 1 1918 no confirmation of a cablegram shall be allowed to leave the United States, its Territories or possessions unless it be in plain language.

"On and after Nov. 1 1918 no confirmation of a cablegram shall be allowed to enter the United States, its Territories or possessions unless it be in plain language.

"It is to be noted that code confirmations will not be passed by Postal Censorship even when accompanied by what purports to be or actually is a transmission thereof."

CHARGES THAT WILSON & CO. HAD SUPPLIED UNFIT MEAT TO ARMY DISMISSED.

Dismissal of the complaint which had been lodged against Wilson & Co., the meat packers, by the Federal Trade Commission, was announced as follows by the latter on Oct. 15:

The Federal Trade Commission to-day (Oct. 15) dismissed a case against Wilson & Co. (Inc.). In some instances it was not conclusively shown that Wilson & Co. (Inc.) "knowingly and wilfully" supplied unfit material, and in other instances it was not conclusively shown that the material offered for sale was actually "unfit for human consumption." The complaint in this case was lodged with the Commission on March 1 1918 was investigated and resulted in such a prima facie showing that, under the law, the Commission was required to issue a formal complaint. The complaint was issued and respondent had due notice before publication. Respondent and the Government produced witnesses, and later the matter was argued before the Commission by counsel.

Announcement of the Commission's complaint charging Wilson & Co. and Morris & Co. with having sold to the Government, for the use of the Army, meat and other products which were spoiled and "unfit for human consumption" was made public May 26. In our issue of June 1, in referring to the complaint, we also printed the denials of the packers. We quoted Thomas E. Wilson of Wilson & Co. as stating at the time that "a gross injustice has been done to our company by the statement given out by the Federal Trade Commission;" he not only further said "our company is clean in this matter," but added, "the charges in that statement are without foundation and we shall insist upon being set right before the public." On the 16th inst. following the announcement of the dismissal of the complaint, Mr. Wilson issued a statement saying:

Full details of the Federal Trade Commission's decision have not reached me but we have never had the slightest doubt but that we would be completely exonerated. The moment the charges were made I personally asked the Commission for an immediate hearing and investigation. This request was granted and the first hearing was in New York while the concluding hearings were in Washington.

I am glad to say that the hearings were ably and fairly conducted by the Commission. They certainly investigated every charge against us in the most searching way and left no avenue of possible evidence unnoticed. On our part I believe I am right in saying that not only did we present all the evidence we had in our own defense but that we freely offered every available bit of information to the Commission which would enable it to sift the charges to the bottom and arrive at a definite, final decision without criticizing the Federal Trade Commission which acted within its powers.

I am more than justified in saying that the published reports of the periodicals worked incalculable harm to Wilson & Co. This injury is in the minds of the public and was occasioned by the impression given the average individual by what seemed to be valid statements that Wilson & Co., had been guilty of flagrant disregard of the rights of the people, as well as of the common decencies of business. It will take a long time—years, in fact—before this impression wears out of the public mind but we are relying on the fair-mindedness of the press to see to it that both in the news and editorial columns our exoneration is given just as much prominence and importance as were given the reports of the charges and hearings.

This decision, coming at this time, will strengthen the faith of the public in the ability and integrity of those officials of the Army and Navy whose duty it is to purchase food supplies for our forces, as well as, I hope, in the carefulness and exactness with which Wilson & Co. is and has been carrying out its enormous tasks in providing the meat and meat food products which the Government requires of it. The exoneration is gratifying to us, even though it was fully anticipated. I believe those officials of the Commission who directly participated in the hearings will say that our side of the case was conducted rightly and impartially as was theirs.

The findings of the Commission were set out in part in the New York "Times" of Oct. 15 as follows:

1. A lot of beef offered for sale to the steamship Irishman at New York City.—There is a mass of expert and practical testimony as to this beef, . . . as well as to the hams that were taken over by the Government, touching their unfitness for human consumption. . . . It leaves the question in doubt. Therefore, the Commission finds . . . for the respondent.

2. A lot of beef sold to the Pelham Bay Naval Training Station, near New York City.—The evidence shows that the rejected meat (850 pounds rejected out of 6,311 pounds offered) . . . did not fulfill the Navy specifications, but it is not conclusively shown that it was actually unfit for human consumption. The Commission finds for the respondent.

3. Three hundred thousand pounds of cured hams sold and offered for sale to the Navy Department through the provisioning depot at Brooklyn, N. Y.— . . . Of the rejected hams, (428,878 pounds out of 539,662 offered were rejected by Government inspectors) a large part were merely mouldy and, while they did not fulfill the rigid tests of the Navy, were not shown to be unfit for human consumption. . . . The Commission . . . finds for the respondent.

4. One lot of dressed chickens offered for sale to Camp Travis, near San Antonio, Texas.— . . . Respondent's agent at San Antonio was asked to supply about 1,200 pounds of chickens; he had not that amount on hand, but offered to try to obtain enough to fill the order and did obtain and offer chickens which were rejected as not conforming to Army specifications. A part of the chickens had been wet-picked, soaked in water. . . . There is danger of spreading infection by soaking, . . . but it is not shown these chickens were, in fact, infected. Considering the circumstances . . . the element of wilfulness is not so established that the Commission is warranted in finding against the respondent.

5. One lot of pork sausage offered for sale to Camp Travis. . . . Beef sausage had been ordered, . . . and respondent having none offered pork sausage instead. Rejected, but not because it was unfit for human consumption.

6. One box of beef kidneys and one barrel of beef hearts found in the Merchants' Ice and Cold Storage Company's plant at San Antonio, Texas. Evidence shows this meat belonging to respondent was spoiled and unfit for human consumption, but it is not shown it was offered for sale to the armed forces of the United States, but, having been discovered in the cold storage house by Army inspectors, it was destroyed.

7. Certain veal sold to Camp Travis.— . . . veal containing "wolf worms" was found in that division of the camp supplied by respondent, but it was not actually shown that respondent sold this veal . . . In absence of conclusive proof, the Commission finds for the respondent.

MODIFICATION OF RESTRICTIONS CONCERNING PUBLICATION OF INFORMATION REGARDING MOVEMENT OF VESSELS.

The censorship ban on the publication of information concerning the movement of ships was modified on Oct. 17 by Secretary Daniels of the Navy. Except in the case of transports and munitions carriers the Navy Department has withdrawn its request that newspapers refrain from publishing the movement of merchant ships in and out of Pacific ports. The notice of the 17th inst. reads as follows:

To the Press of America:

On Aug. 2 I issued a memorandum to the press in America, requesting that no information be published of the sailing, departure, or supposed location of any ship in American and other waters, and I am glad to say that the press have very loyally supported the desires of the Navy Department in this matter. In order that the restrictions placed on the publication of information may not impose any more of a hardship on the parties concerned than the military situation demands, it is now found practicable to release from the restrictions above mentioned the publication of sailing schedules, &c., of the shipping in the Pacific, except transports or ships carrying naval or military stores, or ships running commercially carrying raw products designed for military or naval use.

The request to the press of Aug. 2 is therefore amended to read as follows:

"The appearance of submarines on the Atlantic coast makes it imperative that no mention should be made in any newspaper, either in the advertising or news columns, of the sailing or departure, or location, or supposed location of any ship in American or other waters, except that information may be published in regard to the schedules of sailings, &c., of merchant shipping on the Pacific coast unless such ships are sailing as transports for troops or carrying naval or military stores, or running commercially, carrying raw products designed for military or naval use—information in regard to ships of this nature should not be published."

JOSEPHUS DANIELS,
Secretary of the Navy.

In July the press was requested by Secretary Daniels not to mention, in the advertising or news columns or otherwise, the location or movement of ships in American waters; on Aug. 2, however, the order was amended so as to include also vessels "in other waters."

Concerning the original order, a circular of the Post Office Department to publishers dated Aug. 2 said:

In connection with the circular of this office of July 24 1918 and the order of the Postmaster-General of July 20 1918 relative to the publication of information concerning ships in American waters, the following advice relative to shipping advertisements is furnished for your guidance:

"The order is intended to cover information as to arrivals or departures of all shipping plying in outside waters, either in the coastwise or trans-Atlantic traffic. Sailings in Long Island Sound which do not extend beyond the waters of the Sound itself are not within the prohibition of this order. Advertisements which do not give definite information as to the times of sailings, whether arriving or departing, are not within the prohibition of the order. Advertisements which simply make known that a certain service is maintained and give the address of an office at which fuller information may be obtained, are not within the prohibition of this order."

The following advertisements are regarded as objectionable:

An advertisement of an ocean steamship line which refers to "weekly departures."

An advertisement of the Metropolitan Line giving definite information as to the sailing of vessels between New York and Boston.

An advertisement of the Old Dominion Line giving specific information of the sailings between New York and the Chesapeake Bay ports.

If it is desired to ascertain whether any advertisement or information is nonmailable according to the order of the Postmaster-General, the matter should be submitted at Room 224, General Post Office Building, 33d Street and 8th Avenue.

THOMAS G. PATTEN, *Postmaster.*

MERCHANTS ASSOCIATION RECOMMENDS DESIGNATION "MADE IN U. S. A." ON GOODS MANUFACTURED IN UNITED STATES.

There has been widespread agitation in favor of the adoption of a distinctive mark to be placed on merchandise exported from this country for consumption abroad. The adoption of such a mark is being urged by the Bureau of Foreign and Domestic Commerce of the Department of Commerce in Washington. B. S. Cutler, Chief of the Bureau, recently wrote to the Merchants' Association asking it to take action in favor of the adoption of a distinctive mark. In compliance with this suggestion the Executive Committee of the Association at its meeting last Monday adopted resolutions approving the label "Made in U. S. A." to designate merchandise exported from this country. In apprising Mr. Cutler of the action taken by the Association, S. C. Mead, Secretary, wrote as follows:

"Your favor of Sept. 18, suggesting action by this Association in recommending to its members that the designation "Made in U. S. A." in plain type form, be used by its members on all goods manufactured by them in the United States, was duly received and was presented to the Executive Committee of the Association at its meeting held yesterday.

"By unanimous action, the preambles and resolution were adopted in the following form:

"Whereas, We believe that the best interests of our country are served when all goods manufactured here can be readily identified at all times from goods manufactured elsewhere, and

"Whereas, We believe that the identification of the country of origin of any goods is facilitated by the use of a single designation of origin, and

"Whereas, We believe that the designation "Made in U. S. A." in plain type form, is the best means of identification of goods manufactured in the United States of America; therefore, be it

"Resolved, That the Merchants' Association of New York recommends that the designation "Made in U. S. A." in plain type form, be used by all of its members on all goods manufactured by them in the United States of America, and that the use of all other markings to identify the country of origin of such goods be discontinued.

"This resolution will be published to all the Association's members."

PHILADELPHIA BOURSE ON WEEKS'S RECONSTRUCTION BILL FOR COMMISSION TO STUDY PEACE PROBLEMS.

Practical men, not theorists and professional economists, should formulate the policy which is to guide the industrial and commercial activities of the United States after the war. This is one of the points on which the Philadelphia

Bourse places great emphasis in indorsing and urging the enactment of the so-called Weeks bill proposing the creation of a joint Congressional commission, which with the aid of private citizens, would conduct a searching inquiry into those problems that are anticipated with the coming of peace so that preparatory measures could be taken in the meantime for the post-war conduct of business in this country. A statement issued by the Bourse regarding its views says:

Creation of the commission would constitute the first definite step towards meeting problems beginning with demobilization, and its inquiry would embrace virtually every phase of our national activity. According to the Bourse, however, it should keep in mind the efforts that will be made by some localities and cities to profit at the expense of others, and perhaps at the expense of the nation. In addition, to avoid being open to the charge of "helping to win the war for future commercial benefit at the expense of the countries who have borne the brunt of battle the longest," the commission should consider the interests of our allies.

Among other things, the commission would investigate problems affecting labor, capital and credit, public utilities including the establishment of a railroad policy after the war and the relation of the Inter-State Commerce Commission to the railroads, problems resulting from demobilization of our industrial and military war resources, foreign trade, continuance of existing industries and the establishment of new industries, agriculture, problems affecting the adequate production and effective distribution of coal, gasoline and other fuels, shipping including shipyards and especially in regard to the sale, continuance of ownership, or leasing both yards and ships, housing and the disposition of houses constructed by the Government during the war, war legislation now on the statute books with reference to its repeal, extension or amendment, and in general all matters necessarily arising during the change from war activities to the pursuits of peace.

The Bourse declares:

Unless consideration is given now to these and other questions that will arise with the cessation of hostilities, this country, among other things, will lose many of the commercial and trade advantages which it has gained as a result of the war. Great Britain and France have taken time by the forelock, even during the height of the maelstrom abroad, and as a result of their foresight, will be able to act quickly in adopting policies having to do with the readjustment of their domestic and national affairs. Such being the case, how much longer are we to wait before being aroused from our lethargy in making preparations to avoid the confusion that is inevitable.

While virtually every branch of the Government is concerned now with measures providing for the speedy and successful prosecution of the war, and until a military victory has crowned our efforts there should be no relaxation of any kind, at the same time there could and should be created a representative body of men who would begin to prepare for those problems that are bound to develop with the signing of a treaty of peace. We have witnessed the transition of industry from a peace to a war basis. Our record in this respect is one which brings much credit to the country. But it is a well known fact that Government commissions and boards are still wrestling with questions which have cropped up during this transition period. So what of the future? Is any serious thought being given to the huge munition, shipbuilding and other plants that have been constructed primarily to meet war's demands, and the vast army of workers employed therein?

The proposal, therefore, of Senator Weeks is one which demands instant attention. Briefly he proposes a joint committee of Senators and Representatives, consisting of an equal number of Democrats and Republicans, who would undertake an investigation of virtually every phase of our national activity. Sub-committees would be appointed to consider such questions as would be assigned to them. They would be assisted by citizens "especially trained in the particular matters to be examined." Experts also would be appointed to assist in the main committee and its various sub-committees, and too much stress cannot be placed on this provision.

For practical men, not theorists and professional economists, should deal with the formulation of the policy that is to guide the industrial and commercial future of the United States. This is of prime importance, as the scope of the inquiry embraces practically every subject, the most tactful handling of which is essential not only to our own future welfare but the welfare of generations to come. Much of the work proposed could and should be undertaken in conjunction with committees of the Chamber of Commerce of the United States and its organization members. The Congressional commission, however, would give that Governmental status that is vital to its success, and it is to be hoped that the Weeks measure will soon be acted on. For each day brings peace just that much nearer and with it those problems growing out of the war which will face the country when the period of demobilization begins.

But in considering these matters of national interest, attention must be given to the efforts of certain localities and cities to profit at the expense of others, and perhaps at the expense of general national benefit. It also is important that the interests of our allies be kept in mind so as not to be open to the charge of helping to win the war for future commercial benefit at the expense of the countries who have stood the brunt of battle the longest. The Bourse regards the Weeks measure as one of the most important and comprehensive measures that has yet been introduced in Congress. It should be supported by every commercial organization in the country. Vigorous appeals should be made for its enactment. For the sooner it receives favorable consideration and the inquiry is instituted, the better prepared will the country be for that day when peace again reigns over the land.

MILITARIZING THE COLLEGES.

[From the New York "World," Oct. 25 1918.]

The conversion of American colleges into student army training camps has naturally operated to upset old academic conditions, and from a letter by "A Mere Professor" in the "Evening Post" we obtain an insight into the revolutionary nature of the change. The students, being now under army discipline, "are assembled from the four corners of the campus and marched in military order to this, that or the other class-room or laboratory, where they are delivered up to the waiting professor by the Sergeant, who reports 'all present or accounted for.'" At the beginning of the evening hours formerly devoted to individual study in the library or the student's room—the junior officers call assembly and march the men to a bare class-room provided with seats found only in class-rooms and order their charges to study from 7.30 to 9.30 p. m. What though the room becomes stuffy with the 50 or 100 men packed together? If a student is found by his Sergeant wasting his time in his room over his books he will likely be put on barrack police duty. There must be no slackers in the army.

Students must show their passes to the sentry on leaving the campus, and the case is reported of a body of students held up by a sentry for crossing his post on their way to class. "On another occasion a Corporal of the guard had to be called to let a professor enter his house because he was out after taps, at 10 o'clock."

It is to be hoped there was no undergraduate levity when the tale of the professor's predicament leaked out. These are indeed war-times at the colleges and Plancus is no longer Consul. Discipline is the word, and by way of corroboration of the conditions described comes the account of Pennsylvania students put under military guard for a campus prank and warned that they are soldiers now and "not mere college students."

Such is the altered complexion of a university education under military necessity. But granting that the colleges are now war colleges, some respect may yet be shown for the amenities of learning. They still exist to teach other arts besides the art of war, and it is not expedient to carry their militarization to an extreme or to extinguish all the old academic traditions. American colleges produced some excellent soldiers before they were taken over by the War Department.

CONSTITUTIONALITY OF PENNSYLVANIA ACT UNDER WHICH UNCLAIMED DEPOSITS ESCHEAT TO STATE.

The constitutionality of the Pennsylvania law of 1915 under which deposits and valuable property unclaimed in banks are liable to escheat to the State has been upheld in an opinion handed down by Judge HGeorge Kunkel, of the Dauphin County Court at Harrisburg. Associated Press dispatches from Harrisburg on Oct. 14 had the following to say regarding the decision:

The effect of the opinion, which is a very extensive one, will be to uphold as well the supplemental Act of 1917. It is expected that the complainants will appeal to the Supreme Court.

The decision was rendered after reinstatement of the bills in obedience to a ruling by the Supreme Court which required that constitutional questions be passed upon. The Court says it can see no reasonable objection to the sections requiring reports on unclaimed deposits or property to the Auditor-General and that the Act does not violate the law of contracts.

As to the contention that the Act violates the State and Federal constitutions intended to safeguard private property the Court says:

"This is an objection which might be made by the owners of the property, but hardly by the depositaries. We can see nothing in the Act to justify the charge that it attempts to take away private property. This is a misconception of the scope and purpose of the Act."

The Court also holds that the Act does not take property without due process of law and declares it is not special legislation.

The actions in equity were brought by the Columbia National Bank and Union Trust Company of Pittsburgh and the Germantown Trust Company of Philadelphia. In a previous decision—on March 31 1917—Judge Kunkel ruled that the Auditor-General should publish and make known the reports of banks, trust companies and savings institutions showing escheatable deposits. By that action Judge Kunkel dissolved the preliminary injunction obtained by several banking houses to prevent the Auditor-General from publishing the reports. While the general question of the constitutionality of the escheat act was raised by the litigants, the Court at that time left the matter undecided, saying that it could be considered when proceedings were begun by the State to have the bank deposits actually escheat to the State. While Deputy Attorney-General Hargest of Pennsylvania expressed the view in 1916 that national banks of the State came within the provisions of the law, M. C. Elliott, counsel for the Federal Reserve Board, held that the act was not intended to apply to national banks. The opinion of the former was printed in our issue of March 4 1916, page 846, while that of the latter appeared in our issue of Sept. 2 1916, page 812. It is to be noted, however, that the Federal Reserve Board, through its counsel, recommended that the national banks of the State make the report called for under protest, accompanied by a statement to the effect that it was made out in deference to the opinion of the Deputy Attorney-General, and without any admission of liability on their part.

INCREASE IN RESOURCES OF NEW YORK STATE BANKING INSTITUTIONS—CONDITION OF TRUST COMPANIES.

The resources of the 98 trust companies, 209 State banks and 83 private bankers in New York State under the supervision of the New York State Banking Department on Sept. 10 of this year, the date of the last quarterly call issued by State Superintendent of Banks George I. Skinner; totaled \$4,122,649,919, an increase of \$119,463,132 since June 20 1918, and an increase of \$366,797,728 since Sept. 8 1917. A statement issued by Superintendent Skinner says:

The resources of the trust companies of the State from June 20 to Sept. 10 show an increase of \$81,428,341, the total on Sept. 10 being \$3,126,664,799, while the resources of the State banks during the same period increased from \$940,227,837 to \$976,586,058, a gain of \$36,358,221. During the same period the resources of the private bankers increased \$1,676,570, the total on Sept. 10 being \$19,399,062.

From June 20 to Sept. 10 of this year the deposits of State banks increased from \$808,771,644 to \$818,629,192, a gain of \$9,077,548, while the deposits of private bankers increased during the same period from \$11,632,357 to \$12,969,940, a gain of \$1,337,583. The deposits and

resources of State banks on Sept. 10 last were the largest ever reported by those institutions.

From June 20 to Sept. 10 of this year the deposits of trust companies fell off from \$2,440,141,425 to \$2,426,734,875, a loss of \$13,406,550. During the same period the trust companies increased their public securities holdings, which include Liberty bonds and certificates of indebtedness of the national Government, to a total of over half a billion dollars. As compared with the holdings on June 20 last, there is an increase of over \$125,000,000 and an increase of over \$250,000,000 as compared with such securities held on Sept. 8 1917.

CONDITION OF THE NEW YORK STATE TRUST COMPANIES AT CLOSE OF BUSINESS SEPT. 10 1918 AND JUNE 20 1918.

Resources.		
Note.—98 companies reported each date.	Sept. 10 1918.	June 20 1918.
Stock and bond investments, viz.:		
Public securities.....	\$500,397,669	\$371,916,792
Private securities.....	338,065,692	349,365,702
Real estate owned.....	49,987,001	49,906,448
Mortgages owned.....	94,259,579	95,970,711
Loans and discounts secured by bond and mortgage, deed or other real estate collateral.....	13,823,336	13,098,615
Loans and discounts secured by other collateral.....	847,217,133	826,489,709
Loans, discounts and bills purchased not secured by collateral.....	578,585,903	617,745,286
Overdrafts.....	467,920	1,108,111
Due from trust companies, banks and bankers.....	141,600,583	155,991,700
Specie.....	15,794,369	18,998,765
Other currency authorized by the laws of the United States.....	29,578,034	27,478,997
Cash items.....	74,639,077	50,754,243
Due from Federal Reserve Bank of New York, less offsets.....	192,440,817	213,501,065
Customers' liability on acceptances.....	110,686,511	118,055,047
Other assets.....	139,121,128	134,855,222
Add for cents.....	47	45
Total.....	\$3,126,664,799	\$3,045,236,458
Liabilities.		
Capital.....	\$119,932,200	\$119,925,200
Surplus (including all undivided profits)....	185,527,925	182,267,102
Preferred deposits:		
Due New York State savings banks.....	50,952,810	60,737,737
Due New York State savings and loan associations, credit unions and Land bank.....	962,379	999,796
Due as executor, administrator, guardian, receiver, trustee, committee or depositary.....	89,844,794	91,456,710
Deposits by State of New York.....	11,518,637	15,502,376
Deposits by Superintendent of Banks of State of New York.....	644,223	757,048
Other deposits secured by a pledge of assets.....	91,422,583	142,072,268
Deposits otherwise preferred.....	4,498,017	6,026,659
Due depositors not preferred.....	1,947,504,942	1,911,699,361
Due trust companies, banks and bankers....	229,386,304	210,889,470
Bills payable.....	150,908,592	77,837,043
Rediscounts.....	83,148,697	60,102,668
Acceptances of drafts payable at a future date or authorized by commercial letters of credit.....	108,014,526	115,595,960
Other liabilities.....	52,398,123	49,367,015
Add for cents.....	47	45
Total.....	\$3,126,664,799	\$3,045,236,458
Total deposits.....	\$2,426,734,875	\$2,440,141,425

GERMANY UNFIT TO RULE COLONIES, SAYS LORD ROBERT CECIL—REPORT ON GERMAN CRUELTY TO BLACKS.

Replying to the speech of Dr. W. S. Solf, German Secretary for the Colonies, in which the latter urged the necessity of Germany regaining her colonies as one of the terms of peace, Lord Robert Cecil, British Under Secretary for Foreign Affairs, in a newspaper interview on Aug. 23 declared that the German Government had proved itself unfit to govern colonies. The British Government, Lord Robert said, had collected and was collecting evidence, shortly to be published, which would prove the callousness and brutality of Germany in governing her colonies, after which the world would agree that the colonies could never be restored to Germany.

The report referred to was published on Sept. 12 by Edmond H. L. Georges, Acting Secretary of the Interior for the Union of South Africa. The facts upon which the report is based are taken from official German documents at Windhoek, sworn statements by native chiefs and by Europeans familiar with the country, and the writings of Governor Leutwein, who held office from 1894 to 1905; Dr. Paul Rohrbach, Dr. Karl Dove, and others. Altogether the report contradicts in detail Dr. Solf's assertion that "Germany's pre-war humane treatment of the native races won for her the moral right to be a great colonial power." Regarding this assertion this statement is made by Acting Secretary Georges:

The native opinion here is unanimously against any idea of their ever being handed back to the tender mercies of Germany. Any suggestion of the possibility of an act of this kind on the part of Great Britain produces the utmost consternation.

As epitomized in Associated Press reports from London the report further says:

The report states that the first twenty-five years of German rule in Southwest Africa was an unbroken record of official bad faith, private oppression, cruelty, barbarities, and robberies, culminating in the Herero and Hottentot rebellions. During the first seventeen years there was no law for the natives. Such protection as the law eventually provided indicated considerations of humanity, but the order to exploit the natives as laborers remained.

When the Germans first arrived, says the report, they entered into agreements with the native chiefs, but these became scraps of paper and the natives were fraudulently deprived of their best land. Traders and set-

tlers robbed them of their cattle, which was their only wealth, and the law subsequently prevented the natives from possessing large herds of stock.

The natives were thus driven to work at ridiculously inadequate wages and often were never paid. They were treated like slaves and their women folk were habitually maltreated by the Germans, who took them into forced concubinage.

These were some of the things which goaded the natives into rebellion, which was suppressed by ruthless cruelty, resulting practically in the extermination of the three tribes involved. The Hereros were reduced from 80,000 to 15,100, the Hottentots from 20,000 to 9,800, and the Berg-Damaras from 30,000 to 12,800. Thus 80% of the Hereros people disappeared, and more than half of the Hottentots and Berg-Damaras shared the same fate.

How it was done was to supersede the lenient Governor Leutwein by Governor Trotha, fresh from Germany to East Africa, where he had suppressed the Arab rebellion by a wholesale massacre. Governor Trotha issued an "extermination order," the terms of which provided that no Herero man, woman, or child was to receive mercy or quarter.

"Kill every one of them; take no prisoners," he said in the orders. Evidence that the order was only too faithfully carried out is recorded in a story of Governor Trotha's former groom, who described how he once was ordered to kill a young Herero woman. He refused in disgust, whereupon a German soldier showed him how to do it, and then held the dripping bayonet in his face.

An officer and German soldiers were standing around, but none interfered in behalf of the woman.

Another witness, who was with Governor Trotha two years, testified that he knew of no instance of prisoners being spared. Even after the rebellion surviving natives fared little better.

One of the documents cited in the report is a secret circular by Governor Heitz in 1912 and addressed to magistrates, in which he refers to the desperate feeling becoming prevalent among the natives.

"The reason," he states, "which unanimously is given for this fact is that the brutal excesses of Europeans against natives are alarmingly increasing. It is regrettable that even police officers become guilty of such offenses in a few cases, and that such offenses are not punished by the courts of law in a way that they ought to be according to a sense of justice to the natives."

Acting Secretary Georges supplies sworn statements from natives which give an idea of the reign of terror existing among them. He adds:

"The instances of cruelty, injustice, and barbarism might be multiplied almost indefinitely. Instances of gross bestial conduct which for sheer depravity and immorality are well-nigh unbelievable are also contained in the file of affidavits, but they are hardly fit for publication."

Part two of the report deals at length with the position of the natives before the law. The ordinance governing criminal jurisdiction over the natives contained provisions repugnant to conceptions of justice. The natives were not tried in ordinary courts, but by officers who also did police duties and had authority to delegate their judicial powers to subordinate officials. Imprisonment in chains and flogging were allowed not only for serious crimes, but also as "disciplinary measures," on the application of an employer, or for offenses against the master and servants' law, or for insubordination, continued idleness or neglect of duty.

From the records of German courts it seems clear that native evidence was habitually disregarded and that the natives were not allowed to give evidence on oath. The natives were thus kept in a state of fear. No opportunity of redress was open to them, and they dared not go to the police with complaints. Crimes by Germans, however, against natives were reviewed by the courts.

Gruesome photographs are given in the report of hangings and flogging of natives, and it is asserted that executions were carried out in a manner that would have been considered brutal 200 years ago.

Hanging was a practice with the administrators of native affairs, as also was flogging, which was done with a long sjambok, capable of causing the gravest injury or death, as many as fifty strokes being given at a time.

TO FURTHER UNITED STATES TRADE INTERESTS IN BRAZIL.

According to an announcement issued by the New York office of the United States Department of Commerce on Sept. 11, the investigation of economic conditions and the development of American trade in the largest of the South American republics will be undertaken by J. E. Philippi, recently appointed American Commercial Attache to Brazil, who will leave the latter part of the month for Rio de Janeiro. Before his departure Mr. Philippi will confer by appointment at the district office of the Bureau of Foreign and Domestic Commerce, 734 Custom House, with merchants and manufacturers interested in extending their business in Brazil, as well as with those desirous of entering that market. The announcement says:

The new commercial attache is well equipped for the important duties assigned to him. He spent ten years in Mexico, first in the mechanical and operating department of the Mexican Central Railways and as their terminal agent at Tampico, then with the Waters-Pierce Oil Company, and finally with H. E. Gerber & Co., representing leading American, British and French manufacturers of foodstuffs, provisions and allied lines. Mr. Philippi returned to the United States in 1911 and devoted ten months to a study of modern marketing methods while associated with the Corn Products Refining Co. in the South. Wishing to take advantage of his knowledge of Spanish and his familiarity with Latin America, he joined Lord Cowdray's Anglo-Mexican Petroleum Products Co. and investigated bunkering facilities, visiting possible sites in the West Indies and in Brazil. The outbreak of the European war halted this development and Mr. Philippi went to London to report on the work accomplished. Shortly afterward he came to New York and was appointed export representative of Borden's Condensed Milk Company in South America. Establishing agencies and opening new markets in the principal cities, he traveled extensively throughout the continent, acquiring a valuable fund of information regarding the various countries and their people. Most of the time was spent in Brazil—about seven months of each year—and the unusually wide acquaintance thus gained assures him of a cordial reception in both official and commercial circles.

Mr. Philippi is quoted as saying:

Although Brazil is very friendly to us, and we reciprocate this feeling, it is surprising how little the people of the United States of North America know about the United States of South America, as the Brazilians are

proud to consider themselves. The northern coast, particularly, is unfamiliar to the majority of our business men. Brazil's practically limitless resources have been known and commented upon in a general way for many years, but the country has been less exploited than Argentina or the West Coast of South Africa, where mineral riches have proved attractive.

A large exporter of coffee, cacao, rubber and hides and skins for a long period, Brazil is now becoming prominent for its shipments of monazite sand, carnauba wax, manganese, and chilled and refrigerated meat. There are great possibilities for increased production of oil-bearing kernels and of fibers, especially in the northern part of the republic. A market in which Germany was strongly entrenched before the war, Brazil offers a splendid opportunity to-day to the exporters of the United States. We feel particularly kindly to Brazil for the important part that it has taken in the conflict, and for its good example to the neighboring republics of South America. With the present friendly relations and with the trade chances now open to us, there is every reason for a vast increase in our sales to Brazilian importers and a larger part for American investors to assume in the industrial development of the country.

BRITISH TRANSPORT CARRYING AMERICAN TROOPS TORPEDOED—ALL ON BOARD SAVED.

The 12,000-ton White Star liner *Persic* loaded with 2,800 American troops, was torpedoed by a German submarine on Sept. 6 about 200 miles from the English coast. Official announcement of the sinking was not made at Washington until the 11th, although vague rumors of disaster to a transport had been current for several days. The troops on board were promptly transferred to convoying destroyers and the vessel itself, although badly damaged, succeeded in reaching shore under its own steam, where it was beached. The destroyers attacked the submarine, with depth bombs and, it is believed, succeeded in sinking it. There were no casualties of any kind and the vessel can be salvaged. There was no panic and the behavior of troops and crew reflected credit on all concerned. The *Persic* was one of a large convoy, but had dropped behind because of engine trouble when the attack was made.

There have been rumors for some time that Germany, having failed in the effort to starve out the Allies by sinking merchant ships, was about to concentrate her submarine attacks on the transports carrying and supplying the American army. Under all the circumstances, however, it is felt that the outcome of the present attack justifies the confidence placed in the system of convoying. More than 1,600,000 American soldiers have been transported with a loss of only 291 men. The *Persic* is only the third vessel carrying American soldiers to the war zone to be attacked with any degree of success by U-boats. The other two vessels were the Anchor Line steamship *Tuscania*, under charter to the Cunard Line and the Peninsular & Oriental liner *Moldavia*. The *Tuscania* was torpedoed and sunk off the Irish coast early in February while carrying troops composed chiefly of detachments of Michigan and Wisconsin National Guardsmen to England. Of the 1,912 officers and men on board, 204 perished. The vessel was under convoy when attacked. The *Moldavia* was torpedoed and sunk on May 23, presumably while carrying American troops across the English Channel from England to France. Fifty-five Americans lost their lives.

DR. KARL G. BUENZ DIES IN INTERNMENT CAMP.

Dr. Karl G. Buenz, former managing director of the Hamburg-American Line, died at an internment camp at Atlanta, Ga., on Sept. 15, where he had been held since last April. Nearly three years ago Dr. Buenz was found guilty of conspiring to send supplies to German raiders then operating in the Atlantic. Sentence was imposed but for a long time Dr. Buenz was left at liberty owing to his extreme age and the testimony of physicians that confinement in a prison would prove fatal. He was finally sent to the Atlanta penitentiary to serve an 18-months' sentence, last April, after physicians had decided he was in condition to stand the ordeal. Dr. Buenz had been a resident of this country for many years, and at one time was German Consul-General at New York, and later was German Minister to Mexico. He was seventy-seven years of age.

LIEUT. JAMES J. PORTER, SON OF W. H. PORTER OF J. P. MORGAN & CO., KILLED IN ARGONNE FOREST.

Lieut. James J. Porter, only son of William H. Porter, of J. P. Morgan & Co., was killed by a shell on Oct. 5 in the Argonne Forest while fighting with the 10th Machine Gun Battalion of the Fourth Army Division. Lieut. Porter was twenty-eight years old, a graduate of Princeton in 1911, the youngest but highest man in his class. He again distinguished himself with scholarship honors when taking the degree of Bachelor of Laws at Harvard Law School, three years later. Lieut. Porter entered the active practice of

law with White & Case, counsel to the Bankers Trust Co., and was associated with White & Case at the time of his death. Lieut. Porter received his officer's training at Plattsburgh and sailed for France last April with the Machine Gun Battalion. Following his arrival in France, one of Gen. Pershing's staff had Lieut. Porter transferred to the department in charge of purchases for the army, to make use of his legal training. An officer's position on the staff was distasteful, and after making strong objections Lieut. Porter was transferred to active service with his machine gun company at the front.

ITEMS ABOUT BANKS, TRUST COMPANIES, &c.

One hundred and twenty shares of trust company stock were sold in one lot at auction this week. No sales of bank stocks were made either at the Stock Exchange or at auction.

Shares. TRUST CO.—Brooklyn. Low. High. Close. Last previous sale.
120 Queens County Trust..... 71 71 71 April 1913 — 100

The annual convention of the Investment Bankers Association of America takes place the coming month—on the 18th, 19th and 20th—at St. Louis.

The quarterly statement of the Philippine National Bank, of Manila, P. I., has just been issued for the period ending Sept. 30. On the latter date the deposits were \$85,025,048, aggregate resources \$116,396,781, while reserve funds increased to \$1,808,695, which is in addition to its capital of \$4,604,575. The increase in deposits to \$85,025,048 Sept. 30 compares with \$72,787,824 June 30 last and \$57,453,711 on March 31. The bank began business in February 1916. The New York agency is in the Woolworth Building, in charge of Charles C. Robinson, Vice-President, and American Representative.

A special meeting of the stockholders of the Empire Trust Co., of this city, will be held on Nov. 7 to vote on a proposition to increase the capital from \$1,500,000 to \$2,000,000 (par \$100). Le Roy W. Baldwin is President of the Empire Trust Co., and Myron J. Brown, Secretary.

Edwin S. Schenck, President of the Citizens National Bank of this city, announced early this week that the bank's quota of \$10,822,800 of the Fourth Liberty Loan had been doubled.

The Federal Reserve Board announces in its October "Bulletin" that it has granted permission to the National City Bank of New York (under Section 25 of the Federal Reserve Act) to invest in the stock of the International Banking Corporation a sum not exceeding 10% of its capital and surplus. The National City Bank has a capital of \$25,000,000 and surplus of \$35,000,000. The International Banking Corporation is incorporated under the laws of Connecticut and is engaged primarily in the business of foreign banking.

A report of the savings bank of Public School No. 14 (at 225 East 27th St., this city) for the year from June 29 1917 to June 28 1918 shows net savings over and above all withdrawals of \$51,565. The bank was organized on Feb. 20 1911, and the net saving of \$51,565 have been accumulated in the seven-year period. During the late school year the amount received from depositors was \$11,030, while the amount withdrawn was \$4,825. Herman J. Sonnenberg, the School Bank Manager, in pointing out the war activities of the pupils and teaching corps, says:

The habit of thrift which has been cultivated by the school bank needed only a slight stimulus to become a powerful influence in the service of the Government. Accustomed to save, the children and parents expanded the scope of the school bank into an institution through which they could not only save, but also help the Government. At the same time that the child brought money for his bank account he also brought a deposit on his bond. And later, along with his regular weekly savings he continued to bring his weekly payments on the bond. Where the time and convenience for dealing with a general bank were lacking and seemed an almost insurmountable barrier, the assistance given by the school bank in selling the bonds and in receiving weekly payments thereon opened an avenue for a great many of our constituents to become subscribers to the several Liberty Loans. Thus, the school bank with which they have been thoroughly familiar has become the agency through which they deal with their rich partner and great protector—the American Government. Here also, we had the opportunity of reinforcing the habit of stricter economy and greater thrift. No sooner did the school bank undertake the sale of War Savings stamps and Liberty bonds than our depositors came to draw their savings for the purpose of investing them in War Savings stamps and Liberty bonds.

We explained to the children that the Government wanted the money in savings banks to be left undisturbed, but that they were to be more economical and with the additional savings buy War Savings stamps and bonds. In almost every instance our depositors allowed the savings to

remain in the bank and bought bonds too. Not a single person was kept from buying the bonds by these measures; and in many cases, when the depositors fully grasped the underlying thrift idea of the Government, they subscribed for much larger amounts. The thought that encouraged many investors who otherwise were rather chary about their ability to make payments was the knowledge that if the worst came to the worst there was always something to fall back on in the school bank.

In the Red Cross drive the school bank again showed its powerful influence for good. Accustomed to the habit of saving, the larger demand brought forth a spirit of greater sacrifice, and in a very little time our school was enabled to win the 100% Junior Red Cross membership. The classes that showed the greatest interest in the bank not only were among the first to get their 100% subscription but went way over the top, in some cases reaching as high as 150%. Our entire subscription was raised by direct contribution by our children, so that we did not have to resort to sales, exhibits, or other comparatively wasteful forms of raising money. This we attribute in a large measure—since our neighborhood is comparatively poor—to the valuable lessons of thrift inculcated by our Saving Bank of Public School 14.

Some of the war activities of the pupils and teaching corps of Public School 14, in which the school bank proved a helpful factor:

Red Cross membership—The entire school, over 100%.	
Soldiers' Relief—100% more than quota.	
War Savings stamps, June 26.....	\$8,202 10
Liberty Loan bonds—	
First Liberty Loan—Face value of bonds sold by teachers and pupils.....	6,350 00
Second Liberty Loan—Face value of bonds sold by teachers and pupils.....	74,400 00
Third Liberty Loan (No. of applications obtained by school, 2,127)—Face value of bonds sold.....	193,450 00

More than a year ago the Irving National Bank of this city began the distribution of the book, "Trading with Latin America," to a carefully selected list of over ten thousand American concerns engaged in trade with Latin America, contemplating entrance into that field or else so situated as to justify the inclusion of Latin-American trade among their reasonable possibilities. Later a second edition of this book was produced, and the demand for it continues strong and active. The second number in the foreign trade series is entitled "Foreign Trade Thought of 1918," and gives the foreign trade high lights developed during the Fifth National Foreign Trade Convention, held at Cincinnati April 18 to 20 1918. The third publication of this series takes the form of a 25x34½-inch "Graphic Trade Chart and Commercial Map of Latin America," in colors. In this chart and map the bank has endeavored to supplement the information already provided in "Trading with Latin America," and to express graphically for the benefit of the importer and exporter facts beyond the possibilities of their first publication. These three efforts have been made with a definite intention of helpfulness toward the development of the foreign trade of the United States.

Edwin G. Merrill, Vice-President and Vice-Chairman of the Central Union Trust Co. of this city, has been granted a leave of absence by the company and has gone to London for work in the service of the United States Food Administration.

Joseph R. Wilson, brother of President Wilson, has been made one of the Vice-Presidents of the United States Fidelity and Guaranty Co., Baltimore, Md. Mr. Wilson has been Manager of the Business Development Department of the company since 1913, and he will continue in that capacity.

Edwin B. Malone has been elected a director of the Kensington National Bank of Philadelphia, Pa., succeeding the late Samuel B. Voorman.

The Southside Trust Co. of Pittsburgh has announced the election of Miss Selma E. Peters as Assistant Secretary. Miss Peters has been connected with the company for 13 years.

It is announced that E. K. Boisot will retire as President of the First Trust & Savings Bank of Chicago at the end of the year. James B. Forgan, Chairman of the Board of the First National Bank, in announcing this is quoted as saying:

The condition of Mr. Boisot's health has been such as to unfit him for business during the most of the current year. He has, therefore, decided to retire at the end of this year, and to accept the pension to which he will then be entitled.

Mr. Boisot has been connected with the First National Bank for forty years, and simultaneously during the last fifteen years with the First Trust and Savings Bank, of which he has been President since I became Chairman of the board two years ago.

No action has yet been taken by the board of directors in regard to Mr. Boisot's retirement, nor in regard to his successor, but action will probably be taken at the meeting of the board at the end of this month.

We are all very sorry that Mr. Boisot's health is such as to cause him to take this action and we hope that he may yet have a long lease of life in which to enjoy the rest and retirement to which his long, active and successful business career entitles him.

Mr. Boisot entered the employ of the First National Bank in 1878; with the organization in 1903 of the First Trust & Savings Bank, he was made Vice-President and Manager of that institution.

The National Bank of Commerce in St. Louis has engaged the services of George W. See of the Internal Revenue Office to take charge of a new department of income-tax accounting, installed by that bank. According to John G. Lonsdale, President of the bank, the purpose of the new department is not only to broaden the bank's service to the public, but also to co-operate with the Government.

Application has been made to the Comptroller of the Currency for a charter for the Union National Bank, of Seattle, Wash., with a capital of \$600,000. The proposed institution will represent a conversion of the Union Savings & Trust Co.

THE ENGLISH GOLD AND SILVER MARKETS.

We reprint the following from the weekly circular of Samuel Montagu & Co. of London, written under date of Oct. 3 1918:

GOLD.

The Bank of England gold reserve against its note issue shows an increase of £596,935 as compared with last week's return. This is the twenty-third successive week that a gain has been recorded.

The Imperial Bank of Germany reported on Sept. 23 an increase of £4,945,200 in its holdings of gold, doubtless on account of gold received from Russia. As this synchronized with a rise in the price of the mark upon the Amsterdam Bourse, at a time when a fall would have been more probable, there is a possible intimate connection between the two facts.

A notification by the Indian Finance Department has been issued under the defense of India Act prohibiting the carriage by inland steam vessels of gold and silver coin and bullion, except under license.

SILVER.

The market continues good, and a fair inquiry exists for manufacture. After receding to 5s. 3d., the official China exchange has reacted to 5s. 3 1/2 d., owing to the action of native speculators.

The Indian Government reports that rain is much needed in most parts of the country.

Indian Currency Returns.

Table with columns: (In Lacs of Rupees)—, Sept. 7, Sept. 15, Sept. 22. Rows: Notes in circulation, Reserve in silver coin and bullion, Gold coin and bullion in India, Gold coin and bullion out of India.

It will be observed that the holding of silver continues to show a substantial increase. Within the last seven weeks the total of the stock has risen from 18,42 to 28,30 lacs, an improvement of 988 lacs, or over 53%. This should assist the up-country position, which recently had left room for improvement. For instance, a correspondent of the "Times of India," writing from Murree in the Punjab in July last, stated that few people in that district had seen silver coin for weeks. All payments were made in "frayed" currency notes, and change for one rupee notes was tendered frequently in postage stamps, of which the post-office supply, in small denominations, ran out.

The stock in Shanghai on the 28th ult. consisted of about 27,360,000 ounces in sycee and 12,600,000 dollars, as compared with about 25,290,000 ounces in sycee and 12,800,000 dollars on the 14th Sept. 1918. Quite a substantial increase.

Table with columns: Statistics for the month of September are appended: Highest price for cash, Lowest price for cash, Average, Quotations for bar silver per ounce standard.

No quotation fixed for forward delivery. The quotation to-day for cash delivery is the same as that fixed a week ago.

ENGLISH FINANCIAL MARKETS—PER CABLE.

The daily closing quotations for securities, &c., at London, as reported by cable, have been as follows the past week:

Table with columns: London, Oct. 19, Oct. 21, Oct. 22, Oct. 23, Oct. 24, Oct. 25. Rows: Silver, Consols, British, French Rentes, French War Loan.

The price of silver in New York on the same days has been: Silver in N. Y., per oz.—cts. 101 1/4, 101 1/4, 101 1/4, 101 1/4, 101 1/4, 101 1/4

Commercial and Miscellaneous News

National Banks.—The following information regarding national banks is from the office of the Comptroller of the Currency, Treasury Department:

APPLICATIONS FOR CHARTER.

Table with columns: For conversion of State banks, The Union National Bank of Seattle, Wash., Conversion of the Union Savings & Trust Co. of Seattle.

INCREASES OF CAPITAL APPROVED.

Table with columns: The Penn National Bank, Philadelphia, Pa. Capital increased from \$500,000 to \$1,000,000.

CHARTERS EXTENDED.

The First National Bank of Buffalo Center, Ia. Charter extended until close of business on Oct. 19 1938. The City National Bank of Harrisburg, Ill. Charter extended until close of business on Oct. 23 1938. The People's National Bank of Warrensburg, Mo. Charter extended until close of business on Oct. 23 1938.

VOLUNTARY LIQUIDATIONS.

The Martindale National Bank, Martindale, Tex. Capital, \$25,000. Liquidating Agent: F. P. Johnson, Martindale. Assets purchased and liabilities assumed by the partnership of J. B. and R. N. Martindale.

Canadian Bank Clearings.—The clearings for the week ending Oct. 17 at Canadian cities, in comparison with the same week in 1917, show a decrease in the aggregate of 14.9%.

Table with columns: Clearings at—, Week ending October 17, 1918, 1917, Inc. or Dec., 1916, 1915. Rows: Canada—, Montreal, Toronto, Winnipeg, Vancouver, Ottawa, Quebec, Halifax, Hamilton, St. John, Calgary, London, Victoria, Edmonton, Regina, Brandon, Lethbridge, Saskatoon, Moose Jaw, Brantford, Fort William, New Westminster, Medicine Hat, Peterborough, Sherbrooke, Kitchener, Total Canada.

Auction Sales.—Among other securities, the following not usually dealt in at the Stock Exchange were recently sold at auction in New York, Boston and Philadelphia:

Table with columns: Shares, Stocks, Per cent, \$ per sh. Rows: 120 Queens County Trust, 10 Excelsior Brewing, 190 Holliday Chemical, 115 Troy Trust Co., N. Y., 100 Federal Dye Stuff & Chem. Corp., \$10,000 Yolo Wat. & Pow. 1st, 5s, 5 Second Nat. Bank, Boston, 24 Nat. Shawmut Bank, 16 Great Falls Mfg., 70 U. S. Worsted 1st pref., 10 Naumkeag Steam Cotton, 16-20ths U. S. Worsted, 1st pref., 70 Hargraves Mills, 25 Smith & Dorr Mfg., 1 Concord & Mon. RR., class 4., 1 Somerset Hotel Trust, 11 Plymouth Cordage, 2 Hood Rubber pref. ex div., 1 Manchester Trac. L. & P., 207 Merrican Chem., 5 Charlestown Gas & El., 12 Ashland, Wis., Water, pref., 1 Waltham Watch, pref., 1 Boston Athenaeum, \$300 par., 5 Hood Rubber, com., 4 Waltham Watch, com., 13 Draper Corporation, 61 Gray & Davis, Inc., com., 2 Fairbanks Co., pref., ex-div., 1,500 North Star Mines, \$10 each., 82 Boston Wharf.

DIVIDENDS.

The following shows all the dividends announced for the future by large or important corporations. Dividends announced this week are printed in italics.

Table with columns: Name of Company, Per Cent., When Payable, Books Closed, Days Included. Rows: Railroads (Steam), Street & Electric Railways.

Name of Company.	Per Cent.	When Payable.	Books Closed. Days Inclusive.
Street and Electric Rys. (Concluded).			
Milwaukee Elec. Ry. & Lt., pref. (qu.)	1 1/2	Oct. 31	Holders of rec. Oct. 21a
Montreal Lt. Ht. & Pow. Consol. (quar.)	1	Nov. 15	Holders of rec. Oct. 31a
Philadelphia Co., com. (qu.) (No. 148)	75c.	Oct. 31	Holders of rec. Oct. 1a
6% preferred (quar.) (No. 12)	\$1.50	Nov. 1	Holders of rec. Oct. 1a
Public Service Investment, pf. (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 17a
West Penn Power, preferred (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 21a
York (Pa.) Rys., pref. (quar.)	1 1/2	Oct. 31	Holders of rec. Oct. 21a
Banks.			
American Exchange National	5	Nov. 1	Holders of rec. Oct. 24
Extra	2	Nov. 1	Holders of rec. Oct. 24
Bowery (quar.)	3	Nov. 1	Oct. 29 to Oct. 31
Extra	3	Nov. 1	Oct. 29 to Oct. 31
Chemical National (64-monthly)	2 1/2	Nov. 1	Oct. 26 to Oct. 31
City, National	5	Nov. 1	Oct. 25 to Oct. 31
Commonwealth	5	Nov. 1	Holders of rec. Oct. 15
Corn Exchange (quar.)	4	Nov. 1	Holders of rec. Oct. 31a
Lincoln National (quar.)	2 1/2	Nov. 1	Holders of rec. Oct. 24a
Pacific (quar.)	\$1	Nov. 1	Oct. 20 to Oct. 31
Extra	\$1	Nov. 1	Oct. 20 to Oct. 31
Westchester Avenue (quar.)	2	Nov. 1	Holders of rec. Oct. 30
Trust Companies.			
Farmers' Loan & Trust (quar.)	4 1/2	Nov. 1	Holders of rec. Oct. 19a
Hamilton, Brooklyn (quar.)	3	Nov. 1	Holders of rec. Oct. 25a
Kings County, Brooklyn (quar.)	6	Nov. 1	Oct. 26 to Oct. 31
Lincoln (quar.)	1	Nov. 1	Holders of rec. Oct. 25a
Fire Insurance			
Globe & Rutgers (quar.)	10	Oct. 31	Oct. 26 to Oct. 31
Extra	5	Oct. 31	Oct. 26 to Oct. 31
Westchester Fire (quar.)	50c.	Nov. 1	Oct. 22 to Oct. 31
Extra	10c.	Nov. 1	Oct. 22 to Oct. 31
Miscellaneous.			
American Bank Note, com. (quar.)	75c.	Nov. 15	Holders of rec. Nov. 1a
Amer. Beet Sugar, com. (quar.)	2	Oct. 31	Holders of rec. Oct. 11
American Brass (quar.)	1 1/2	Nov. 15	Holders of rec. Oct. 31
Extra	3 1/2	Nov. 15	Holders of rec. Oct. 31
American Cigar, common (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 15a
Amer. Gas & El. pref. (quar.) (No. 47)	1 1/2	Nov. 1	Holders of rec. Oct. 18
American Glue, common	5	Nov. 1	Oct. 19 to Nov. 1
Common (extrapay in Lib. Loanbonds)	45	Nov. 1	Oct. 19 to Nov. 1
Am. La France Fire Eng., Inc., com. (qu.)	1 1/2	Nov. 15	Holders of rec. Nov. 9a
Amer. Laundry Mach., common	1 1/2	Dec. 5	Nov. 26 to Dec. 5
Amer. Light & Tract., com. (quar.)	2 1/2	Nov. 1	Oct. 12 to Oct. 27
Common (payable in common stock)	\$2 1/2	Nov. 1	Oct. 12 to Oct. 27
Preferred (quar.)	1 1/2	Nov. 1	Oct. 12 to Oct. 27
American Shipbuilding, com. (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 15a
Com. (extra pay in 3 1/2% L. L. bds.)	\$10	Nov. 1	Holders of rec. Oct. 15a
Preferred (quar.)	\$10	Nov. 1	Holders of rec. Oct. 15a
American Soda Fountain (quar.)	\$1 1/2	Nov. 15	Holders of rec. Nov. 1
Amer. Sumatra Tobacco, com. (quar.)	2 1/2	Nov. 1	Holders of rec. Oct. 25a
Amer. Zinc, Lead & Smelt. (quar.)	\$1.50	Nov. 1	Holders of rec. Oct. 25
Anaconda Copper Mining (quar.)	\$2	Nov. 25	Holders of rec. Oct. 19a
Arizona Commercial Mining (quar.)	50c.	Oct. 31	Holders of rec. Oct. 19a
Associated Dry Goods, first pref. (quar.)	\$1 1/2	Nov. 30	Holders of rec. Nov. 9
Second preferred (quar.)	\$1 1/2	Nov. 30	Holders of rec. Nov. 9
Atlantic Steel, preferred	3 1/2	Nov. 1	Oct. 22 to Oct. 31
Atlas Powder, pref. (quar.)	1 1/2	Nov. 1	Oct. 20 to Oct. 31
Barnhart Bros. & Spindler—			
First and second preferred (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 26a
Bergner & Engel Brewing, common	\$2	Nov. 1	Holders of rec. Oct. 24
Preferred	\$4	Nov. 1	Holders of rec. Oct. 24
Behlehem Steel, common (quar.)	\$2 1/2	Jan. 2	Holders of rec. Dec. 16
Common B (quar.)	\$2 1/2	Jan. 2	Holders of rec. Dec. 16
Cum. conv. pref. (quar.)	2	Jan. 2	Holders of rec. Dec. 16a
Non-cum. preferred (quar.)	1 1/2	Jan. 2	Holders of rec. Dec. 16a
Brill (J. G.) Co., preferred (quar.)	1	Nov. 1	Oct. 24 to Oct. 31
Pref. (extra account accumulated divs.)	\$3	Nov. 1	Oct. 24 to Oct. 31
Bromberg Pulp & Paper, Ltd. (quar.)	1 1/2	Nov. 7	Holders of rec. Oct. 31
Brown Shoe, pref. (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 21a
Burns Bros., common (quar.) (No. 21)	2 1/2	Nov. 15	Holders of rec. Nov. 1a
Common (extra payable in com. stock)	\$2 1/2	Nov. 15	Holders of rec. Nov. 1a
Preferred (quar.) (No. 23)	1 1/2	Nov. 1	Holders of rec. Oct. 19a
Buller Bros. (quar.)	2 1/2	Nov. 1	Oct. 24 to Nov. 1
Extra	1 1/2	Nov. 1	Oct. 24 to Nov. 1
Canada Cement, Ltd., pref. (quar.)	1 1/2	Nov. 16	Holders of rec. Oct. 31a
Canadian Converters, Ltd. (quar.)	1 1/2	Nov. 15	Holders of rec. Oct. 31a
Canadian Explosives, Ltd., com. (quar.)	1 1/2	Oct. 31	Holders of rec. Oct. 3a
Common (extra)	11	Oct. 31	Holders of rec. Oct. 3a
Cedar Rapids Mfg. & Power (quar.)	\$3 1/2	Nov. 15	Holders of rec. Oct. 31
Central Leather, common (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 10a
Common (extra)	2	Nov. 1	Holders of rec. Oct. 10a
City Investing, common	2	Nov. 1	Holders of rec. Oct. 26a
Clinchfield Coal Corp., common (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 26a
Preferred (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 26a
Cluett, Peabody & Co., Inc., com. (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 21a
Columbia Gas & Elec. (quar.)	1	Nov. 15	Holders of rec. Oct. 30
Commonwealth-Edison (quar.)	2	Nov. 1	Holders of rec. Oct. 15a
Consolidation Coal (quar.)	1 1/2	Oct. 31	Holders of rec. Oct. 19a
Continental Motors Corp., com. (qu.)	1 1/2	Oct. 30	Oct. 22 to Oct. 30
Continental Refining, common (monthly)	\$10c.	Nov. 10	Holders of rec. Oct. 31
Cosden & Co., common (quar.)	12 1/2c	Nov. 1	Oct. 19 to Oct. 31
Crescent Cons. Gold M. & M. (monthly)	10c.	Nov. 10	Holders of rec. Oct. 31
Cudahy Packing 7% preferred	3 1/2	Nov. 1	Oct. 22 to Nov. 1
Six per cent preferred	3	Nov. 1	Oct. 22 to Nov. 1
Diamond Ice & Coal, preferred	\$1 1/2	Nov. 1	
Domitron Bridge, Ltd. (quar.)	2	Nov. 15	Holders of rec. Oct. 31
Dominion Coal, Ltd., pf. (qu.) (No. 52)	1 1/2	Nov. 1	Holders of rec. Oct. 12
Dominion Steel, Ltd., pf. (qu.) (No. 27)	1 1/2	Nov. 1	Oct. 16 to Nov. 1
du Pont (E. I.) de Nem. Powd., com. (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 19
Preferred (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 19a
Eastman Kodak, common (quar.)	2 1/2	Jan. 2	Holders of rec. Nov. 30
Common (extra)	7 1/2	Jan. 2	Holders of rec. Nov. 30
Preferred (quar.)	1 1/2	Jan. 2	Holders of rec. Nov. 30
Edison Elec. Ill., Boston (qu.) (No. 118)	3	Nov. 1	Holders of rec. Oct. 15
Edison Elec. Ill. of Brockton (qu.) No. 68	2	Nov. 1	Holders of rec. Oct. 24
Eisenlohr (Otto) & Bros., Inc., com. (qu.)	1	Nov. 15	Holders of rec. Nov. 1a
Electric Bond & Share pref. (qu.) (No. 54)	1 1/2	Nov. 1	Holders of rec. Oct. 16
Electrical Securities, preferred (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 22a
Elgin National Watch (quar.)	2	Nov. 1	Holders of rec. Oct. 24a
Elk Basin Petroleum (quar.)	12 1/2c	Nov. 1	Holders of rec. Oct. 15
Emerson-Brantingham Co., pref.	1 1/2	Nov. 1	Holders of rec. Oct. 18a
Emerson Shoe, preferred (quar.)	1 1/2	Nov. 1	Holders of rec. Nov. 1a
Eureka Pipe Line (quar.)	5	Nov. 1	Holders of rec. Oct. 15
Fairbanks Co., 1st pref. (quar.)	2	Nov. 1	Oct. 21 to Oct. 31
Fajardo Sugar (quar.)	2 1/2	Nov. 1	Holders of rec. Oct. 19
Fall River Gas Works (quar.) (No. 96)	3	Nov. 1	Holders of rec. Oct. 23a
Federal Sugar Refining, pref. (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 19a
Fisher Body Corp., pref. (quar.)	1 1/2	Nov. 1	Holders of rec. Aug. 24a
Fort Worth Power & Light, pref. (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 20
Gair (Robert) Co., pref. (quar.)	1 1/2	Nov. 1	Oct. 24 to Oct. 31
Gaston, Williams & Wigmore, Inc. (qu.)	\$1	Nov. 15	Holders of rec. Nov. 1a
General Chemical, common (quar.)	\$2	Dec. 2	Holders of rec. Nov. 20
General Cigar, Inc., common (quar.)	1	Nov. 1	Holders of rec. Oct. 24
General Cigar, Inc., pref. (quar.)	1 1/2	Dec. 2	Holders of rec. Nov. 25
General Motors, common (quar.)	3	Nov. 1	Holders of rec. Oct. 18a
Preferred (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 18a
General Ordnance	7	Nov. 15	Holders of rec. Nov. 1
Gillette Safety Razor (quar.)	\$2	Nov. 30	Holders of rec. Nov. 1
Extra	\$1	Nov. 30	Holders of rec. Nov. 1
Globe Oil (monthly)	1 1/2c	Nov. 10	Holders of rec. Oct. 20
Goodrich (B. F.) Co., common (quar.)	1	Nov. 15	Holders of rec. Nov. 5a
Goodrich (B. F.) Co., common (quar.)	\$1	Feb. 15	Holders of rec. Feb. 5
Preferred (quar.)	\$1 1/2	Jan. 2	Holders of rec. Dec. 30
Goodyear Tire & Rubber, 2d pref. (quar.)	2	Nov. 1	
Granby Cons. Min., Sm. & Pow. (quar.)	2 1/2	Nov. 1	Holders of rec. Oct. 18a
Gray & Davis, Inc., pf. (acct. accum. div.)	\$3 1/2	Nov. 1	Holders of rec. Oct. 21
Great Northern Paper	1 1/2	Nov. 1	Holders of rec. Oct. 25a
Greene Cananea Copper (quar.)	2	Nov. 25	Holders of rec. Nov. 8a

Name of Company.	Per Cent.	When Payable.	Books Closed. Days Inclusive.
Miscellaneous (Concluded).			
Hercules Powder, pref. (quar.)	1 1/2	Nov. 15	Nov. 6 to Nov. 15
Holly Sugar Corp., pref. (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 15
Houghton County El. L., com. (No. 27)	62 1/2	Nov. 1	Holders of rec. Oct. 26
Preferred (No. 32)	75	Nov. 1	Holders of rec. Oct. 26
Idaho Power, pref. (quar.) (No. 8)	1 1/2	Nov. 1	Holders of rec. Oct. 19a
Illinois Northern Utilities, pref. (quar.)	1 1/2	Nov. 1	Oct. 20 to Oct. 31
Illum. & Pow. Sec. Corp., pref. (quar.)	1 1/2	Nov. 15	Holders of rec. Oct. 31
Indiana Pipe Line (quar.)	\$2	Nov. 15	Holders of rec. Oct. 23
Ingersoll-Rand Co.	5	Oct. 31	Holders of rec. Oct. 14a
Inspiration Consol. Copper Co. (quar.)	\$2	Oct. 28	Holders of rec. Oct. 11a
International Nickel, preferred (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 16a
Kamintistiqua Power, Ltd. (quar.)	2	Nov. 15	Holders of rec. Oct. 31a
Kansas City Stock Yards, com. & pf. (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 15a
Kayser (Julius) & Co., 1st & 2d pf. (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 21a
Kellogg Switheboard & Supply (quar.)	2	Oct. 31	Holders of rec. Oct. 26a
Kelly-Springfield Tire, com. (quar.)	\$1	Nov. 1	Holders of rec. Oct. 15a
Kelsey Wheel, pref. (quar.) (No. 9)	1 1/2	Nov. 1	Holders of rec. Oct. 21a
Kerr Lake Mines, Ltd. (quar.) (No. 5)	25c.	Dec. 16	Holders of rec. Dec. 2a
Keystone Telephone, preferred	\$1.50	Nov. 1	Holders of rec. Oct. 19a
Keystone Tire & Rubb., com. (in com. stk.)	\$15	Dec. 1	Holders of rec. Nov. 11
Keystone Watch Case (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 17a
Kress (S. H.) & Co., com. (quar.)	1	Nov. 1	Holders of rec. Oct. 19a
Lake of the Woods Milling, com. (quar.)	3	Dec. 2	Holders of rec. Nov. 23
Preferred (quar.)	1 1/2	Dec. 2	Holders of rec. Nov. 23
Lehigh Coal & Navigation (quar.)	\$1	Nov. 30	Holders of rec. Oct. 31a
Lindsay Light, common (quar.)	50c.	Nov. 30	Holders of rec. Nov. 1a
Preferred (quar.)	17 1/2c	Nov. 30	Holders of rec. Nov. 1a
Loft, Incorporated (quar.)	1 1/2	Nov. 1	Oct. 18 to Nov. 1
Massachusetts Gas Cos., com. (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 15
Massachusetts Gas Cos., preferred	2	Dec. 1	Nov. 16 to Dec. 1
Miami Copper Co. (quar.)	\$1	Nov. 15	Holders of rec. Nov. 1a
Michigan Drop Forge, com. (monthly)	15c.	Nov. 1	Holders of rec. Oct. 15
Midvale Steel & Ordnance (quar.)	\$1.50	Nov. 1	Holders of rec. Oct. 15a
Midwest Refining (quar.) (No. 16)	\$1	Nov. 1	Holders of rec. Oct. 15a
Mohawk Mining (quar.)	\$2	Nov. 1	Holders of rec. Oct. 11a
Montreal Light, Heat & Power (quar.)	\$2	Nov. 15	Holders of rec. Oct. 31a
Municipal Service, pref. (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 23a
Nash Motors, preferred (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 19
National Acme (quar.)	\$75c.	Nov. 30	Holders of rec. Nov. 15
National Biscuit, common (quar.)	\$1 1/2	Jan. 15	Holders of rec. Dec. 30
Preferred (quar.)	\$1 1/2	Nov. 30	Holders of rec. Nov. 16
Nat. Carbon of N. Y., Inc., com. (qu.)	\$1	Nov. 1	Holders of rec. Oct. 21a
Preferred (quar.)	2	Nov. 1	Holders of rec. Oct. 21a
Nat. Enamel & Stpg., com. (quar.)	1 1/2	Nov. 29	Holders of rec. Nov. 9a
National Lead, preferred (quar.)	1 1/2	Dec. 14	Holders of rec. Nov. 22
National Ref., com. (pay in com. stock)	1/4	Nov. 15	Holders of rec. Nov. 1a
Nevada-California Elec. Corp. pref. (qu.)	1 1/2	Oct. 30	Holders of rec. Sept. 30a
New Central Coal	\$40c.	Nov. 1	Oct. 29 to Nov. 1
New England Co., first preferred	2 1/2	Nov. 15	Holders of rec. Nov. 1a
New England Cotton Yarn, common	6	Nov. 6	Holders of rec. Nov. 1
New Jersey Zinc (quar.)	4	Nov. 9	Holders of rec. Oct. 31a
North Butte Mining (quar.) (No. 48)	25c.	Oct. 28	Holders of rec. Oct. 11a
Ontario Steel Products, pref. (quar.)	1 1/2	Nov. 15	Holders of rec. Oct. 31
Preferred (account accumulated divs.)	1 1/2	Nov. 15	Holders of rec. Oct. 31
Pacific Coast Co., common (quar.)	1	Nov. 1	Holders of rec. Oct. 23a
First preferred (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 23a
Second preferred (quar.)	1	Nov. 1	Holders of rec. Oct. 23a
Pacific Development Corp. (quar.)	87 1/2c	Nov. 15	Holders of rec. Oct. 15a
Pacific Power & Light, pref. (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 22
Packard Motor Car, common (quar.)	4	Oct. 31	Holders of rec. Oct. 15a
Penmans, Limited, com. (quar.)	1 1/2	Nov. 15	Holders of rec. Nov. 5
Preferred (quar.)	1 1/2	Nov. 1	Holders of rec. Oct. 21
Pennsylvania Coal & Coke (quar.)	\$1	Nov. 11	Holders of rec. Nov. 6
Extra	50c.	Nov. 11	Holders of rec. Nov. 6
Pierce-Arrow Motor Car, com. (quar.)	\$1.25	Nov. 1	Holders of rec. Oct. 15a
Pittsburgh Rolls Corp., common	1	Jan. 1	Dec. 21 to Jan. 1
Pittsford Power, pref. (qu.)	1 1/2	Nov. 1	Holders of rec. Oct. 23a
Plant (Thomas G.) Co., pref. (quar.)	1 1/2	Oct. 31	Holders of rec. Oct. 17a
Portland Gas & Coke, pf. (qu.) (No. 35)	1 1/2	Nov. 1	Holders of rec. Oct. 22
Prairie Oil & Gas (quar.)	3	Oct. 31	Holders of rec. Sept. 30a
Extra	2	Oct. 31	Holders of rec. Sept. 30a
Prairie Pipe Line (quar.)	5	Oct. 31	Holders of rec. Sept. 30a
Pressed Steel Car, com. (qu.) (No. 33)	2	Dec. 4	Holders of rec. Nov. 13
Preferred (quar.) (No. 79)	1 1/2	Nov. 26	Holders of rec. Nov. 5

Member Banks of the Federal Reserve System.—Following is the weekly statement issued by the Federal Reserve Board giving the principal items of the resources and liabilities of the Member Banks. Definitions of the different items contained in the statement were given in the weekly statement issued under date of Dec. 14 1917 and which was published in the "Chronicle" of Dec. 29 1917, page 2523.

STATEMENT SHOWING PRINCIPAL RESOURCE AND LIABILITY ITEMS OF MEMBER BANKS LOCATED IN CENTRAL RESERVE AND OTHER SELECTED CITIES AS AT CLOSE OF BUSINESS OCTOBER 11 1918.

Substantial increases in demand deposits, corresponding closely to the amounts of Government deposits withdrawn, also moderate additions to the holdings of Government securities, are indicated by the weekly statement of condition on Oct. 11 of 744 banks in leading cities. Certificates on hand show an increase of 28.3 millions, a larger increase under this head shown for the banks outside the central reserve cities being offset somewhat by decreases at the banks in the latter cities. Holdings of U. S. bonds, other than circulation bonds, fell off 8.8 millions at all reporting banks, and 1 million more at the central reserve city banks. Loans secured by U. S. war obligations likewise show a slight reduction, notwithstanding an increase of 2.6 millions shown for the central reserve city banks. All other loans and investments decreased about 36 millions, the decrease being considerably larger at the banks in the central reserve cities. The ratio of U. S. war securities and loans supported by such securities to total investments shows a slight rise from 20.3 to 20.4%. For the central reserve city banks this ratio remains unchanged at 22.5%. Net withdrawals of Government deposits for the week totaled 122 millions, of which 79.8 millions represents withdrawals from Greater New York member banks. Net demand deposits of all reporting banks went up 113.7 millions, largely outside the central reserve cities, while time deposits show an increase of over 10 millions. Reserve balances with the Federal Reserve banks increased 20.6 millions, while cash in vault fell off 3.1 millions. For all reporting banks the ratio of investments to deposits shows a decline from 127.1 to 126.9%. For the central reserve city banks a corresponding decline from 118.2 to 118% is noted. The ratio of combined reserve and cash to deposits shows a rise from 14.8 to 14.9% for all reporting banks, and from 15.7 to 16% for the central reserve city banks. "Excess reserves" of all reporting banks work out at 95 millions, as against 77.7 millions the week before. For the central reserve city banks an increase of this item from 50.5 to 53.9 millions is noted.

1. Data for all reporting banks in each district. Two ciphers (00) omitted

Member Banks.	Boston.	New York.	Philad.	Cleveland.	Richm'd.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kan. City.	Dallas.	San Fran.	Total.
Number of reporting banks...	44	103	53	85	81	42	100	32	35	73	43	53	744
U. S. bonds to secure circulat'n	14,302.0	50,922.0	11,492.0	42,591.0	24,251.0	14,315.0	18,667.0	17,656.0	6,369.0	13,735.0	17,608.0	34,505.0	266,413.0
Other U. S. bonds, including													
Liberty bonds.....	14,283.0	235,935.0	29,363.0	47,104.0	30,840.0	22,040.0	42,765.0	14,452.0	7,126.0	13,138.0	13,674.0	22,138.0	492,858.0
U. S. certifs. of indebtedness.....	123,665.0	861,368.0	94,052.0	124,256.0	50,273.0	76,067.0	192,565.0	47,419.0	29,798.0	55,120.0	22,433.0	96,940.0	1,773,956.0
Total U. S. securities.....	152,250.0	1,148,225.0	134,907.0	213,951.0	105,364.0	112,422.0	253,997.0	79,527.0	43,293.0	81,993.0	53,715.0	153,583.0	2,533,227.0
Loans sec. by U. S. bonds, &c.	40,941.0	213,067.0	50,360.0	35,018.0	20,057.0	10,946.0	74,372.0	14,381.0	11,517.0	4,957.0	5,705.0	8,242.0	489,563.0
All other loans & investments.....	773,938.0	4,204,428.0	615,665.0	955,598.0	377,880.0	303,414.0	1,390,070.0	379,696.0	286,153.0	460,538.0	182,322.0	545,298.0	10,475,000.0
Reserve with Fed. Res. Bank.....	63,765.0	620,203.0	65,034.0	88,291.0	34,109.0	27,837.0	149,887.0	35,386.0	26,729.0	46,172.0	16,405.0	49,543.0	1,223,361.0
Cash in vault.....	24,954.0	125,446.0	19,590.0	28,266.0	17,263.0	17,686.0	58,002.0	13,549.0	8,915.0	16,308.0	12,027.0	22,020.0	364,026.0
Net demand deposits.....	712,503.0	4,450,868.0	626,508.0	756,317.0	323,557.0	217,041.0	1,112,667.0	255,367.0	218,731.0	384,811.0	147,270.0	426,496.0	9,632,136.0
Time deposits.....	99,307.0	257,610.0	144,400.0	227,119.0	60,921.0	87,658.0	371,087.0	81,864.0	45,115.0	60,967.0	27,280.0	123,980.0	1,457,348.0
Government deposits.....	50,567.0	301,085.0	33,422.0	40,559.0	17,761.0	15,465.0	54,000.0	17,536.0	19,174.0	14,467.0	4,648.0	2,429.0	571,113.0

2. Data for banks in each Central Reserve city, banks in all other Reserve cities and other reporting banks.

Two ciphers (00) omitted.	New York.		Chicago.		St. Louis.		Total Central Res. Cities.		Other Reserve Cities.		Country Banks.		Total.	
	Oct. 11.	Oct. 4.	Oct. 11.	Oct. 11.	Oct. 11.	Oct. 4.	Oct. 11.	Oct. 4.	Oct. 11.	Oct. 4.	Oct. 11.	Oct. 4.	Oct. 11.	Oct. 4.
Number of reporting banks...	70	70	43	14	127	127	449	451	168	167	744	745	745	745
U. S. bonds to secure circulat'n	36,728.0	36,729.0	1,119.0	10,556.0	48,403.0	58,425.0	169,835.0	170,324.0	48,175.0	48,276.0	266,413.0	267,025.0	267,025.0	267,025.0
Other U. S. bonds, including														
Liberty bonds.....	212,261.0	220,861.0	16,353.0	8,643.0	237,257.0	247,024.0	207,124.0	206,680.0	48,477.0	47,920.0	492,858.0	501,624.0	501,624.0	
U. S. certifs. of indebtedness.....	816,466.0	824,365.0	104,947.0	35,862.0	957,275.0	968,011.0	703,999.0	668,999.0	112,682.0	108,635.0	1,773,956.0	1,745,645.0	1,745,645.0	
Total U. S. securities.....	1,065,455.0	1,081,955.0	122,419.0	55,061.0	1,242,935.0	1,263,460.0	1,080,958.0	1,046,003.0	209,334.0	204,831.0	2,533,227.0	2,514,294.0	2,514,294.0	
Loans sec. by U. S. bonds, &c.	195,610.0	191,380.0	56,347.0	11,120.0	263,077.0	260,473.0	200,198.0	206,063.0	26,288.0	26,554.0	489,563.0	493,090.0	493,090.0	
All other loans & investments.....	3,863,504.0	3,893,572.0	837,173.0	273,875.0	4,974,552.0	5,038,043.0	4,643,710.0	4,621,455.0	856,738.0	851,408.0	10,475,000.0	10,510,906.0	10,510,906.0	
Reserve with Fed. Res. Bank.....	592,037.0	587,867.0	105,768.0	27,950.0	725,755.0	718,615.0	440,123.0	425,324.0	57,483.0	58,859.0	1,223,361.0	1,202,798.0	1,202,798.0	
Cash in vault.....	112,907.0	110,326.0	32,870.0	6,324.0	152,101.0	150,629.0	171,536.0	176,101.0	40,389.0	40,408.0	364,026.0	367,138.0	367,138.0	
Net demand deposits.....	4,136,830.0	4,128,637.0	754,081.0	182,158.0	5,073,069.0	5,046,110.0	3,856,502.0	3,772,419.0	702,565.0	708,583.0	9,632,136.0	9,518,441.0	9,518,441.0	
Time deposits.....	206,392.0	211,842.0	140,991.0	63,723.0	411,016.0	404,914.0	844,026.0	844,295.0	202,306.0	197,971.0	1,457,348.0	1,447,180.0	1,447,180.0	
Government deposits.....	272,751.0	352,522.0	36,857.0	12,578.0	322,186.0	413,272.0	203,981.0	232,774.0	44,946.0	47,094.0	571,113.0	693,140.0	693,140.0	
Ratio of combined reserve and cash to total net deposits.....	15.8	15.4	16.8	16.4	16.0	15.7	14.2	14.1	-----	-----	14.9	14.8	14.8	

The Federal Reserve Banks.—Following is the weekly statement issued by the Federal Reserve Board on Oct. 19.

Liquidation of discounts, chiefly war paper, by the three Eastern Reserve banks, in conjunction with considerable withdrawals of Government deposits, and further increases in note circulation are indicated in the Federal Reserve Board's weekly bank statement issued as at close of business on Oct. 18 1918.

Investments.—The New York Reserve Bank reports net liquidation of 42.4 millions of war paper and of 9.8 millions of other discounts. Acceptances on hand increased 31.5 millions, all the banks except Dallas showing substantial additions to the holdings of this class of paper. New York, Cleveland and Chicago report also increases in their holdings of U. S. Government short-term securities, largely 1-year Treasury certificates to secure Federal Reserve bank note circulation. Total investments were 32.9 millions less than the week before.

Deposits.—Net withdrawals of Government deposits for the week totaled 51 millions; members' reserve deposits declined 1.6 millions, while net deposits show a decrease of 57.4 millions.

Reserves.—An aggregate increase in cash reserves of 4.3 millions is indicated, of which 4.1 millions represents a gain in gold. The Banks' reserve percentage shows a rise from 50.6 to 51.1 per cent.

Note Circulation.—Federal Reserve agents report a net increase of 43.7 millions in the total of outstanding Federal Reserve notes. The banks show a total Federal Reserve note circulation of 2,502.5 millions, as against 2,478.4 millions the week before, besides an increase of 3.6 millions in their aggregate liabilities on Federal Reserve bank notes in circulation.

Capital.—An increase of \$101,000 in paid-in capital is due largely to the payment for Federal Reserve bank stock by newly admitted members mainly in the Chicago and New York districts.

The figures of the consolidated statement for the system as a whole are given in the following table, and in addition we present the results for each of the seven preceding weeks, together with those of the corresponding week of last year, thus furnishing a useful comparison. In the second table we show the resources and liabilities separately for each of the twelve Federal Reserve banks. The statement of Federal Reserve Agents' Accounts (the third table following) gives details regarding the transactions in Federal Reserve notes between the Comptroller and the Reserve Agents and between the latter and the Federal Reserve banks.

FEDERAL RESERVE BANK OF NEW YORK.—The weekly statement issued by the bank sub-divides some certain items that are included under a more general classification in the statement prepared at Washington. Thus, "Other deposits, &c., as of Oct. 18, consisted of "Foreign Government deposits," \$95,113,402; "Non-member banks deposits," \$7,623,106; and "Due to War Finance Corporation," \$3,961,050.

COMBINED RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT THE CLOSE OF BUSINESS OCT. 18 1918

	Oct. 18 1918.	Oct. 10 1918.	Oct. 4 1918.	Sept. 27 1918.	Sept. 20 1918.	Sept. 13 1918.	Sept. 6 1918.	Aug. 30 1918.	Oct. 19 1917.
RESOURCES.									
Gold in vault and in transit.....	382,160,000	372,922,000	373,255,000	370,220,000	367,660,000	386,214,000	383,228,000	384,009,000	419,195,000
Gold settlement fund—F. R. Board.....	416,413,000	448,720,000	419,665,000	437,319,000	459,997,000	465,298,000	496,531,000	520,926,000	369,799,000
Gold with foreign agencies.....	5,829,000	5,829,000	5,829,000	5,829,000	5,829,000	5,829,000	5,830,000	5,829,000	52,500,000
Total gold held by banks.....	804,402,000	827,471,000	798,749,000	813,368,000	833,486,000	857,341,000	885,589,000	910,764,000	841,494,000
Gold with Federal Reserve Agents.....	1,173,521,000	1,157,000,000	1,181,485,000	1,161,731,000	1,145,950,000	1,123,132,000	1,087,760,000	1,061,597,000	618,827,000
Gold redemption fund.....	57,390,000	46,765,000	45,200,000	45,714,000	44,122,000	44,086,000	43,634,000	41,433,000	11,218,000
Total gold reserves.....	2,035,313,000	2,031,236,000	2,025,434,000	2,020,813,000	2,023,558,000	2,024,559,000	2,016,983,000	2,013,794,000	1,471,539,000
Legal tender notes, silver, &c.....	52,372,000	52,122,000	51,937,000	51,363,000	52,481,000	53,173,000	53,511,000	53,168,000	48,973,000
Total reserves.....	2,087,685,000	2,083,358,000	2,077,371,000	2,072,176,000	2,076,039,000	2,077,732,000	2,070,494,000	2,066,962,000	1,520,512,000
Bills discounted: Secured by Government war obligations.....	1,262,757,000	1,304,383,000	1,251,787,000	1,221,533,000	1,146,357,000	1,163,247,000	1,541,999,000	1,428,235,000	286,615,000
All other.....	425,799,000	450,086,000	453,246,000	491,897,000	513,789,000	513,789,000	513,789,000	513,789,000	171,611,000
Bills bought in open market.....	376,136,000	338,620,000	311,990,000	288,391,000	250,032,000	239,750,000	233,741,000	282,563,000	171,611,000
Total bills on hand.....	2,058,692,000	2,093,089,000	2,017,023,000	2,001,821,000	1,910,178,000	1,852,997,000	1,775,740,000	1,660,798,000	458,226,000
U. S. Government long-term securities.....	28,205,000	28,214,000	28,298,000	28,545,000	29,022,000	29,563,000	29,768,000	30,350,000	55,088,000
U. S. Government short-term securities.....	67,738,000	66,193,000	56,514,000	50,098,000	41,878,000	33,777,000	28,030,000	25,772,000	47,255,000
All other earning assets.....	197,000	188,000	202,000	102,000	84,000	81,000	75,000	67,000	233,000
Total earning assets.....	2,154,832,000	2,187,684,000	2,102,028,000	2,080,566,000	1,981,162,000	1,916,418,000	1,833,613,000	1,716,987,000	560,802,000
Uncollected items (deduct from gross deposits).....	803,517,000	723,430,000	704,046,000	649,448,000	654,843,000	697,225,000	642,377,000	568,655,000	364,842,000
5% redemp. fund agst. F. R. bank notes.....	3,425,000	3,177,000	2,679,000	2,447,000	2,112,000	1,405,000	1,313,000	1,164,000	500,000
All other resources.....	13,757,000	13,485,000	13,262,000	12,858,000	12,610,000	13,013,000	12,076,000	11,787,000	1,185,000
Total resources.....	5,063,216,000	5,011,134,000	4,899,386,000	4,817,495,000	4,726,766,000	4,705,793,000	4,559,873,000	4,365,555,000	2,447,841,000

Includes amount formerly shown against items due from or due to other Federal Reserve banks net

	Oct. 18 1918.	Oct. 10 1918.	Oct. 4 1918.	Sept. 27 1918.	Sept. 20 1918.	Sept. 13 1918.	Sept. 6 1918.	Aug. 30 1918.	Oct. 19 1917.
LIABILITIES.									
Capital paid in.....	\$ 79,057,000	\$ 78,956,000	\$ 78,903,000	\$ 78,902,000	\$ 78,689,000	\$ 78,553,000	\$ 78,359,000	\$ 78,168,000	\$ 61,847,000
Surplus.....	1,134,000	1,134,000	1,134,000	1,134,000	1,134,000	1,134,000	1,134,000	1,134,000	1,134,000
Government deposits.....	179,868,000	230,889,000	197,359,000	191,623,000	169,141,000	206,733,000	197,325,000	104,739,000	76,265,000
Due to members—reserve account.....	1,506,727,000	1,508,334,000	1,496,815,000	1,535,490,000	1,524,528,000	1,469,603,000	1,465,102,000	1,478,639,000	1,230,557,000
Collection items.....	585,090,000	514,110,000	512,227,000	485,059,000	490,265,000	527,752,000	461,640,000	437,885,000	210,048,000
Other deposits, incl. for Gov't credits.....	112,634,000	108,256,000	103,907,000	104,385,000	100,173,000	115,302,000	119,960,000	120,300,000	43,262,000
Total gross deposits.....	2,384,319,000	2,361,589,000	2,310,308,000	2,316,557,000	2,284,107,000	2,319,390,000	2,244,627,000	2,141,553,000	1,560,232,000
F. R. notes in actual circulation.....	2,502,488,000	2,478,378,000	2,431,004,000	2,349,326,000	2,295,031,000	2,245,429,000	2,180,679,000	2,092,708,000	815,210,000
F. R. bank notes in circulation, net liab.....	55,666,000	52,031,000	40,305,000	35,819,000	33,208,000	27,672,000	23,964,000	20,687,000	8,000,000
All other liabilities.....	40,552,000	39,046,000	37,732,000	35,857,000	34,597,000	33,615,000	31,710,000	31,305,000	2,552,000
Total liabilities.....	5,063,216,000	5,011,134,000	4,899,386,000	4,817,495,000	4,726,766,000	4,705,793,000	4,559,873,000	4,365,555,000	2,447,841,000
Gold reserve against net deposit liab.....	51.2%	50.6%	49.7%	48.8%	51.1%	52.9%	55.3%	57.9%	69.5%
Gold res. agst. F. R. notes in act. circ'n.....	50.0%	49.6%	50.5%	51.4%	51.9%	51.9%	51.9%	52.7%	76.9%
Ratio of gold reserves to net deposit and Fed. Res. note liabilities combined.....	50.6%	50.1%	50.2%	50.3%	51.6%	52.4%	53.3%	55.3%	71.8%
Ratio of total reserves to net deposit and Fed. Res. note liabilities combined.....	51.1%	50.6%	51.5%	51.6%	52.9%	53.7%	54.9%	56.4%	75.6%
Ratio of gold reserves to F. R. notes in actual circulation, after setting aside 35% against net deposit liabilities.....	61.3%	60.9%	62.3%	63.4%	65.6%	67.2%	69.6%	72.5%	-----
Distribution by Maturities—									
1-15 days bills discounted and bought.....	\$ 1,343,320,000	\$ 1,425,804,000	\$ 1,358,365,000	\$ 1,323,052,000	\$ 1,245,724,000	\$ 1,172,359,000	\$ 1,159,716,000	\$ 1,047,516,000	\$ 233,277,000
1-15 days U. S. Govt. short-term secs.....	11,402,000	10,750,000	9,153,000	14,300,000	13,161,000	7,182,000	5,388,000	4,945,000	-----
1-15 days municipal warrants.....	33,000	31,000	31,000	10,000	10,000	10,000	-----	-----	-----
16-30 days bills discounted and bought.....	249,254,000	203,960,000	175,342,000	192,414,000	194,084,000	184,223,000	144,517,000	141,558,000	69,667,000
16-30 days U. S. Govt. short-term secs.....	6,022,000	5,412,000	1,420,000	10,000	298,000	4,414,000	3,722,000	-----	-----
16-30 days municipal warrants.....	-----	2,000	-----	31,000	34,000	10,000	-----	-----	-----
31-60 days bills discounted and bought.....	265,599,000	273,091,000	264,546,000	302,709,000	285,806,000	294,595,000	248,807,000	219,928,000	93,616,000
31-60 days U. S. Govt. short-term secs.....	163,000	707,000	4,841,000	467,000	197,000	901,000	1,046,000	4,690,000	-----
31-60 days municipal warrants.....	7,000	7,000	9,000	9,000	1,000	33,000	41,000	41,000	11,000
61-90 days bills discounted and bought.....	188,485,000	174,622,000	193,457,000	171,434,000	171,718,000	187,668,000	207,398,000	223,655,000	59,999,000
61-90 days U. S. Govt. short-term secs.....	8,851,000	8,104,000	5,692,000	669,000	728,000	1,716,000	1,527,000	798,000	-----
61-90 days municipal warrants.....	5,000	11,000	11,000	11,000	11,000	11,000	10,000	5,000	90,000
Over 90 days bills discounted and bought.....	12,034,000	15,612,000	25,313,000	12,212,000	12,846,000	14,152,000	15,302,000	28,141,000	1,116,000
Over 90 days U. S. Govt. short-term secs.....	41,300,000	41,220,000	35,408,000	34,652,000	27,494,000	19,564,000	16,347,000	15,339,000	-----
Over 90 days municipal warrants.....	10,000	10,000	10,000	10,000	10,000	16,000	16,000	21,000	132,000
Federal Reserve Notes—									
Issued to the banks.....	\$ 2,667,024,000	\$ 2,623,339,000	\$ 2,583,418,000	\$ 2,494,205,000	\$ 2,446,194,000	\$ 2,388,863,000	\$ 2,319,772,000	\$ 2,218,938,000	\$ 875,278,000
Held by banks.....	164,536,000	144,961,000	152,414,000	144,879,000	151,163,000	143,434,000	139,093,000	126,230,000	60,068,000
In circulation.....	2,502,488,000	2,478,378,000	2,431,004,000	2,349,326,000	2,295,031,000	2,245,429,000	2,180,679,000	2,092,708,000	815,210,000
Agents' Accounts—									
Received from the Comptroller.....	\$ 3,488,640,000	\$ 3,414,220,000	\$ 3,364,480,000	\$ 3,286,140,000	\$ 3,229,400,000	\$ 3,153,080,000	\$ 3,057,280,000	\$ 2,995,480,000	\$ 1,309,040,000
Returned to the Comptroller.....	557,446,000	555,871,000	550,217,000	546,315,000	542,126,000	533,070,000	520,568,000	516,032,000	213,342,000
Amount chargeable to Agent.....	2,931,194,000	2,858,349,000	2,814,263,000	2,739,825,000	2,687,274,000	2,620,010,000	2,536,712,000	2,479,448,000	1,095,698,000
In hands of Agent.....	264,170,900	235,210,000	230,845,000	245,620,000	241,080,000	231,165,000	216,940,000	260,510,000	220,420,000
Issued to Federal Reserve banks.....	2,667,024,000	2,623,339,000	2,583,418,000	2,494,205,000	2,446,194,000	2,388,845,000	2,319,772,000	2,218,938,000	875,278,000
How Secured—									
By gold coin and certificates.....	\$ 201,239,000	\$ 208,167,000	\$ 208,239,000	\$ 214,239,000	\$ 217,240,000	\$ 217,240,000	\$ 219,240,000	\$ 219,239,000	\$ 282,351,000
By lawful money.....	-----	-----	-----	-----	-----	-----	-----	-----	-----
By eligible paper.....	1,493,503,000	1,460,339,000	1,401,933,000	1,332,474,000	1,300,244,000	1,265,713,000	1,232,012,000	1,157,341,000	256,451,000
Gold redemption fund.....	78,053,000	77,477,000	113,060,000	73,363,000	70,608,000	65,788,000	61,690,000	61,708,000	31,604,000
With Federal Reserve Board.....	894,229,000	871,356,000	860,186,000	874,129,000	858,102,000	840,104,000	806,830,000	780,650,000	304,872,000
Total.....	2,667,024,000	2,623,339,000	2,583,418,000	2,494,205,000	2,446,194,000	2,388,845,000	2,319,772,000	2,218,938,000	875,278,000
Eligible paper delivered to F. R. Agent.....	\$ 2,012,927,000	\$ 2,049,522,000	\$ 1,942,433,000	\$ 1,699,364,000	\$ 1,864,987,000	\$ 1,797,546,000	\$ 1,719,854,000	\$ 1,613,814,000	\$ 270,185,000

a Net amount due to other Federal Reserve banks. b This item includes foreign Government credits. † Revised figures.

WEEKLY STATEMENT of RESOURCES and LIABILITIES of EACH of the 12 FEDERAL RESERVE BANKS at CLOSE of BUSINESS Oct. 18 1918.

Two ciphers (00) omitted.	Boston.	New York.	Philadel.	Cleveland.	Richm'd.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kan. City.	Dallas.	San Fran.	Total.
RESOURCES.													
Gold coin and certifs. in vault.....	\$ 3,463.0	\$ 275,318.0	\$ 153.0	\$ 35,180.0	\$ 6,239.0	\$ 7,054.0	\$ 25,716.0	\$ 2,281.0	\$ 8,332.0	\$ 214.0	\$ 8,173.0	\$ 10,037.0	\$ 382,160.0
Gold settlement fund.....	47,600.0	41,186.0	69,171.0	39,258.0	29,668.0	6,398.0	62,466.0	20,750.0	37,948.0	31,768.0	5,799.0	24,401.0	416,413.0
Gold with foreign agencies.....	408.0	2,011.0	408.0	525.0	204.0	175.0	816.0	233.0	233.0	291.0	204.0	321.0	5,829.0
Total gold held by banks.....	51,471.0	318,515.0	69,732.0	74,963.0	36,111.0	13,627.0	88,998.0	23,264.0	46,513.0	32,273.0	14,176.0	34,759.0	804,402.0
Gold with Federal Res. Agents.....	68,137.0	285,627.0	110,248.0	143,387.0	60,967.0	45,844.0	206,768.0	44,992.0	41,232.0	47,322.0	24,215.0	94,782.0	1,173,521.0
Gold redemption fund.....	5,575.0	24,824.0	6,455.0	445.0	301.0	3,904.0	6,253.0	2,778.0	3,140.0	1,234.0	2,166.0	315.0	57,390.0
Total gold reserves.....	125,183.0	628,966.0	186,435.0	218,795.0	97,379.0	63,375.0	302,019.0	71,034.0	90,885.0	80,829.0	40,557.0	129,856.0	2,035,313.0
Legal-tender notes, silver, &c.....	2,745.0	43,508.0	771.0	403.0	677.0	170.0	1,117.0	1,788.0	73.0	155.0	827.0	138.0	52,372.0
Total reserves.....	127,928.0	672,474.0	187,206.0	219,198.0	98,056.0	63,545.0	303,136.0	72,822.0	90,958.0	80,984.0	41,384.0	129,994.0	2,087,685.0
Bills discounted: Secured by Govt war obligations.....	67,306.0	547,420.0	91,648.0	59,054.0	51,948.0	52,365.0	188,736.0	54,536.0	20,704.0	37,320.0	29,009.0	62,711.0	1,262,757.0
All other.....	11,079.0	96,543.0	14,739.0	24,755.0	15,776.0	30,188.0	64,015.0	37,365.0	30,792.0	41,814.0	27,658.0	41,075.0	425,799.0
Bills bought in open market.....	59,744.0	127,040.0	26,082.0	56,229.0	6,320.0	9,874.0	37,295.0	4,866.0	3,116.0	5,027.0	1,700.0	32,843.0	370,136.0
Total bills on hand.....	138,129.0	771,003.0	132,469.0	140,038.0	74,044.0	92,427.0	209,046.0	86,767.0	54,612.0	84,161.0	58,367.0	136,629.0	2,068,692.0
U. S. long-term securities.....	538.0	1,403.0	1,348.0	1,089.0	1,234.0	510.0	4,509.0	1,153.0	116.0	8,867.0	3,977.0	3,461.0	28,205.0
U. S. short-term securities.....	2,416.0	29,981.0	4,252.0	11,642.0	1,510.0	1,991.0	8,112.0	3,321.0	938.0	1,101.0	1,172.0	1,302.0	67,738.0
All other earning assets.....	-----	-----	-----	-----	-----	55.0	-----	12.0	-----	-----	-----	130.0	197.0
Total earning assets.....	141,083.0	802,387.0	138,069.0	152,769.0	76,788.0	94,983.0	302,667.0	91,253.0	55,666.0	94,129.0	63,516.0	141,522.0	2,154,832.0
Uncollected items (deducted from gross deposits).....	68,223.0	198,583.0	73,307.0	57,731.0	53,890.0	41,187.0	92,943.0	70,985.0	32,176.0	56,571.0	22,396.0	35,525.0	803,517.0
5% redemption fund against Federal Reserve bank notes.....	71.0	1,366.0	200.0	240.0	50.0	76.0	456.0	116.0	88.0	431.0	160.0	171.0	3,425.0

Statement of New York City Clearing House Banks and Trust Companies.—The following detailed statement shows the condition of the New York City Clearing House members for the week ending Oct. 19. The figures for the separate banks are the averages of the daily results. In the case of totals, actual figures at end of the week are also given.

NEW YORK WEEKLY CLEARING HOUSE RETURN.

CLEARING HOUSE MEMBERS.	Net Profits.		Loans, Discounts, Investments, &c.	Gold.	Legal Tenders.	Silver.	National Bank and Federal Reserve Notes.	Reserve with Legal Depositaries.	Additional Deposits with Legal Depositaries.	Net Demand Deposits.	Net Time Deposits.	National Bank Circulation.
	Capital.	Week Ending Oct. 19 1918.										
Members of Federal Reserve Bank.			Average.	Average.	Average.	Average.	Average.	Average.	Average.	Average.	Average.	Average.
Bank of N Y, N B A.	2,000,000	5,374,800	47,053,000	26,000	94,000	115,000	143,000	5,037,000	---	33,646,000	1,774,000	782,000
Bank of Manhat Co.	2,500,000	7,227,700	56,946,000	285,000	294,000	458,000	892,000	8,338,000	---	53,149,000	---	---
Merchants' National.	2,000,000	2,743,500	29,060,000	77,000	74,000	259,300	104,000	3,405,000	---	23,106,000	349,000	1,806,000
Mech & Metals Nat.	6,000,000	11,026,500	169,278,000	8,116,000	121,000	2,172,000	536,000	24,537,000	---	149,764,000	11,263,000	3,775,000
Bank of America.	1,500,000	6,762,800	30,691,000	264,000	177,000	337,000	314,000	4,033,000	---	25,676,000	---	---
National City.	25,000,000	52,572,400	568,176,000	8,265,000	3,055,000	790,000	1,910,000	99,852,000	---	572,168,000	11,344,000	1,445,000
Chemical National.	3,000,000	9,557,600	84,267,000	158,000	288,000	299,000	747,000	8,844,000	---	64,512,000	4,547,000	443,000
Atlantic National.	1,000,000	905,100	18,000,000	87,000	95,000	201,000	118,000	1,924,000	---	14,576,000	575,000	146,000
Nat Butch & Drovers	300,000	103,100	3,171,000	12,000	58,000	48,000	7,000	457,000	---	2,617,000	---	292,000
American Exch Nat.	5,000,000	5,991,400	126,033,000	568,000	165,000	469,000	1,379,000	12,129,000	---	89,348,000	5,858,000	4,943,000
Nat Bank of Comm.	25,000,000	23,745,300	411,114,000	147,000	239,000	554,000	1,440,000	40,887,000	---	311,763,000	4,696,000	---
Pacific.	500,000	1,086,700	16,010,000	48,000	353,000	291,000	389,000	1,746,000	---	14,016,000	50,000	---
Chat & Phenix Nat.	3,500,000	3,033,500	94,780,000	475,000	507,000	965,000	2,922,000	12,173,000	---	76,012,000	7,635,000	2,234,000
Hanover National.	3,000,000	17,479,400	141,243,000	4,126,000	236,000	531,000	758,000	18,455,000	---	139,614,000	---	183,000
Citizens' National.	2,550,000	3,034,900	42,392,000	112,000	34,000	674,000	323,000	4,577,000	---	31,299,000	230,000	991,000
Metropolitan.	2,000,000	2,276,900	28,626,000	538,000	154,000	689,000	870,000	4,277,000	---	30,262,000	---	---
Corn Exchange.	3,500,000	8,274,500	110,842,000	854,000	148,000	2,300,000	4,729,000	13,805,000	---	103,415,000	---	---
Importers & Trad Nat	1,500,000	7,843,600	39,800,000	70,000	384,000	49,000	181,000	3,394,000	---	25,830,000	---	51,000
National Park.	5,000,000	17,923,800	200,751,000	36,000	387,000	294,000	1,308,000	20,309,000	---	164,405,000	3,870,000	4,969,000
East River National.	250,000	79,500	3,043,000	2,000	125,000	15,000	40,000	540,000	---	3,422,000	---	50,000
Second National.	1,000,000	4,011,100	19,079,000	67,000	31,000	229,000	593,000	2,155,000	---	14,483,000	---	650,000
First National.	10,000,000	31,189,000	312,024,000	9,000	436,000	707,000	485,000	18,054,000	---	150,766,000	1,560,000	8,282,000
Irving National.	4,500,000	5,828,000	99,676,000	1,016,000	433,000	2,206,000	1,579,000	12,162,000	---	97,970,000	771,000	870,000
N Y County National	1,000,000	361,900	11,036,000	50,000	35,000	189,000	537,000	1,548,000	---	10,689,000	165,000	200,000
Continental.	1,000,000	637,400	6,228,000	29,000	16,000	14,000	126,000	709,000	---	5,036,000	---	---
Chase National.	10,000,000	14,591,000	308,675,000	2,600,000	2,664,000	1,360,000	954,000	39,250,000	---	279,740,000	12,000,000	1,100,000
Fifth Avenue.	200,000	2,275,300	17,596,000	53,000	167,000	366,000	482,000	2,640,000	---	18,538,000	---	---
Commercial Exch.	200,000	880,400	5,587,000	51,000	42,000	79,000	93,000	859,000	---	5,541,000	---	---
Commonwealth.	400,000	840,300	6,730,000	40,000	25,000	173,000	160,000	1,120,000	---	6,706,000	---	---
Lincoln National.	1,000,000	2,000,600	15,568,000	119,000	392,000	249,000	968,000	1,998,000	---	14,616,000	101,000	210,000
Garfield National.	1,000,000	1,389,000	11,862,000	2,000	5,000	144,000	180,000	1,373,000	---	9,577,000	25,000	397,000
Fifth National.	250,000	406,800	7,446,000	43,000	19,000	95,000	182,000	891,000	---	6,568,000	170,000	248,000
Seaboard National.	1,000,000	3,724,800	51,567,000	338,000	271,000	134,000	419,000	6,286,000	---	45,396,000	66,000	70,000
Liberty National.	3,000,000	4,281,700	72,702,000	154,000	40,000	9,000	556,000	10,171,000	---	68,534,000	2,038,000	800,000
Coal & Iron National	1,000,000	974,700	13,808,000	6,000	63,000	126,000	583,000	1,969,000	---	14,725,000	572,000	415,000
Union Exchange Nat.	1,000,000	1,292,200	15,601,000	12,000	55,000	234,000	198,000	1,987,000	---	13,164,000	475,000	399,000
Brooklyn Trust Co.	1,500,000	2,368,200	38,394,000	70,000	30,000	153,000	493,000	3,653,000	---	27,007,000	4,179,000	---
Bankers Trust Co.	11,250,000	15,822,600	238,451,000	106,000	174,000	87,000	723,000	24,968,000	---	199,238,000	16,110,000	---
U S Mtge & Trust Co	2,000,000	4,592,400	59,691,000	89,000	103,000	102,000	388,000	6,597,000	---	48,981,000	1,993,000	---
Guaranty Trust Co.	25,000,000	27,084,600	499,674,000	1,775,000	120,000	307,000	2,941,000	47,329,000	---	361,686,000	22,182,000	---
Fidelity Trust Co.	1,000,000	1,291,800	11,118,000	102,000	55,000	48,000	173,000	1,198,000	---	8,574,000	470,000	---
Columbia Trust Co.	5,000,000	6,895,400	88,925,000	22,000	40,000	213,000	652,000	8,519,000	---	64,339,000	11,280,000	---
Peoples Trust Co.	1,000,000	1,335,900	28,934,000	49,000	91,000	258,000	607,000	2,372,000	---	22,632,000	1,670,000	---
New York Trust Co.	3,000,000	10,665,300	89,689,000	53,000	---	16,000	244,000	8,592,000	---	52,554,000	3,446,000	---
Franklin Trust Co.	1,000,000	1,145,900	24,755,000	76,000	33,000	162,000	210,000	2,077,000	---	14,312,000	1,656,000	---
Lincoln Trust Co.	1,000,000	590,600	15,922,000	15,000	17,000	35,000	359,000	1,879,000	---	12,435,000	1,634,000	---
Metropolitan Trust.	2,000,000	4,402,300	53,717,000	69,000	29,000	43,000	562,000	4,581,000	---	32,745,000	1,184,000	---
Nassau Nat, B'klyn.	1,000,000	1,174,800	13,700,000	3,000	88,000	195,000	102,000	1,241,000	---	9,449,000	580,000	50,000
Irving Trust Co.	1,500,000	1,060,900	40,712,000	109,000	154,000	525,000	2,066,000	4,779,000	---	35,479,000	994,000	---
Farmers Loan & Tr.	5,000,000	11,436,800	137,912,000	3,747,000	21,000	61,000	260,000	15,981,000	---	113,344,000	8,378,000	---
Average for week.	192,900,000	351,594,900	4,538,145,000	35,140,000	12,637,000	20,029,000	36,985,000	525,647,000	---	3,683,644,000	145,890,000	35,801,000
Totals, actual conditi on Oct. 19	---	---	4,529,143,000	35,296,000	12,256,000	19,940,000	36,922,000	519,115,000	---	3,728,311,000	144,172,000	35,908,000
Totals, actual conditi on Oct. 11	---	---	4,540,196,000	35,353,000	12,658,000	20,366,000	39,627,000	530,675,000	---	3,663,867,000	146,874,000	35,645,000
Totals, actual conditi on Oct. 5	---	---	4,569,023,000	35,195,000	12,837,000	19,142,000	33,098,000	514,426,000	---	3,643,789,000	150,724,000	35,665,000
Totals, actual conditi on Sept. 28	---	---	4,440,114,000	34,898,000	12,536,000	18,439,000	34,113,000	526,399,000	---	3,655,672,000	150,564,000	35,670,000
State Banks.	Not Mem bers of Fed eral Reserve Bank.											
Greenwich.	500,000	1,474,500	15,383,000	600,000	141,000	234,000	1,079,000	949,000	---	15,998,000	2,000	---
Bowery.	250,000	819,300	4,899,000	276,000	25,000	16,000	246,000	269,000	143,000	4,487,000	5,000	---
N Y Produce Exch.	1,000,000	1,152,200	20,853,000	812,000	571,000	459,000	572,000	1,794,000	211,000	21,373,000	---	---
State.	2,000,000	495,200	32,630,000	1,505,000	561,000	374,000	936,000	1,616,000	119,000	31,129,000	34,000	---
Totals, avge for wk	3,750,000	3,941,200	73,765,000	3,193,000	1,298,000	1,083,000	2,833,000	4,628,000	473,000	72,987,000	41,000	---
Totals, actual conditi on Oct. 19	---	---	74,760,000	3,102,000	1,225,000	1,112,000	2,831,000	4,765,000	183,000	73,615,000	39,000	---
Totals, actual conditi on Oct. 11	---	---	73,356,000	3,227,000	1,211,000	1,008,000	3,013,000	5,737,000	274,000	72,689,000	43,000	---
Totals, actual conditi on Oct. 5	---	---	73,804,000	3,372,000	1,160,000	1,097,000	2,951,000	5,183,000	164,000	72,915,000	43,000	---
Totals, actual conditi on Sept. 28	---	---	71,989,000	4,172,000	1,137,000	985,000	2,917,000	3,945,000	315,000	71,983,000	43,000	---
Trust Companies.	Not Mem bers of Fed eral Reserve Bank.											
Title Guar & Trust.	5,000,000	11,871,000	38,131,000	96,000	130,000	212,000	545,000	2,350,000	209,000	22,084,000	616,000	---
Lawyers Title & Tr.	4,000,000	5,199,600	24,277,000	453,000	190,000	70,000	172,000	1,213,000	475,000	13,956,000	434,000	---
Totals, avge for wk	9,000,000											

The State Banking Department reports weekly figures showing the condition of State banks and trust companies in New York City not in the Clearing House, as follows:

SUMMARY OF STATE BANKS AND TRUST COMPANIES IN GREATER NEW YORK, NOT INCLUDED IN CLEARING HOUSE STATEMENT.

	Oct. 19.	Differences from previous week.
Loans and investments	\$711,949,900	Dec. \$12,584,900
Specie	10,100,800	Dec. 60,400
Currency and bank notes	15,112,000	Dec. 356,000
Deposits with the F. R. Bank of New York	59,528,800	Inc. 7,486,100
Total deposits	771,806,300	Dec. 877,800
Deposits, eliminating amounts due from reserve depositaries and from other banks and trust companies in N. Y. City, exchanges and U. S. deposits	695,115,500	Inc. 1,147,900
Reserve on deposits	131,199,000	Inc. 9,038,700
Percentage of reserve, 21.6%		

RESERVE.

	State Banks	Trust Companies
Cash in vaults	\$15,472,400 11.95%	\$69,269,200 14.50%
Deposits in banks and trust cos	15,657,900 12.09%	30,799,500 6.45%
Total	\$31,130,300 24.04%	\$10,006,870 20.95%

The averages of the New York City Clearing House banks and trust companies combined with those for the State banks and trust companies in Greater New York City outside of the Clearing House are as follows:

COMBINED RESULTS OF BANKS AND TRUST COMPANIES IN GREATER NEW YORK. (Two ciphers omitted.)

Week Ended—	Loans and Investments	Demand Deposits	Specie	Legal Tenders	Total Cash in Vault	Reserve in Depositaries
June 22	5,242,919.0	4,433,580.1	80,450.7	88,787.6	169,238.3	594,047.9
June 29	5,147,055.5	4,401,117.1	80,119.9	89,726.9	169,846.8	669,593.9
July 6	5,107,950.8	4,335,634.9	78,499.8	88,676.0	167,175.8	586,136.5
July 13	5,143,694.5	4,328,256.7	78,372.1	89,309.8	167,681.9	570,046.4
July 20	5,089,497.1	4,308,018.7	76,008.0	87,138.5	163,146.5	563,383.2
July 27	5,058,802.7	4,239,295.8	75,037.7	87,536.0	162,573.7	561,439.9
Aug. 3	5,137,068.5	4,295,324.2	74,037.6	88,453.1	162,490.7	578,552.0
Aug. 10	5,231,510.0	4,297,646.1	73,349.8	87,040.8	160,390.0	557,064.2
Aug. 17	5,281,063.9	4,317,718.7	72,650.0	90,058.1	162,708.1	549,748.1
Aug. 24	5,230,921.4	4,314,490.2	72,410.2	86,569.3	158,979.5	551,742.5
Aug. 31	5,173,081.5	4,406,150.0	71,853.1	86,335.2	158,188.3	558,574.4
Sept. 7	5,249,106.5	4,475,183.9	70,700.1	87,712.1	158,424.2	583,554.8
Sept. 14	5,233,177.2	4,418,249.8	71,038.6	88,345.3	159,383.9	554,898.2
Sept. 21	5,294,283.6	4,427,043.3	70,472.1	96,532.8	167,004.9	571,118.2
Sept. 28	5,296,960.1	4,450,212.9	70,818.0	94,623.1	165,439.1	597,573.3
Oct. 5	5,373,198.8	4,537,675.4	69,970.7	91,434.6	161,405.3	587,014.3
Oct. 12	5,413,086.8	4,435,747.6	69,765.2	85,254.7	155,019.9	574,142.4
Oct. 19	5,386,267.9	4,487,786.5	70,376.0	92,445.8	162,821.8	580,295.4

*Included with "Legal Tenders" are national bank notes and Fed. Reserve notes held by State banks and trust cos., but not those held by Fed. Reserve members.

In addition to the returns of "State banks and trust companies in New York City not in the Clearing House," furnished by the State Banking Department, the Department also presents a statement covering all the institutions of this class in the City of New York.

For definitions and rules under which the various items are made up, see "Chronicle," V. 98, p. 1661.

The provisions of the law governing the reserve requirements of State banking institutions as amended May 22 1917 were published in the "Chronicle" May 19 1917 (V. 104, p. 1975). The regulations relating to calculating the amount of deposits and what deductions are permitted in the computation of the reserves were given in the "Chronicle" April 4 1914 (V. 98, p. 1045).

STATE BANKS AND TRUST COMPANIES IN NEW YORK CITY.

Week ended Oct. 19.	State Banks.		Trust Companies.	
	Oct. 19 1918.	Differences from previous week.	Oct. 19 1918.	Differences from previous week.
Capital as of Sept. 10	\$24,300,000	-----	\$99,050,000	-----
Surplus as of Sept. 10	43,041,800	-----	166,698,000	-----
Loans and investm'ts	482,033,100	Dec. 9,836,500	1,938,033,200	Dec. 21,330,400
Specie	10,606,000	Dec. 489,100	13,914,100	Dec. 241,200
Currency & bk. notes	25,531,500	Inc. 209,100	18,192,700	Dec. 642,700
Deposits with the F. R. Bank of N. Y.	43,267,800	Inc. 199,800	191,571,700	Inc. 9,253,600
Deposits	596,505,800	Inc. 20,229,280	1,886,492,000	Inc. 92,900
Reserve on deposits	101,115,900	Inc. 4,404,300	278,080,900	Inc. 4,939,100
P. C. reserve to dep.	22.5%	Inc. 1.0%	18.5%	Inc. 0.3%

* As of June 10.

Boston Clearing House Banks.—We give below a summary showing the totals for all the items in the Boston Clearing House weekly statement for a series of weeks:

BOSTON CLEARING HOUSE MEMBERS.

	Oct. 19 1918.	Change from previous week.	Oct. 12 1918.	Oct. 5 1918.
Circulation	4,767,000	Inc. 3,000	4,764,000	4,759,000
Loans, disc'ts & investments	514,061,000	Dec. 7,224,000	521,285,000	522,832,000
Individual deposits, incl. U.S.	464,688,000	Inc. 14,596,000	450,092,000	453,132,000
Due to banks	132,983,000	Inc. 12,455,000	120,528,000	124,165,000
Time deposits	14,296,000	Dec. 389,000	14,685,000	14,534,000
Exchanges for Clear. House	17,974,000	Inc. 3,008,000	14,966,000	16,800,000
Due from other banks	90,992,000	Inc. 10,218,000	80,774,000	80,021,000
Cash in bank & in F.R. Bank	70,588,000	Inc. 6,267,000	64,321,000	62,663,000
Reserve excess in bank and Federal Reserve Bank	21,289,000	Inc. 4,897,000	16,392,000	14,179,000

Philadelphia Banks.—The Philadelphia Clearing House statement for the week ending Oct. 19, with comparative figures for the two weeks preceding, is as follows. Reserve requirements for members of the Federal Reserve system are 10% on demand deposits and 3% on time deposits, all to be kept with the Federal Reserve Bank. "Cash in vaults" is not a part of legal reserve. For trust companies not members of the Federal Reserve system the reserve required is 15% on demand deposits and includes "Reserve with legal depositaries" and "Cash in vaults."

Two ciphers (00) omitted.	Week ending Oct. 19 1918.			Oct. 12 1918.	Oct. 5 1918.
	Members of F. R. Syst.	Trust Cos.	Total.		
Capital	\$28,475.0	\$3,000.0	\$31,475.0	\$30,975.0	\$30,975.0
Surplus and profits	76,538.0	7,498.9	84,036.9	83,503.0	83,498.0
Loans, disc'ts & investm'ts	618,967.0	25,320.0	644,287.0	643,728.0	645,335.0
Exchanges for Clear. House	27,480.0	352.0	27,832.0	25,473.0	26,741.0
Due from banks	142,680.0	13.0	142,693.0	128,105.0	134,331.0
Bank deposits	165,851.0	437.0	166,288.0	158,467.0	161,709.0
Individual deposits	469,065.0	16,480.0	485,545.0	480,757.0	483,040.0
Time deposits	4,919.0	-----	4,919.0	4,935.0	4,913.0
Total deposits	639,835.0	16,917.0	656,752.0	644,159.0	649,662.0
U.S. deposits (not included)	-----	-----	24,802.0	28,138.0	34,398.0
Reserve with Fed. Res. Bk.	52,390.0	-----	52,390.0	53,494.0	50,136.0
Reserve with legal deposit's	-----	2,723.0	2,723.0	3,039.0	3,826.0
Cash in vault*	17,411.0	762.0	18,173.0	16,792.0	17,156.0
Total reserve & cash held	69,801.0	3,485.0	73,286.0	73,325.0	71,118.0
Reserve required	46,622.0	2,482.0	49,104.0	49,554.0	49,386.0
Excess res. & cash in vault	23,179.0	1,003.0	24,182.0	13,771.0	21,732.0

*Cash in vault is not counted as reserve for F. R. bank members.

Non-Member Banks and Trust Companies.—Following is the report made to the Clearing House by clearing non-member institutions which are not included in the "Clearing House return" on the preceding page:

RETURN OF NON-MEMBER INSTITUTIONS OF NEW YORK CLEARING HOUSE.

CLEARING NON-MEMBERS.	Capital.	Net Profits.	Loans, Discounts, Investments, &c.	Gold.	Legal Tenders.	Silver.	National Bank & Federal Reserve Notes.	Reserve with Legal Depositaries.	Additional Deposits with Legal Depositaries.	Net Demand Deposits.	Net Time Deposits.	National Bank Circulation.
Members of Federal Reserve Bank.												
Battery Park Nat. Bank	400,000	599,800	11,752,000	12,000	18,000	17,000	146,000	1,033,000	87,000	7,433,000	83,000	194,000
New Netherland Bank	200,000	195,900	3,818,000	16,000	15,000	87,000	93,000	686,000	217,000	4,158,000	136,000	-----
W. R. Grace & Co.'s bank	500,000	755,100	4,226,000	5,000	8,000	-----	-----	544,000	-----	2,649,000	620,000	-----
Yorkville Bank	200,000	598,400	7,833,000	1,000	179,000	48,000	142,000	920,000	905,000	4,106,000	3,576,000	-----
First Nat. Bank, Brooklyn	300,000	681,700	8,269,000	5,000	8,000	125,000	86,000	859,000	452,000	6,041,000	495,000	296,000
Nat. City Bank, Brooklyn	300,000	583,400	6,796,000	2,000	22,000	53,000	125,000	742,000	633,000	5,582,000	426,000	119,000
First Nat. Bank, Jersey City	400,000	1,334,600	9,009,000	81,000	121,000	80,000	358,000	894,000	2,701,000	6,863,000	-----	393,000
Hudson Co. Nat., Jersey City	250,000	765,100	4,847,000	60,000	4,000	57,000	178,000	278,000	682,000	3,817,000	576,000	199,000
Total	2,550,000	5,514,000	56,550,000	182,000	375,000	467,000	1,128,000	5,956,000	5,677,000	40,649,000	5,912,000	1,201,000
State Banks. Not Members of the Federal Reserve Bank.												
Bank of Washington Heights	100,000	580,200	2,552,000	70,000	-----	30,000	187,000	141,000	-----	2,363,000	-----	-----
Colonial Bank	500,000	1,081,800	10,723,000	373,000	451,000	484,000	270,000	607,000	440,000	11,782,000	-----	-----
Columbia Bank	1,000,000	632,500	13,338,000	674,000	64,000	379,000	352,000	747,000	1,377,000	12,449,000	-----	-----
International Bank	500,000	180,700	5,963,000	150,000	11,000	55,000	394,000	253,000	-----	5,212,000	430,000	-----
Mutual Bank	200,000	562,700	8,094,000	-----	74,000	109,000	353,000	971,000	167,000	7,670,000	271,000	-----
Mechanics' Bank, Brooklyn	1,600,000	874,500	26,686,000	105,000	290,000	497,000	1,032,000	1,541,000	827,000	25,691,000	42,000	-----
North Side Bank, Brooklyn	200,000	215,900	5,462,000	13,000	15,000	109,000	238,000	255,000	475,000	4,634,000	399,000	-----
Total	4,100,000	4,128,300	72,818,000	1,385,000	905,000	1,663,000	2,826,000	4,515,000	3,286,000	69,801,000	1,142,000	-----
Trust Companies. Not Members of the Federal Reserve Bank.												
Ham on Trust Co., Brooklyn	500,000	1,028,500	8,379,000	365,000	12,000	19,000	139,000	288,000	414,000	5,759,000	1,255,000	-----
Mechanics' Tr. Co., Bayonne	200,000	364,500	8,062,000	11,000	23,000	81,000	155,000	423,000	-----	4,926,000	3,287,000	-----
Total	700,000	1,393,000	16,441,000	376,000	35,000	100,000	294,000	711,000	414,000	10,685,000	4,542,000	-----
Grand aggregate	7,350,000	11,035,300	145,809,000	1,943,000	1,315,000	2,230,000	4,248,000	11,182,000	9,377,000	121,135,000	11,596,000	1,201,000
Comparison previous week	-----	-----	+206,000	-107,000	-116,000	+193,000	-392,000	-256,000	+173,000	-1,777,000	-378,000	+6,000
Excess reserve	-----	decrease \$256,400	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Grand aggregate Oct. 12	7,250,000	10,695,900	145,603,000	2,050,000	1,431,000	2,037,000	4,640,000	11,438,000	7,644,000	122,912,000	11,974,000	1,195,000
Grand aggregate Oct. 5	7,250,000	10,654,500										

Banking and Financial.

The London City & Midland Bank Limited

EXTRAORDINARY GENERAL MEETING, FRIDAY,
13TH SEPTEMBER 1918.

SPEECH OF SIR EDWARD H. HOLDEN, BART., CHAIRMAN

An Extraordinary General Meeting of The London City and Midland Bank Limited was held at the Cannon Street Hotel, London, E.C., on Friday, the 13th day of September 1918 at 12 o'clock noon, for the purpose of approving the Agreement for the amalgamation of the London Joint Stock Bank Limited with The London City and Midland Bank Limited, providing for an increase in the Directors' remuneration, increasing the Capital of the Company, and changing the name of the Company to "London Joint City and Midland Bank Limited."

The Chairman (Sir Edward H. Holden, Bart.) said:

We have called you together to-day for the purpose of submitting to you for your approval the scheme entered into by your Directors for the amalgamation of the London Joint Stock Bank with the London City and Midland Bank.

There has been a series of amalgamations during the last nine months between large banks, and the question is naturally asked: why have the banks within such a short time effected such important amalgamations? As you are aware, the London City and Midland Bank have consistently pursued the policy of amalgamation since the year 1888, and for us it is only a continuation of our policy to seek to obtain a union with the London Joint Stock Bank. Five years ago an attempt was made to bring these two banks together, but it failed on the question of price. But, as regards the general question, several important reasons may be advanced. In the first place, bankers are confronted with the problem of restoring the industries of the country after the war to the condition which they previously occupied. The concerns which have been converted from peace production into munition factories will have to be reconverted to their original condition. In the case of a number of those branches of industry which have continued in their pre-war occupation, such as those producing for home consumption and for export, the plant and machinery have been allowed to run down, and it will be necessary to renovate them and bring them up-to-date, and even to a better condition than before the war. Large sums of money will have to be found for the purchase of raw material, and large sums will also be required to improve the trade position generally. It is estimated that no less than 300 millions sterling will be required for these purposes, and credit will in some way have to be created for that amount. How this credit can be created I will deal with later, but large and powerful banks are indispensable for the purpose.

The second reason why these amalgamations have taken place is that every effort should be made to retain London as the financial centre of the world. One of our principal competitors in the future will be Germany, and just as the Germans made great preparations for the war by increasing their armies and supplying themselves with large amounts of gold and munitions of war, so they are at the present time making their preparations for after-war trade. These preparations take the form not only of a continuation of the Darlehnskassen, but also of enlarging and strengthening their Joint Stock Banks by amalgamations and by the opening of new branches. As a result of their amalgamations it is estimated that the Deutsche Bank at the present time have over 300 millions sterling of deposits, the Disconto-Gesellschaft over 200 millions, and the Dresdner over 170 millions, in addition to which it must be remembered that each of these three banks is affiliated with a number of smaller banks over which they exercise direct control, and also a number of banks with which they are indirectly connected. For example, the Deutsche Bank is at the head of, and directly controls, a banking group consisting of 25 banks with total Deposits of about 450 millions, while the group of the Disconto-Gesellschaft is made up of 14 banks with total Deposits of over 300 millions. The Dresd-

ner Bank also have a number of affiliations. These are the three principal German banks with which we shall have to compete, and to do so successfully we must meet them on a fair equality of size. By the amalgamations which have taken place in this country our banks have grown at the present time, excluding affiliations, to a magnitude measured by 300 millions of Deposits in the case of our own bank when this arrangement is completed, 243 millions for Lloyds Bank, 230 millions for the London County and Westminster and Parr's Bank, 212 millions for Barclays, and 176 millions for the National Provincial and Union Bank of England. It has of course been alleged that we entered into this war without having made sufficient preparation, but the Bankers have been determined, notwithstanding strenuous opposition, that it should not be alleged against them that they have not made full preparations for meeting the international trade competition which will arise after the war, and that they have not done everything in their power to retain London as the financial centre of the world.

JOINT STOCK BANKS AND INDUSTRY.

Criticism has been directed against the way in which the Joint Stock Banks do their business through their system of branches, and it is further alleged that the industries do not get as much assistance as was given by the Private Banks in the old days. Criticism of this kind cannot be adequately met except by going somewhat in detail into the history of the development of the banking system of this country from the year 1800 to the present time. I shall endeavor to show, and I think the facts of history will support me, that, notwithstanding the great difficulties through which we have passed, the banks have been able to meet the industrial and commercial demands made upon them, and their ability to do so has been, in a great measure, owing to the system of amalgamation. I shall show, further, that every development of amalgamation has rendered the banks themselves more stable, and that our recent immunity from the distresses consequent on bank failures has been due to the strengthening of the banks by amalgamation.

I begin at the year 1800, and I take the foreign trade of this country, which in that year amounted to about £68,000,000. The industry relative to that trade was financed principally by the private bankers.

During the twenty years from 1800 to 1820 the foreign trade increased to £81,000,000, and was still financed by the private bankers. Without going into the details of the operations of these banks at that time and their numerous failures, I will content myself with saying that the industry of the country was growing so rapidly that it demanded more banking accommodation than could be given by the private bankers, and in consequence an Act was passed in 1826 which enabled Joint Stock Banks to be established in the provinces. The Joint Stock Banks, together with the private banks, financed our foreign trade, which by 1840 had risen to £184,000,000. Between 1826 and 1840 113 Joint Stock Banks were established.

More new Banks were established between 1840 and 1860. The existing Banks were developing by the opening of branches and some few amalgamations took place. The industries were supported during this period (1840-1860) to such an extent that our foreign trade was enabled to grow from £184,000,000 to £375,000,000.

It must be noted, however, that the Banks were still so weak that in 1847 there was a financial crisis, the Bank Act was suspended, the industries of the country were disorganized, and numerous bank failures took place, including the Royal Bank of Liverpool, the Newcastle Union Bank, and banks in Manchester, Salisbury, and other parts of the country. Ten years later, in 1857, there was another crisis. The Bank Act was again suspended and a large number of Banks failed, including the Borough Bank of Liverpool, the Western Bank of Scotland, the City of Glasgow Bank (which was reconstructed and finally failed in 1878), the Northumberland and Durham District Bank, and many other Banks. The failures in these two years were caused by conditions brought on by the failure of the harvest, by speculations in railway securities and in wheat, and finally because some of the industries had demanded and had received greater accommodation from the banks than the banks were justified in giving, having regard to the amount of their deposits.

Coming to the period from 1860 to 1880 our foreign trade increased from £375,000,000 to £697,000,000, and it is during this period that we see the real beginning of the amalgamation movement. Bankers were just learning how to take over the weak Banks by way of amalgamation. The smaller Banks, finding difficulty in gathering sufficient deposits, merged themselves with larger and stronger institutions, which by this time had established about eight hundred branches.

During this period there were two more crises, one in 1866 and another in 1878, and a large number of Bank failures again occurred. In 1866 the Bank Act was suspended for the third time, and the principal failures which occurred were Barneds Banking Company of Liverpool, Overend Gurney & Co. of London, the English Joint Stock Bank, the Imperial Mercantile Credit, the Consolidated Bank, the Birmingham Banking Company, and Agra and Masterman's Bank. In 1878 failures included the City of Glasgow Bank and the West of England and South Wales Bank.

FOREIGN TRADE EXPANSION.

Notwithstanding these banking vicissitudes, our foreign trade increased during the years 1880 to 1900 from £697,000,000 to £877,000,000 and it was during this period that, with the object of avoiding further failures, the system of amalgamation was widely extended. In these twenty years no less than 165 amalgamations took place, and failures among the smaller institutions were prevented. Nevertheless, a few small banks failed during this period. The Baring crisis occurred in 1890, but the situation was prevented from developing by the assistance given to that institution by the Bank of England and the Joint Stock Banks, which by this time had become stronger than they had been hitherto. The fact that the Joint Stock Banks had become sufficiently powerful, by reason of their amalgamations, to assist in the Baring crisis must be regarded as an advantage of the first importance to the industrial and mercantile community.

Passing on from 1900 to 1913, our foreign trade increased during this period from £877,000,000 to £1,403,000,000. No Bank failures of importance now occurred. Although the South African War, which broke out in 1899, caused serious depreciation in all gilt-edged securities, no evidence of weakness was shown except in the case of a number of the smaller Banks, which found relief in amalgamation. The depreciation of securities has continued up to the present time, but the larger Banks of to-day are in a much better position to make provision to meet the depreciation than were the smaller Banks of the past. During the thirteen years I am now reviewing, seventy amalgamations took place with the effect of making the surviving Banks larger and more powerful. The Banks continued to pursue the policy of opening new branches all over the country, thereby gathering new resources, and by the end of 1913 the branches of the Joint Stock Banks in England and Wales were more than 6,000 in number, and all of them were assisting the commerce and industry of the country. But for the amalgamations the Banks could not possibly have given adequate assistance to our enormously increased trade.

No one examining the effect of these amalgamations can come to any other conclusion than that the banking system was strengthened by them, and was the more able to support the commerce and industry of the country.

I pause here for a moment to summarize the facts and figures which I have recited. The first eighty years of last century showed a development of our external trade from £68,000,000 to £697,000,000. During this period we had a very large number of Bank failures with periodic financial crises which brought widespread ruin in their train. In the next thirty-three years our external trade grew from £697,000,000 to £1,403,000,000, a much larger addition to the volume of our trade than was made in the whole of the preceding eighty years. This increase was possible only because the Banks were able to give the necessary financial facilities. It was during these thirty-three years that the system of Bank amalgamation became fully established. In the first twenty of these thirty-three years there were still, it is true, some failures on the part of small Banks, but these were not to be compared in number or importance with those which had taken place in the preceding twenty-year periods. In the last thirteen of the thirty-three years there were practically no Bank failures at all. This record justifies me in saying that the system of Bank amalgamation has proved of the greatest advantage to the whole of our industry and commerce.

I now come to the present time, and I direct my view forward to the future. There has never been a parallel to the present position in the world. Speaking of the domestic side of the question, if this country is to restore and gradually improve her financial and industrial position, it can only be done by increasing her exports to a larger amount than they have ever been before. But just as we must put forward every exertion to bring this about, we must not be unmindful that other countries will endeavor to do the same. We shall live in a world of keen competition for export trade. We shall only be in a position to win in the struggle and to increase our trade if our Banks are not less big and powerful than those of our trade rivals.

Earlier in my observations I stated that I would deal later with the means to be adopted for creating the credit which will be required for the purposes of our domestic and foreign after-war trade. If we can import gold and use that gold as the basis on which credit can be created, our difficulties will not be so great, but, as most other countries will be in a position similar to ours, it follows that they may also require to use gold for the same purpose. At the present time America, Holland, Japan and Spain have really more gold than they require, and it is conceivable that some of their gold may gradually flow away to our country and to countries in a position like ours. In addition to the gold in foreign countries, which we might hope to draw upon, we have, of course, the gold coming from the South African mines, amounting last year to about 38 millions, and the gold from other parts of the Empire amounting in 1917 to about 18 millions. The total gold production of the world in 1917 amounted to 89 millions, against 94 millions in 1916, nearly 97 millions in 1915, 92½ millions in 1914, 94½ millions in 1913, and 96 millions in 1912. There will undoubtedly be a great demand for gold after the war, and when the South African gold is again offered for sale in London we should at all costs retain it in this country and not allow other countries to take it from us as was done before the war. We repeat that if gold can be obtained matters may be arranged without much difficulty, but we must not overlook the fact that the output of gold is diminishing in consequence of the increased cost of production, and we may be called upon to adopt some measures to assist production and maintain the output at a high level. If gold cannot be obtained the currency note, the Bank of England note and the Bank of England balance will have to be used to take the place of gold, that is to say, large advances will have to be made by the banks, such advances will create credits, and the cash balances, which will have to be used as reserves for those credits, will not be gold but will be the currency note, the Bank of England note and the Bank of England balance.

GOVERNMENT BANK OR JOINT STOCK BANK.

Let us look at what is happening elsewhere. Other countries have created separate institutions which will be used to assist in meeting after-war difficulties by creating credit, such as the Darlehnskassen of Germany and the War Finance Corporation of the United States. The capital of the latter institution, amounting to 100 million sterling, will be held by the Government, and the reserve to commence with will be an amount corresponding to the paid-up capital, in addition to which they are proposing to create loans and consequently credits to the extent of 600 millions sterling. This institution has been created for the purpose of providing credit to assist in war finance, but if it should be necessary to extend its life for the purpose of assisting trade after the war, no doubt this will be done.

In our country we shall be faced with the proposition of a Government bank being established or of relying exclusively on the large Joint Stock Banks to carry through after-war operations. It seems to me that, if the Joint Stock bankers will take a broad view of this question by making liberal advances to those firms which are managed with ability and hon-

esty and which produce good balance sheets, we might be able to carry our industries through the difficult times without the establishment of any Government institution. But we must not overlook the fact that the balance sheets of firms and companies and their profit and loss accounts will have to be carefully examined in the future, because there will be a great danger that a fall in the price of commodities may lead to the profit and loss accounts being in debit instead of in credit. In many of these cases Excess Profits Duty will have been paid on profits that were really due to high prices, and proper consideration should be given to them if prices fall and profit and loss accounts begin to show debit.

GERMANY'S FINANCIAL PREPARATIONS.

At our annual meetings, before the outbreak of war, we called attention from time to time to the financial preparations which Germany was making and to the manner in which she was accumulating gold. Now we call attention to the fact that the Germans are putting their banks together in order to enable them to begin a financial war when the actual fighting ceases. We bankers see what they are doing, and it has been a question whether we should continue in the position which we held before the war or whether we likewise should begin to make preparations similar to the preparations which Germany has made. There is a difference of opinion among English bankers on the question of foreign banking. One class of banker believes that the proper course is to open abroad branches of their own bank, in which case they will compete with the foreign banks in their own country. Another class believes that the better policy is to work from London in conjunction with the foreign banker, and not to go into direct competition with him. In the former case, i.e., opening branches abroad, it might mean that the deposits of our English depositors might be used to aid particular trades abroad which are in competition with our own people, and, further, it is particularly questionable whether it is advisable at the present moment to open foreign branches which may be called upon to assist in the reconstruction of the countries in which they are situated, at a time when we all know that all our resources will be required at home to reconstruct our own industries and manufactures. Which policy is the better for retaining London as the financial centre? Let me explain again what we mean by London being the financial centre of the world. Traders of different countries have gradually come to the conclusion that the trade of the world can be most economically financed by a kind of unwritten agreement that if they sell goods in any other country those goods should be paid for at one centre, that is to say, as bills of exchange are drawn against goods all those bills of exchange should be made payable at that agreed centre. Consequently you have the sellers of the goods in different countries receiving payment at the central point, and the buyers of the goods making payment at that point. London has been chosen as the centre, and the settlements are made, on the one hand, by the sellers drawing bills on London, and, on the other hand, by the buyers of goods buying bills on London. Consequently wherever the sellers of goods abroad require to sell bills there are always, except in extreme cases, buyers for these bills to be found. I would like to say here that all the arrangements involved in these transactions are made by the foreign bankers and the bankers of London, and our fear is that we may make the foreign bankers unfriendly towards us by opening branches in their own countries in competition with them, and that we may drive their business to Germany or New York. If this should ultimately happen, the opening of branches abroad by English banks will have acted prejudicially against London retaining her position as the financial centre.

ARRANGEMENTS WITH FOREIGN BANKERS.

Now let me take an example of one of these arrangements. The foreign banker arranges with the English banker that either he himself or his customer may draw to an agreed extent on the London banker for the purpose of financing the imports into his country. The foreign banker, who has made the arrangement with the London banker, enters into an undertaking that before such bill becomes due he will provide the London banker with the means to pay the bill. He will probably do this by buying bills drawn on London. These bills may be drawn in respect of the exports of his own country to London, or drawn against goods exported to any other country, but payable in London. Thus the transaction is completed. Of course merchants abroad may sell goods to traders in another country and obtain payment by drawing a bill on the buyer without the intervention of a bank, but, in order that the bills may become more easily negotiable, the trader in the purchasing country usually arranges with his banker to open a credit with a London banker against whom bills may be drawn. The seller of the goods thereupon draws on the London banker, sells the bills to his own banker, and thus obtains the purchase price of the goods. The London banker accepts and pays the bill at maturity on the undertaking that the banker to whom he has granted the credit will hold himself liable for the amount. I give this illustration to show the extent to which London is used as the financial centre, and to show how London is supported in that position by the foreign banker, and how necessary it is to cultivate and maintain the good feeling of foreign bankers towards this country. I ask the question: if the bankers of this country open branches in foreign countries in competition with the foreign bankers, will that procedure tend to retain London as the financial centre of the world, or will it tend to damage London's position? Further, if we retain the friendliness of these foreign bankers, they will show a greater interest in their clients dealing with traders in this country than they would show in case we became unfriendly by going into competition with them.

We must remember that in retaining London as the financial centre we must be prepared after the war to meet any extra demands for the purposes of trade which may be made on us by the foreign bankers, and that is one of the most important reasons for seeking to make our banks much larger than they were before the war. The feeling that it is necessary to increase the size of the banks is growing in all countries. Amalgamations, as I have said, are taking place in all parts of the world, notably in Germany, America, Sweden, Canada, and Australia. The cry in all countries is "make the banks larger and stronger." This can only be done as it has been done in our country, by amalgamations. The Press, bankers and business men of Germany regard the amalga-

mations which have been going on in the banking and commercial world of this country with disfavor, for the reason that they see, as some of their papers admit, that the bankers are shaking off their conservatism and drawing lessons from the experiences of the war, and the Germans fear that the additional strength obtained by these amalgamations will enable our banks to build up British industries and make them more formidable competitors in the markets of the world than hitherto.

DOMESTIC SIDE OF THE QUESTION.

I come now to the domestic side of this question. The Chambers of Commerce have been afraid that under the system of amalgamation manufacturers and merchants would not get the same assistance from the amalgamated bank that they got previously from the two separate institutions. We must remember that banks have to make profits in the same way as any other business, and that the deposits of two banks which are amalgamating cannot be absolutely locked up. They must be lent, otherwise the bank will not make a profit, and in my opinion the one bank, which has been made up of two banks, will be able to lend quite as much or even more money than the two banks lent individually. If the loans are continued by the joint bank to the extent that they were made by the separate banks before the amalgamation there can be no cause for complaint by the industries, but we are hoping that the industries will get even better accommodation, if their demands are legitimate. Experience has shown this to be the case. Taking the case of our own amalgamations, we have not had a single instance in which the accommodation given by a bank taken over by us has not been much greater after amalgamation than it was before the bank was taken over. The deposits have also increased to a much larger extent than would have been the case if the bank which we have taken over had continued as a small and separate institution, and consequently we have been able to give more accommodation. In illustration of the truth of this statement I will now give you the advances which have been made by our bank every five years since we came to London in 1891 up to the present time, and show you that they have kept pace with the increase in our deposits:—

	<i>Advances.</i>	<i>Deposits.</i>
December 1891.....	£4,232,000	£8,118,000
“ 1896.....	8,669,000	15,757,000
“ 1901.....	23,214,000	44,730,000
“ 1906.....	28,040,000	52,224,000
“ 1911.....	43,435,000	77,708,000
“ 1912.....	46,442,000	83,664,000
“ 1913.....	51,309,000	93,834,000
“ 1914.....	62,425,000	125,733,000
“ 1915.....	65,922,000	147,751,000
“ 1916.....	63,869,000	174,621,000
“ 1917.....	81,156,000	220,552,000
June 1918.....	87,520,000	236,230,000

The industries have derived a much greater benefit from our amalgamations than they would have enjoyed if we had not adopted the policy of amalgamation, and therefore it is incomprehensible to me that business men should have opposed our proposed amalgamation with the London Joint Stock Bank. There is no bank in this country which is established to the same extent among the industries as the London City and Midland, and there is no bank which has given greater accommodation to the industries. We know that at the present time restrictions are placed upon our manufactures and exports, and therefore we should have expected to see the amount of the accommodation given to the industries decrease, but such has not been the case. While our advances have run down in many instances, and have even changed into credit balances, yet we have succeeded in so enlarging our business that instead of loans being reduced they have been increased in amount. Before the war our advances, including the figures of the Metropolitan Bank, were £61,000,000; at the present time, excluding advances for the purchase of War Loan, they are £77,000,000. On the other side of the balance sheet our deposits before the war were 105 millions, and at the present time they amount to 242 millions, or an increase of no less than 137 millions, or 130.5%.

It has been alleged very strenuously that amalgamations cause competition among the banks to become weaker. Any such statement is false, and without any foundation whatever. To prove this I say that already there are very few districts, if any, in which other banks have not taken steps to establish new branches where the number of banks has been recently reduced by two banks going together, and I would venture to say that, instead of competition being weakened, competition between the banks in future will be much more severe. There is no cause whatsoever for opposition to amalgamations on this account. Following on the cry of decreased competition we have had the cry of interlocking directorates. America has been pointed out as a country where interlocking directorates have proved injurious, and the conclusion has been drawn that interlocking directorates will be created here and prove equally injurious. America is a great country. To develop it she has had to establish industries. She could not build up her industries without establishing many new banks. She had not sufficient men who understood banking, and therefore these new banks had to be directed and managed by men engaged in the banks already established. In this way men became directors of several different institutions, but such is not the case here. We are a small country, and we are an old country, and we can find gentlemen sufficiently qualified to be directors without taking the directors of any other bank. When, under the Act of 1826, some 120 banks were established in the course of a few years, we had not sufficient banking experts, and the managers came largely from Scotland, but the directors did not come from Scotland. They were found in our own country, and were not directors of other banks. Even under these conditions we did not have interlocking directorates.

“MONEY TRUST” ARGUMENT.

As to the dangers of a money trust, what precisely is meant by the term “Money Trust?” Presumably, as applied to banking, it is the concentration of deposits in the hands of one bank, and the inference is

that the directors of that bank will misuse the money which their depositors leave with them. This is a very serious statement to make. The directors of this bank will never go into any rings, and they will never misuse the funds which are entrusted to them. Of course, we are expected to make some profit from our trading. Seventy-seven millions of our advances are lent to our industries, and those who complain of the danger of a money trust will acknowledge that this money is properly lent. We hold nearly 40 millions in investments in Government Securities. Is this indicative of a money trust? Further, we are lending an additional 50 millions to the Government through the Bank of England or otherwise. Is this lending indicative of a money trust? There is nothing in the nature of a money trust in our establishment and there never will be. Our business is legitimate business, and the cry of “money trust” as applied to our institution or to the other banks is absolute nonsense. We cannot have interlocking directorates in this country because it is against the practice of the banks for a director of one English bank to be a director of another English bank. The banks are against rings. This bank particularly is against rings, and in no circumstances would we be induced to go into one.

Will the opponents of amalgamation raise the question that it is against the interest of the country to have a concentration of resources? We must remember that we are a small country, and that we derive our deposits from a population of 47 millions. America has 105 millions, Germany has a population of 70 millions, and consequently they have a larger amount of deposits. The deposits of this country can be more effectively lent if they are concentrated than if they are scattered. By being concentrated they can be transferred more readily from those parts of the country where they are not wanted to those parts where they are required. It would be impossible to make these transfers if the deposits were not concentrated. Take the case of our own bank. We have 1,100 branches, and these 1,100 branches gather deposits from different parts of the country, and, if the bank has deposits in one part of the country which cannot be lent, they are easily transferred to another part of the country where they are required. I say the gentlemen who write and talk against concentration of resources do not understand the conditions of banking in this country, and their observations do more harm than good.

With regard to the statement that the recent amalgamations will cause a reduction of banking accommodation, I should like to point out that this bank will open branches in the Eastern and South-Western Counties in every town where two banks have gone together. This will mean that the towns will not, and cannot, suffer from a curtailment of banking accommodation. The new branch will have to make a business, and in order to make that business competition will be greater than it was before. The arguments that amalgamation results in reduced accommodation are wrong, and, in fact, no argument has been used against these amalgamations which, if sifted and examined, will not prove to be false. These amalgamations will not be prejudicial and will, on the contrary, be beneficial to the community in the future just as they admittedly have been in the past. I can speak in reference to our bank, and we say that the fear of a reduction of banking accommodation, the danger of a money trust, and the possibilities of interlocking directorates and of the weakening of competition are all absurd. There will be no money trust, no interlocking directorates, and competition will be as severe as it always has been. The result will be that the industries will not get less accommodation, but the probability is that they will get considerably more.

Before closing this part of my speech I should like to deal with another objection which has been urged against these amalgamations, namely, that the small man does not receive considerate treatment at the hands of the big joint stock bank. What is the position of this bank with regard to the small man? We have on our books over 40,000 customers who have come to us and secured accommodation in amounts of £500 and under; between 20,000 and 25,000 are borrowing on an average less than £50 each, and the total of our advances to these customers amounts to about six millions sterling. We ask anyone who alleges that we do not treat the small man considerately to bring us examples. As I have said, we have 40,000 of these small men on our books, and we are quite willing to increase that number to 140,000 or more if the demands they make upon us are legitimate.

THE LONDON JOINT STOCK BANK'S SHAREHOLDERS.

Now let us come to the details of the amalgamation of the London Joint Stock Bank with this bank. We admit that we have treated the shareholders of the London Joint Stock Bank in a liberal manner. It is always more agreeable to us to treat the shareholders of an incoming bank in a liberal rather than in a parsimonious way, but when you come to examine our figures you will find that your Capital of £5,192,000 and your Reserve of £4,346,000, or 84 per cent. of your capital, will be very considerably increased as a result of the amalgamation. We have never yet carried through an amalgamation without adding to the reserve fund of the amalgamated bank the same percentage of the new capital created as was the percentage of the reserve to capital of our own bank, but in the case of this amalgamation the Joint Stock Bank have contributed more than 84%. We have increased our capital by £1,980,000, which we have given to the shareholders of the Joint Stock Bank, and they have given us for that amount their capital and reserve which amounts to £4,295,000. Therefore after we have provided the amount of new capital, the balance left which we receive is £2,315,000. In addition, we both contribute out of our Carry Forwards, which amount to £859,000, the sum of £511,000, which we are adding to the Reserve Fund. Their contributions to our Reserve Fund raise the percentage of Reserve to Capital to 94.6%, whereas before the amalgamation it was only 84%. True, their shareholders will get an increased dividend in the aggregate amounting to £41,000 a year, but the profits from their business will not only give us that £41,000 to pay to them, but will give us in addition a very large sum, so that even from this point of view the London City and Midland Bank have protected the interests of their shareholders.

Now we come to our shareholders. It is the policy of this bank to strengthen the bank from every point of view. We have paid you 18%

when we could have paid you a much larger dividend, but we have preferred to increase the Capital of the Bank and offer in increased Capital what we consider to be a good return. We offer a share of £2 10s. at the price of £5. One new share will be allotted to every shareholder in respect of every seven old shares held at the time of the new issue. This will enable us to put £1,024,000 to our Capital Account, raising it to about £8,200,000, and £1,024,000 to our Reserve, raising it also to about £8,200,000. The new shares are fully paid, and we will pay on them the same dividend as on the ordinary shares, which is now 18%, returning 9% gross or £6 6s. per cent. after paying income tax at the rate of 6s. in the £. This is a remarkably good return for a bank share.

As our banking ancestors have handed down the custom of issuing shares only partly paid-up, leaving a large uncalled liability and only a small amount of capital on which dividend had to be paid, it follows that English banks have paid a high rate of dividend. The present policy of banks all over the world is not to have an uncalled liability but to have a fully paid-up share. The German banks have been built up on that line, and the French and American banks adopt a similar custom, so that in the matter of our new issue we are only conforming to a principle which now is generally accepted throughout the banking world. There is no doubt that bank shares with a large amount of uncalled capital do not appreciate so much as bank shares which are fully paid.

When these arrangements are all carried out, and when we have obtained the consent of the New Issues Committee to the issue of the new capital, the paid-up capital of this bank will be about £8,200,000, and the Reserve will be about £8,200,000, making together a total of about £16,400,000. It is the ambition of a banker to see his Reserve Fund equal to his Capital, and we have satisfied that ambition.

BRITISH AND GERMAN BANKS.

Let us see where we stand among the great Joint Stock Banks of this country and of Germany. Including affiliations we estimate the deposits of the five principal banks in each country as follows:

GERMANY.

Bank—	Deposits.
Deutsche.....	£450,000,000
Disconto-Gesellschaft.....	300,000,000
Dresdner.....	220,000,000
Bank für Handel und Industrie.....	90,000,000
Commerz und Disconto.....	80,000,000
	<hr/>
	£1,140,000,000

UNITED KINGDOM.

Bank—	Deposits.
London Joint City and Midland.....	£314,000,000
Lloyds.....	300,000,000
London County Westminster & Parr's.....	250,000,000
Barclays.....	220,000,000
National Provincial & Union of England.....	180,000,000
	<hr/>
	£1,264,000,000

THE DIRECTORATE.

Continuing the details of our own amalgamation, we have already informed you that your directors have agreed to invite the whole of the directors of the London Joint Stock Bank to join our Board, and we hope all will do so. If, however, any of the incoming directors should prefer to retire, they are to receive under the agreement compensation at the rate of five years' purchase for the loss of fees, which we have agreed to be a sum of about £5,000. The option to retire upon these terms is extended for a period of two years, that is to say, if circumstances arise which compel any one of these directors to retire from the Board during the next two years, he shall receive the same compensation which he would receive if he retired now. As you know our directors are now paid out of a total sum voted by the shareholders, and we are about to propose a resolution increasing this sum by £12,000, so as to provide for the fees of the directors of the Joint Stock Bank.

We have at present in our bank sixteen directors, of whom eleven reside in the country. Lord Alredale represents Yorkshire; Sir Percy Elly Bates, Sir Thomas Royden, Mr. Beazley and Mr. Fox represent Lancashire and more especially Liverpool; Mr. David Davies and Mr. Glasbrook represent Wales and South Wales, respectively; Mr. Dudley Docker and Mr. Nash represent Birmingham and District; Mr. Gee represents Leicestershire, and Mr. Wyley represents Coventry. The remaining five directors, Mr. Bradshaw, Lord Carnock, Mr. McKenna, Lord Pirrie and Sir Guy Fleetwood Wilson, represent London. We have found disadvantages in consequence of having only five directors in London, and we welcome the incoming of the Board of the Joint Stock Bank, because out of a total directorate of fifteen as many as eleven directors represent London.

With regard to our General Management, we find it necessary to strengthen it. Up to now we have had four Joint General Managers, Messrs. Madders, Murray, Hyde and Woolley. Mr. Madders has reached the retiring age and will now retire on pension, after nearly fifty years' service. Messrs. Murray, Hyde and Woolley, whom we are fortunate to have in our service, have all been brought up in our own Bank, and the Bank is to be congratulated in having three such General Managers. It would be impossible to find three gentlemen who have a greater experience of banking, including provincial, London and foreign banking, or who are more devoted to the welfare of their Bank. No words that I can say in their praise would do them justice.

I come now to the arrangements made with Mr. Darling, the General Manager of the London Joint Stock Bank. Mr. Darling is a man of good banking experience. He was for twelve years in India. Subsequently he returned to this country and was prospective General Manager of the Yorkshire Bank when that bank was taken over by us. He was with us two and a half years, and was then appointed General Manager of the York City and County Bank, and remained in control of that

bank until it became amalgamated with the London Joint Stock Bank. He has been in the service of the London Joint Stock Bank for nine years, for a time as Deputy General Manager, and latterly as sole General Manager. Under an arrangement entered into with that Bank nine years ago, and subsequently modified, he is entitled, at the expiry of twenty years, or, among other events, on the Bank going into liquidation, to be paid a sum of £25,000. About two-fifths of this sum has already been provided and the balance is a liability of the London Joint Stock Bank and will be provided out of their funds.

We have been able to arrange with Mr. Darling that he shall join our Bank and accept the position of a Joint General Manager, and we have agreed to pay to him a sum of £10,000 as compensation for surrendering the position of sole General Manager of the London Joint Stock Bank.

We propose to appoint Mr. Richards, the Manager of our Cardiff Docks Branch, to be a Joint General Manager in succession to Mr. Madders. Mr. Richards has been most successful in building up a large business in South Wales and has proved himself fully qualified for the high post he will occupy. We shall welcome his assistance at Head Office.

In addition, we have agreed to appoint Mr. Buchanan of the London Joint Stock Bank, and Mr. Shawyer, formerly General Manager of the Lincoln and Lindsey Bank, to be two Assistant General Managers of this Bank.

As to Mr. Shawyer, his early experience in banking was gained in one of the banks which was taken over by the London Joint Stock. Afterwards he was in the Bank of England and subsequently he was appointed General Manager of the Lincoln and Lindsey Bank, which was taken over by this Bank in 1913. Since that time he has been our Manager at Lincoln. His work has been of the very best order, and our directors have great confidence in recommending him to his new position. Mr. Buchanan has had a good varied training, and has a very good banking reputation. He was in the Credit Lyonnais for twenty-two years, and has gained his experience in different countries. Recently he entered the service of the Joint Stock Bank, and we have every confidence in appointing him an Assistant General Manager of this Bank.

We are taking over the whole of the staff of the London Joint Stock Bank, and they will come over to us under the arrangements which they have already made with their own Bank.

I should like to say in regard to those places in which both Banks have branches, that it is not our intention to close any of these branches but to continue running them side by side. The customers of each bank have become accustomed to their Managers, and experience teaches that the proper policy to pursue in such circumstances is not to close offices, but to continue them as they exist at the present time. It may be a little more expensive, but there is a greater advantage in this policy in the long run than in beginning to close branches. Our business in London has so increased that we really had not the space to do our work under proper conditions of health. We have purchased the old premises of the Dresdner Bank, in Broad Street, for which we paid the sum of £12,000, and we have transferred our Overseas Departments from Threadneedle Street to that building. Already the ground floor is crowded, and we are compelled to make use of the first floor. In this way we have obtained more accommodation at Threadneedle Street, and in the future we shall take advantage of any surplus accommodation which can be offered to us in Princes Street, the Head Office of the London Joint Stock Bank.

CONCLUSION.

By way of concluding my remarks, I should say that we have entered into this amalgamation, in the first place, in consequence of the great advantages which we shall derive from it for our Bank. We shall be enabled to divert the resources of the Joint Stock Bank amongst the industries, where they can be employed to a greater extent through our Bank than they are at the present time. We shall give our customers the advantage of working through the offices of the Joint Stock Bank in a number of additional towns, and we shall be enabled to open up facilities for the customers of the Joint Stock Bank in the towns where we have branches and they have not. I have no doubt whatever that the union will prove of great advantage to our customers and to their customers, to our Bank and to their Bank. In the second place, because it will enable us the more efficiently to meet the difficult position which will arise after the war, and, in the third place, because from the national point of view we shall be able to play a more powerful part in assisting to re-establish London as the financial centre of the world.

We recommend most heartily that you should confirm the Provisional Agreement into which your directors have entered.

I do not want to close my remarks without making some observations on our last transaction, namely the purchase of the shares of the Belfast Banking Company. When we entered into that transaction, the Capital of the Belfast Bank was £500,000 and the Reserve was £450,000; at the present time the Capital is £500,000, the Reserve also is £500,000, and the balance to the credit of the Profit and Loss Account is £86,255, so that together these three sums amount to £1,086,255. We purchased that institution for the sum of £1,237,500, and we have written she shares down in our books by £477,810. The shares of the Belfast Banking Company, therefore, stand in our books at £759,690, or £326,565 less than the sum of the Capital, Reserve and balance to the credit of the Profit and Loss Account. As the Bank is doing remarkably well, the profits last year being £104,000, the dividend paid £44,000, and the surplus profit £60,000, the purchase must be held, I think, to have been a good transaction, and one in which our judgment has been vindicated.

We now bring before you the proposal to amalgamate the London Joint Stock Bank with our Bank, and we venture to say that the practical working out of this transaction will result in much larger profits for the two banks when they become one, and, while I do not promise any increased dividend, I do think we may repeat in future the operation of issuing paid-up Capital, and thus give our shareholders the opportunity of reaping some practical advantage at the same time that we pursue our first object which must be to strengthen our institution in every way we can.

Bankers' Gazette.

Wall Street, Friday Night, Oct. 25 1918.

The Money Market and Financial Situation.—The question as to what will develop out of the diplomatic correspondence which began with the German Government's proposal for an armistice continues to be the dominant influence in Wall Street.

About the only other matter which has received attention in financial circles has been the money market. Apparently considerable more business has been transacted this week than could have been handled without larger bank accommodations than have heretofore been available.

To-day it is announced that in future the money market is to be safeguarded by requiring a margin of 30% of the purchase price of stocks instead of the previous 20%.

Foreign Exchange.—Sterling exchange remains without important alteration, having failed to respond in any respect to the week's military and diplomatic developments.

To-day's (Friday's) actual rates for sterling exchange were 4 73/4 @ 4 73/4 for sixty days, 4 75/4 @ 4 75/4 for cheques and 4 76 5/8 @ 4 76 9/16 for cables.

To-day's (Friday's) actual rates for Paris bankers' francs were 5 53/4 @ 5 53/4 for long and 5 48 1/4 @ 5 48 1/4 for short.

Exchange at Paris on London, 26.08 francs; week's range, 26.07 francs high and 26.08 francs low.

The range for foreign exchange for the week follows: Sterling, Actual—Sixty Days. Cheques. Cables.

High for the week... 4 73 1/4 4 75 1/4 4 76 9-16

Low for the week... 4 73 4 75 4 76 55

Paris Bankers' Francs—High for the week... 5 53 1/4 5 47 1/4 5 46 1/4

Low for the week... 5 53 1/4 5 48 1/4 5 47 1/4

Amsterdam Bankers' Guilders—High for the week... 42 1/4 42 1/4 42 1/4

Low for the week... 41 1/4 42 1/4 42 1/4

Domestic Exchange.—Chicago, par; Boston, par. St. Louis, 25c. @ 15c. per \$1,000 discount.

State and Railroad Bonds.—Sales of State bonds at the Board are limited to \$1,000 N. Y. Canal 4 1/2s, at 106 1/2; and \$3,000 New York 4s of 1962, at 97 1/4.

The investment demand for railway and industrial bonds has been less in evidence this week, which has resulted in a reduced volume of business and a more conservative movement of prices.

The active list includes Am. Tel. & Tel., Ches. & Ohio, Inter. Mer. Mar., Lehigh Valley, Mo. Pac., New York Cent. and Sou. Pacific, which were very active and in some cases weak.

United States Bonds.—Sales of Government bonds at the Board include \$2,000 4s, coup., at 106 1/8; \$3,000 Panama 3s, coup., at 85 1/2; Liberty Loan 3 1/2s, at 99.50 to 99.92; L. L. 1st 4s, at 97 to 97.78; L. L. 2d 4s, at 96.90 to 97.42; 1st 4 1/4s, at 97 to 97.56; 2d 4 1/4s, at 96.88 to 97.34; and 3d 4 1/4s, at 97 to 97.44.

Railroad and Miscellaneous Stocks.—The stock market has been active and extremely irregular throughout the week. Over 1,100,000 shares were traded in on Monday, but the volume of business diminished steadily until to-day, when only 575,170 shares figured in the operations.

As a result of the week's operations, Canadian Pacific has dropped 4 3/8 points, Reading is down 2 3/8, St. Paul and New Haven over 2, and Atchison 2.

Mex. Pet. has again fluctuated over a wide range, dropping 40 points earlier in the week and recovering half the loss before the close to-day. Am. Sum. Tob. sold at 110 1/4 and 117 3/4 on the same day.

For daily volume of business see page 1662.

The following sales have occurred this week of shares not represented in our detailed list on the pages which follow:

Table with columns: STOCKS, Week ending Oct. 25, Sales for Week, Range for Week (Lowest, Highest), Range since Jan. 1. (Lowest, Highest). Lists various stocks like Adams Express, Am Brake Shoe & F. pl., American Express, etc.

Outside Market.—The beginning of this week's "curb" market was a continuation of last week's activity, with a further advance in prices, especially in oil shares. Subsequently, however, business dwindled and trading became very quiet.

OCCUPYING TWO PAGES
For record of sales during the week of stocks usually inactive, see preceding page.

HIGH AND LOW SALE PRICES—PER SHARE, NOT PER CENT.

Sales for the Week Shares

STOCKS NEW YORK STOCK EXCHANGE

PER SHARE Range since Jan. 1. On basis of 100-share lots.

PER SHARE Range for Previous Year 1917

Main table with columns for dates (Saturday Oct. 19 to Friday Oct 25), sales for the week, stock names, and price ranges. Includes sub-sections for 'Railroads' and 'Industrial & Miscellaneous'.

* Sold and asked prices no sales on this day. † No-sights. ‡ Less than 100 shares. § Div. and cum. ¶ No-div. and cum. ** Before payment of first installment.

For record of sales during the week of stocks usually inactive, see second page preceding.

Table with columns: HIGH AND LOW SALE PRICES—PER SHARE, NOT PER CENT. (Saturday Oct 19 to Friday Oct 25), Sales for the Week (Shares), STOCKS NEW YORK STOCK EXCHANGE, PER SHARE Range since Jan. 1, and PER SHARE Range for Previous Year 1917. Lists various stocks like Industrial & Misc. (Con.), Burns Bros., Butte Copper & Zinc, etc.

*Bid and asked prices; no sales on this day. † Less than 100 shares. ‡ Ex-rights. § Ex-div. and rights. ¶ Par \$10 per share. ** Par \$100 per share. s Ex-dividend.

1656 New York Stock Exchange—Bond Record, Friday, Weekly and Yearly

In Jan. 1909 the Exchange method of quoting bonds was changed and prices are now—"and interest"—except for interest and defaulted bonds.

BONDS N. Y. STOCK EXCHANGE Week Ending Oct. 25.										BONDS N. Y. STOCK EXCHANGE Week Ending Oct. 25.													
Interest	Period	Price		Week's		Bonds	Range		No.	Low	High	Interest	Period	Price		Week's		Bonds	Range		No.	Low	High
		Bid	Ask	Low	High		Low	High						Low	High	Low	High		Low	High			
U. S. Government.																							
U S 3 1/2 Liberty Loan	1932-47	J D	99.80	Sale	99.50	99.92	2664	97.20	102.50		Chesapeake & Ohio (Con)			78 1/2	Sale	78 1/2	81	23	72	81			
U S 4s converted from 1st Liberty Loan	1932-47	J D	97.36	Sale	97.00	99.78	118	93.00	98.50		General gold 4 1/2s	1992	M S	79 1/2	Sale	79 1/2	80 1/2	49	65 1/2	80			
U S 4s 2d Liberty Loan	1927-42	M N	96.90	Sale	96.90	97.42	1873	93.00	98.00		Registered	1992	M S	79 1/2	Sale	79 1/2	80 1/2	49	65 1/2	80			
U S 4 1/2s converted from 1st Liberty Loan	1932-47	J D	97.26	Sale	97.00	97.56	329	93.90	99.00		20-year convertible 4 1/2s	1930	F A	84 1/2	Sale	84 1/2	86 1/2	458	76	86 1/2			
U S 4 1/2s converted from 2d Liberty Loan	1927-42	M N	96.98	Sale	96.88	97.34	14420	93.10	98.00		30-year conv secured 5s	1946	F A	87	Sale	87	88 1/2	458	76	86 1/2			
U S 4 1/2s 3d Liberty Loan	1928	M S	96.98	Sale	96.90	97.44	10250	94.76	99.10		Big Sandy 1st 4s	1944	J D	67	Sale	67	68 1/2	458	76	86 1/2			
U S 2s consol registered	1930	Q J	98	Sale	98 1/2	Aug '18	97	99		Coal River Ry 1st gu 4s	1945	J D	67	Sale	67	68 1/2	458	76	86 1/2				
U S 2s consol coupon	1930	Q J	98	Sale	98 1/2	Aug '18	97 1/2	98 1/2		Craig Valley 1st g 5s	1940	J J	67	Sale	67	68 1/2	458	76	86 1/2				
U S 3s registered	1918	Q F	99 1/2	Sale	99 1/2	May '18	99	99 1/2		Potts Creek Br 1st 4s	1946	J J	67	Sale	67	68 1/2	458	76	86 1/2				
U S 3s coupon	1918	Q F	99 1/2	Sale	99 1/2	May '18	98 1/2	99 1/2		R & A Div 1st con g 4s	1989	J J	76	Sale	76	76	2	76	76				
U S 4s registered	1925	Q F	106 1/2	Sale	107 1/2	Oct '18	105	107		2d consol gold 4s	1989	J J	65	Sale	65	66 1/2	2	76	76				
U S 4s coupon	1925	Q F	106 1/2	Sale	107 1/2	Oct '18	105	107		Greenbrier Ry 1st gu 4s	1940	M N	73	Sale	73	73 1/2	2	76	76				
U S Pan Canal 10-30-yr 2s	1936	Q F	98	Sale	98	June '18	98	98		Warm Springs V 1st g 5s	1941	M S	97 1/2	Sale	97 1/2	98 1/2	2	76	76				
U S Pan Canal 10-30-yr 2s reg	1936	Q N	98	Sale	98	July '18	97 1/2	99		Chic & Alton RR ref g 3s	1949	M S	52	Sale	52	52 1/2	2	76	76				
U S Panama Canal 3s g	1961	Q M	85 1/2	Sale	85 1/2	85 1/2	3	85	85 1/2	Chicago Burlington & Quincy			40	Sale	40	41 1/2	11	35 1/2	47 1/2				
U S Panama Canal 3s g Registered	1961	Q M	85	Sale	85	Sept '18	85	85		Denver Div 4s	1922	F A	100	Sale	100	99 1/2	11	89 1/2	94 1/2				
U S Philippine Island 4s	1914-34	Q F	100	Sale	100	Feb '15	100	100		Illinois Div 3 1/2s	1949	F A	75 1/2	Sale	75 1/2	75 1/2	4	71 1/2	76				
Foreign Government.																							
Amer Foreign Secur 5s	1919	F A	98 1/2	Sale	98	98 1/2	298	94 1/2	98 1/2		Illinois Div 4s	1949	J J	84	Sale	84	83 1/2	4	80	87 1/2			
Anglo-French 5-yr 5s Exter loan	1919	A O	94 1/2	Sale	94 1/2	95 1/2	1328	88 1/2	95 1/2		Iowa Div sinking fund 5s	1919	A O	98 1/2	Sale	98 1/2	99 1/2	1	98	99 1/2			
Argentine Internal 5s of 1909	1909	M S	88	Sale	87	Oct '18	78	87		Sinking fund 4s	1919	A O	98	Sale	98	99	1	97	99 1/2				
Bordeaux (City of) 3-yr 6s	1919	M N	99 1/2	Sale	99	100 1/2	290	84	100 1/2		Joint bonds. See Great North.												
Chinese (Hukuang Ry) 5s of 1911	1911	J D	68	Sale	70 1/2	70 1/2	2	53 1/2	70 1/2		Nebraska Extension 4s	1927	M N	92	Sale	92	92	11	89 1/2	94 1/2			
Cuba—External debt 5s of 1904	1904	M S	95	Sale	95 1/2	Sept '18	90 1/2	100		Registered	1927	M N	92	Sale	92	92	11	89 1/2	94 1/2				
Exter dt 5s of 1914 ser A	1949	F A	93 1/2	Sale	93 1/2	Oct '18	90 1/4	94 1/4		General 4s	1958	M N	83 1/2	Sale	83 1/2	85 1/2	48	78	85 1/2				
External loan 4 1/2s	1949	F A	78 1/2	Sale	82	84	Apr '18	40	84		Chic & E Ill ref & imp 4s g	1955	J J	30	Sale	29 1/2	29 1/2	20	25	30			
Domain of Canada g 5s	1921	A O	96	Sale	95 1/2	96 1/2	42	90	96 1/2		U S Mtg & Tr Co cdfs of dep			100	Sale	100	100	1	98	101			
Do do	1926	A O	95 1/2	Sale	95 1/2	95 1/2	5	90 1/2	95 1/2		1st consol gold 6s	1934	A O	100	Sale	100	100	1	98	101			
Do do	1931	A O	95 1/2	Sale	95 1/2	95 1/2	39	88 1/2	96		General consol 1st 5s	1937	M N	73	Sale	74 1/2	72	Aug '18	72	72			
French Repub 5 1/2s secured loan	1925	F A	102 1/2	Sale	102 1/2	103	1103	94	103		U S Mtg & Tr Co cdfs of dep			70 1/2	Sale	70 1/2	72 1/2	Oct '18	70	72 1/2			
Japanese Govt—£ loan 4 1/2s	1925	F A	90	Sale	90 1/2	89 1/2	12	80 1/2	92 1/2		Guar Tr Co cdfs of dep			75	Sale	75	76	July '17	70	72 1/2			
Second series 4 1/2s	1925	J J	90	Sale	90	90	40	83 1/2	92 1/2		Purch money 1st coal 5s	1942	F A	56	Sale	56	56 1/2	110	54	61			
Do do "German stamp"	1925	J J	90	Sale	90	90	40	83 1/2	92 1/2		Chic & Ind C Ry 1st 5s	1936	J J	101	Sale	101	100 1/2	61	98	100 1/2			
Sterling loan 4s	1931	J J	74 1/2	Sale	73 1/2	June '18	77	85 1/2		Chicago Great West 1st 4s	1959	M S	59 1/2	Sale	59 1/2	59 1/2	61	54	61				
Lyons (City of) 3-yr 6s	1919	M N	99 1/2	Sale	99	100 1/2	403	84	100 1/2		Chic Ind & Louisv—Ref 6s	1947	J J	80	Sale	80	80 1/2	100 1/2	98	100 1/2			
Marseilles (City of) 3-yr 6s	1919	M N	99 1/2	Sale	99	100 1/2	414	84	100 1/2		Refunding 4s Series C	1947	J J	80	Sale	80	80 1/2	100 1/2	98	100 1/2			
Mexico—Exter loan £ 5s of 1899	1899	Q J	60	Sale	62	62	3	40	62		Ind & Louisv 1st gu 4s	1956	J J	71	Sale	71	71	1	70	71 1/2			
Gold debt 4s of 1904	1904	J D	40	Sale	40	Oct '18	40	40	40		Chic Ind & Sou 50-yr 4s	1956	J J	71	Sale	71	71	1	70	71 1/2			
Paris (City of) 5-year 6s	1921	A O	98	Sale	97 1/2	99 1/2	646	81 1/2	99 1/2		Chic L S & East 1st 4 1/2s	1969	J D	97 1/2	Sale	97 1/2	97 1/2	1	97 1/2	97 1/2			
Tokyo City 5s loan of 1912	1912	M S	81	Sale	81	81	1	68	82 1/2		Chicago Milwaukee & St Paul			74 1/2	Sale	74 1/2	76 1/2	5	70 1/2	79			
U K of Gt Brit & Irel 2-yr 5s	1918	M S	99 1/2	Sale	99 1/2	Aug '18	97	100		Registered	1989	J J	83	Sale	83	83	2	77 1/2	84 1/2				
8-year 5 1/2% notes	1919	M N	98 1/2	Sale	98 1/2	99	433	95 1/2	99 1/2		Permanent 4s	1925	J D	83	Sale	83	84 1/2	6	76 1/2	84 1/2			
6-year 5 1/2% notes	1921	M N	96 1/2	Sale	96 1/2	97 1/2	237	91 1/2	97 1/2		Gen & ref Ser A 4 1/2s	2014	A O	72 1/2	Sale	72 1/2	73 1/2	40	64 1/2	73 1/2			
Convertible 5 1/2% notes	1919	F A	100	Sale	99 1/2	101	1850	97 1/2	101		Gen ref conv Ser B 5s	2014	F A	86	Sale	86	86 1/2	96	74	86 1/2			
<i>These are prices on the basis of \$50E</i>																							
State and City Securities.																							
N Y City—4 1/2s Corp stock	1960	M S	93 1/2	Sale	93 1/2	93 1/2	6	87 1/2	96 1/2		Gen'l gold 4s Series A	1989	J J	74 1/2	Sale	74 1/2	76 1/2	5	70 1/2	79			
4 1/2s Corporate stock	1964	M S	93 1/2	Sale	93	93	1	87 1/2	93 1/2		Registered	1989	Q J	92 1/2	Sale	92 1/2	92 1/2	6	76 1/2	84 1/2			
4 1/2s Corporate stock	1966	A O	93 1/2	Sale	93	Oct '18	87 1/2	96 1/2		Gen'l gold 3 1/2s Ser B	1989	J J	83	Sale	83	83	2	77 1/2	84 1/2				
4 1/2s Corporate stock	1965	J D	100	Sale	99 1/2	100	17	87 1/2	96 1/2		25-year debenture 4s	1934	J J	75	Sale	75	75	1	66	66			
4 1/2s Corporate stock	1963	M S	100	Sale	99	100	20	93	101 1/2		Convertible 4 1/2s	1932	J D	80	Sale	80	81 1/2	153	71 1/2	81 1/2			
4% Corporate stock	1959	M N	89 1/2	Sale	89 1/2	Oct '18	85	91 1/2		Chic & L Sup Div g 5s	1921	J J	94 1/2	Sale	94 1/2	94 1/2	1	92	94				
4% Corporate stock	1958	M N	89 1/2	Sale	89	89 1/2	7	85	91 1/2		Chic & Mo Riv Div 5s	1926	J J	93	Sale	93	93	1	92	94			
4% Corporate stock	1957	M N	89 1/2	Sale	89 1/2	89 1/2	7	85	91 1/2		Chic & P W 1st g 5s	1921	J J	96 1/2	Sale	96 1/2	96 1/2	1	92	94			
4% Corporate stock reg	1956	M N	87	Sale	87 1/2	87 1/2	12	83 1/2	90 1/2		C M & Puget Sd 1st gu 4s	1949	J J	72 1/2	Sale	72 1/2	74 1/2	1	74 1/2	74 1/2			
New 4 1/2s	1957	M N	100	Sale	98 1/2	100	12	93 1/2	101 1/2		Dubuque Div 1st s f 6s	1920	J J	99	Sale	99	99 1/2	1	97 1/2	99 1/2			

BONDS										BONDS									
N. Y. STOCK EXCHANGE										N. Y. STOCK EXCHANGE									
Week ending Oct. 25.										Week ending Oct. 25.									
Interest Period	Price Friday Oct. 25	Ask	Low	High	No.	Range Since Jan. 1		Interest Period	Price Friday Oct. 25	Ask	Low	High	No.	Range Since Jan. 1					
						Low	High							Low	High				
Delaware & Hudson— 1st lien equip g 4 1/2s 1922 J J 94 96 94 Sept'18 93 94 1st & ref 4s 1943 M N 84 84 Sale 83 85 32 79 86 1/2 20-year conv 5s 1935 A O 90 91 88 90 4 80 85 1/2 90 1/4 Alb & Susq conv 3 1/2s 1946 A O 73 74 72 72 10 71 76 Bross & Saratoga 1st 7s 1921 M N 101 101 103 Sept'18 101 103 1/2										Leh V Term Ry 1st gu g 5s 1941 A O 98 102 100 100 Mar'17 96 102 Registered 1941 A O 113 101 101 101 2 5 97 101 Leh Val RR 10yr coll 6s 1928 J J 99 100 99 Aug'18 96 101 Leh Val Coal Co 1st gu g 5s 1933 J J 105 105 Oct'13 105 105 Registered 1933 J J 79 79 1st int reduced to 4s 1933 J J 72 72 Leh & N Y 1st guar g 4s 1945 M S 70 70 July'18 70 70 Registered 1945 M S 93 94 93 Oct'18 93 94 Long Isld 1st cons gold 5s 1931 Q J 82 89 82 June'16 82 89 1st consol gold 4s 1931 Q J 72 72 General gold 4s 1933 J D 88 98 85 Sept'18 85 85 Ferry gold 4 1/2s 1922 M S 70 70 71 71 Aug'18 71 71 Gold 4s 1932 J D 70 70 71 71 Aug'18 71 71 Unified gold 4s 1949 M S 83 97 83 Jan'18 83 97 Debenture gold 5s 1934 J D 75 75 75 75 27 70 75 1/2 20-year p m deb 5s 1937 M N 71 73 80 80 2 72 80 Guar refunding gold 4s 1949 M S 95 95 Jan'11 95 95 Registered 1949 M S 103 103 Apr'18 103 103 N Y B & M B 1st con g 5s 1935 A O 95 95 92 92 Apr'18 92 92 N Y & R B 1st gold 5s 1927 M S 84 93 84 Aug'16 84 93 Nor Sh B 1st con g 5s 1932 Q J 86 93 86 Aug'18 86 93 Louisiana & Ark 1st g 5s 1927 M S 105 115 110 110 July'18 109 110 1/2 Louisville & Nashv gen 6s 1930 J D 94 100 94 Oct'18 93 94 1/2 Gold 5s 1937 M N 85 86 86 87 42 81 88 1/2 Unified gold 4s 1940 J J 85 86 86 86 Jan'17 85 86 Registered 1940 J J 95 99 96 96 51 93 99 Collateral trust gold 5s 1931 M N 100 100 100 Aug'18 100 100 E H & Nash 1st g 6s 1919 J D 88 95 87 Apr'18 87 87 L Clin & Lex gold 4 1/2s 1931 M N 103 103 100 Sept'18 100 101 N O & M 1st gold 6s 1930 J J 93 94 104 Feb'17 93 94 2d gold 6s 1930 J J 77 89 90 Apr'12 77 89 Paducah & Mem Div 4s 1946 F A 99 100 100 100 4 100 101 1/2 St Louis Div 1st gold 6s 1921 M S 52 57 57 July'18 57 58 1/2 2d gold 3s 1920 M S 77 78 77 77 10 74 80 1/2 Atl Knox & Cin Div 4s 1955 M N 92 95 95 95 1 95 95 1/2 Atl Knox & Nor 1st g 5s 1946 J D 101 103 103 Sept'18 102 103 1/2 Hender Bidge 1st f g 6s 1931 M S 73 78 75 Sept'18 73 75 Kentucky Central gold 4s 1937 J J 92 94 94 Oct'18 90 96 Lex & East 1st 50-yr 5s g 1965 A O 80 96 85 Oct'18 83 85 L & N & M & M 1st g 4 1/2s 1945 M S 72 81 81 Sept'18 67 68 1/2 L & N-South M joint 4s 1952 J J 89 95 95 Aug'18 95 96 1/2 Registered 1952 J J 97 97 97 May'18 97 97 N Fla & S 1st gu g 5s 1937 F A 79 79 101 101 July'18 101 102 1/2 N & C Bdge gen gu g 4 1/2s 1945 J J 100 100 99 Apr'18 99 99 Pensac & Atl 1st gu g 6s 1921 F A 93 100 93 Jan'18 93 93 1/2 S & N Ala cons gu g 5s 1936 F A 85 94 93 Jan'18 85 93 1/2 Gen cons gu 50-year 5s 1963 A O 62 62 60 July'18 60 60 L & Jeff Bdge Co gu g 4s 1945 M S 77 77 77 Mar'10 77 77 Manila RR—Sou lines 4s 1936 M N 80 80 91 91 June'17 80 80 Stamped guaranteed 1977 M S 101 101 July'18 101 104 Midland Term—1st s f g 5s 1925 J D 101 101 103 Oct'18 101 104 Minneapolis & St Louis— 1st gold 7s 1927 J D 75 75 75 75 18 41 48 Pacific Ext 1st gold 6s 1921 A O 45 47 46 48 8 40 46 1st consol gold 5s 1934 M N 40 50 41 Sept'1 40 46 1st & refunding gold 4s 1949 M S 60 60 60 Feb'15 60 60 Ref & ext 50-yr 5s Ser A 1962 Q J 81 84 78 Oct'18 75 81 1/2 Des M & Ft D 1st gu 4s 1935 J D 83 84 83 84 3 80 86 1/2 Iowa Central 1st gold 5s 1938 J D 45 45 45 47 72 40 47 Refunding gold 4s 1951 M S 83 84 83 84 3 80 86 1/2 M St P & SSM con g 4 1/2s 1938 J J 68 68 82 Jan'17 82 82 1st Chic Term s f 4s 1941 M N 86 86 85 Nov'17 85 85 M S S M & A 1st g 4 1/2s 1926 J J 90 90 95 Dec'16 90 95 Mississippi Central 1st 5s 1949 J J 67 68 67 69 15 60 69 Missouri Kansas & Texas— 1st gold 4s 1990 J D 34 34 Sale 34 35 4 28 35 2d gold 4s 1990 F A 41 41 32 Sept'18 32 32 1st ext gold 5s 1944 M N 41 43 41 Oct'18 40 45 1st & refunding 4s 2004 M S 38 42 42 May'18 41 42 Trust Co certs of dep 31 31 31 31 10 25 34 Gen sinking fund 4 1/2s 1936 J J 69 69 69 69 2 89 92 1/2 St Louis Div 1st ref g 4s 2001 A O 91 91 91 91 4 85 91 1/2 5% secured notes "ext" '16 30 40 60 55 55 1/2 Dall & Waco 1st gu g 5s 1940 M N 70 70 60 Oct'18 60 60 Kan City & Pac 1st g 4s 1990 F A 40 62 52 52 1 36 52 Mo K & E 1st gu g 5s 1942 A O 63 67 62 Oct'18 60 62 M K & Okla 1st guar 5s 1942 M S 56 60 56 56 5 49 56 1/2 M K & T of T 1st gu g 5s 1942 M S 51 51 51 Dec'16 51 51 Sher Sh & So 1st gu g 5s 1942 J D 50 50 40 Jan'18 40 40 Texas & Okla 1st gu g 5s 1943 M S 85 86 85 85 13 79 86 Missouri Pacific (reorg Co)— 1st & refunding 5s Ser A 1965 F A 92 Sale 92 92 4 89 92 1/2 1st & refunding 5s Ser B 1923 F A 91 91 Sale 91 91 2 85 91 1/2 1st & refunding 6s Ser C 1926 F A 60 62 60 62 557 55 62 General 4s 1975 M S 99 100 99 Oct'18 98 99 1/2 Missouri Pac 1st cons g 6s 1920 M N 60 60 58 Oct'18 58 58 40-year gold loan 4s 1945 M S 82 82 82 Apr'17 82 82 3d 7s extended at 4% 1938 M N 100 100 100 Feb'13 100 100 Boonv St L & S 1st 5s gu 1951 F A 83 72 97 97 Dec'13 78 80 Cent Br U P 1st 4s 1948 J D 80 83 79 79 Oct'18 78 80 Pac R of Mo 1st ext g 4s 1938 F A 85 85 100 100 Apr'18 90 95 1/2 2d extended gold 5s 1938 J J 89 90 93 93 Oct'18 90 95 1/2 St L R M & S gen con g 5s 1931 A O 80 82 79 79 12 72 80 Gen con stamp gu g 5s 1931 A O 80 82 79 79 12 72 80 Unified & ref gold 4s 1929 J J 73 73 73 73 19 66 75 1/2 Registered 1929 J J 78 78 78 78 78 Sept'15 78 78 Riv & G Div 1st g 4s 1933 M N 101 102 101 101 Sept'18 101 102 1/2 Verd V I & W 1st g 5s 1926 M S 92 92 95 95 May'18 92 95 Mob & Ohio new gold 6s 1927 J D 70 70 70 70 4 65 70 1/2 1st ext gold 6s 1927 Q J 75 75 75 75 75 75 General gold 4s 1938 M S 75 94 93 July'17 75 94 Montgomery Div 1st g 5s 1947 F A 83 87 90 Aug'17 83 87 St Louis Div 6s 1927 J D 74 85 78 78 2 73 78 St L & Cairo guar g 4s 1931 J J 95 99 95 Oct'18 95 99 Nashv Chatt & St L 1st 5s 1928 A O 99 103 110 110 Mar'17 99 103 Jasper Branch 1st g 6s 1923 J J 30 30 30 May'17 30 30 Nat Rys of Mex pr lien 4 1/2s 1957 J J 50 50 35 Aug'16 35 35 Guaranteed general 4s 1977 A O 95 95 95 Feb'13 95 95 Nat of Mex prior lien 4 1/2s 1926 J J 25 25 21 Aug'18 21 21 1st consol 4s 1951 A O 64 65 63 Aug'18 60 64 New Orleans Term 1st 4s 1953 J J 93 93 92 Oct'18 92 94 1/2 N O-Tex & Mexico 1st 6s 1925 J D 51 53 50 50 2 40 51 Non-cum income 5s A 1935 A O 97 97 97 97 475 91 98 1/2 New York Central RR— Conv deb 6s 1935 M N 74 80 74 Oct'18 69 75 Consol 4s Series A 1998 F A 82 Sale 81 84 21 77 85 Ref & imp 4 1/2s "A" 2013 A O 71 72 71 72 12 69 74 1/2 New York Cent & Hud Riv— Mortgage 3 1/2s 1997 J J 67 67 66 66 Aug'18 66 66 1/2 Registered 1997 J J 81 82 81 82 12 74 82 Debenture gold 4s 1934 M N 66 66 66 66 6 61 66 1/2 Registered 1934 M N 62 64 62 Oct'18 61 62 Lake Shore coll g 3 1/2s 1998 F A 64 64 63 63 Oct'18 62 63 1/2 Registered 1998 F A 62 69 75 Mar'17 62 69 Mich Cent coll gold 3 1/2s 1998 F A 84 84 84 84 2 78 78 Registered 1998 F A 84 84 84 84 2 78 78 Battle Cr & Stur 1st gu 3s 1999 J D 84 84 96 96 Apr'17 96 96 Beech Creek 1st gu g 4s 1936 J J 85 92 85 92 104 85 92 Registered 1936 J J 85 92 85 92 104 85 92 2d guar gold 5s 1936 J J 70 70 89 Nov'16 70 70 Registered 1936 J J 72 72 72 72 72 72 1/2 Beech Cr Ext 1st g 3 1/2s 1951 A O 68 68 89 Feb'16 89 89 Cart & Ad 1st gu g 4s 1981 J D 72 72 72 72 72 72 1/2 Gouv & Owe 1st gu g 5s 1942 J D 64 64 80 May'17 80 80 Moh & Mal 1st gu g 4s 1991 M S 64 64 80 May'17 80 80 N J June R guar 1st 4s 1985 F A 92 92 95 95 June'18 95 95 1/2 N Y & Harlem g 3 1/2s 2000 M N 92 92 95 95 June'18 95 95 1/2 N Y & Northern 1st g 8s 1923 A O 92 92 95 95 June'18 95 95 1/2									

* No price Friday; latest bid and asked this week. a Due Jan. b Due Feb. c Due June. d Due July. e Due Sept. f Due Oct. g Option sale.

SHARE PRICES—NOT PER CENTUM PRICES						Sales for the Week Shares.	STOCKS BOSTON STOCK EXCHANGE	Range Since Jan. 1.		Range for Previous Year 1917			
Saturday Oct 19	Monday Oct 21	Tuesday Oct 22	Wednesday Oct 23	Thursday Oct. 24.	Friday Oct. 25.			Lowest.	Highest.	Lowest	Highest		
134 134	*133 134	134 134	132 135	135 135	134 134	142	Railroads						
73 73	73 73	72 74	73 73	73 73	72 72	2,053	Boston & Albany	122 1/2	Apr 17	135	June 24		
*95 1/2	98 1/2	*96 98	*97 98	*97 98	97 97	2	Boston Elevated	37	Jan 2	76 1/2	May 29		
*34 35	33 34	33 34	*33 34	34 35	---	2	Boston & Lowell	80	July 11	100	Jan 2		
*160 1/2	*160 1/2	*160 1/2	162 169	*169	---	671	Boston & Maine	19	Jan 23	40	Sept 9		
*14 30	*14 30	*14 30	162 169	*169	---	16	Boston & Providence	150	Apr 15	170	Aug 9		
*27	*27	*27	---	---	---	---	Boston Suburban Elec.	2	Jan 26	3	June 5		
*137 145	*137 145	*137 145	---	---	---	---	Do pref	10 1/4	Mar 1	15	June 17		
*85	*85	*85	---	---	---	---	Boston & Wore Elec.	---	---	---	---		
*106 111	*106 111	*106 111	---	---	---	---	Do pref	25	July 19	30	Mar 6		
*61 62	*58 3/4	61 1/2	---	---	---	---	Chic June Ry & U S Y.	138	July 2	147	Apr 17		
*107 109	*107 109	109 109	---	---	---	---	Do pref	82 1/2	Apr 18	85	Jan 30		
*70 3/4	*70 3/4	*70 3/4	---	---	---	---	Connecticut River	104	Feb 19	120	Mar 6		
*80 82	*80 82	*80 82	---	---	---	---	Fitchburg pref.	53	Jan 22	65	Jan 3		
3 3	2 3/4	2 3/4	---	---	---	---	Georgia Ry & Elec stampd	106	Sept 19	116 1/4	Jan 9		
13 14	13 1/2	14 1/2	---	---	---	---	Do pref	70	Oct 3	81	Feb 25		
42 1/4	41 1/4	41 1/4	---	---	---	---	Maine Central	77 1/2	June 18	85	Jan 3		
*83 90	*83 90	*84 90	---	---	---	---	Mass Electric Cos.	1 1/4	Sept 6	7 1/2	May 16		
*102 1/4	*103 105	104 104	---	---	---	---	Do pref stamped	8 1/2	Jan 22	33	May 16		
24 24 1/2	*24 24 1/4	*23 1/2	---	---	---	---	N Y N H & Hartford	27	Feb 25	46	May 29		
*88 90	*90 90	*90 97	---	---	---	---	Northern New Hampshire	84	Oct 7	90	Jan 10		
48 1/2	48 1/2	49	---	---	---	---	Old Colony	288 1/2	June 14	105 1/4	Oct 23		
58 3/4	58 3/4	59	---	---	---	---	Rutland, pref.	20	Jan 2	25	Jan 8		
			---	---	---	---	Vermont & Massachusetts	80	Aug 6	90	Oct 4		
			---	---	---	---	West End Street	37	Feb 20	50	July 5		
			---	---	---	---	Do pref	47	Jan 16	62	Apr 1		
			---	---	---	---	Miscellaneous						
			---	---	---	---	Amer Agricul Chemical	245	78 1/2	Jan 2	106	Oct 18	
			---	---	---	---	Do pref	152	88 3/4	Jan 2	96	Oct 24	
			---	---	---	---	Amer Pneumatic Service	25	40	July 1	2 1/2	Mar 2	
			---	---	---	---	Do pref	50	4	Sept 30	15 3/4	Mar 4	
			---	---	---	---	Amer Sugar Refining	253	99	Jan 2	115 1/2	May 15	
			---	---	---	---	Do pref	114	107	June 4	113 3/4	May 9	
			---	---	---	---	Amer Teleg & Teleg	1,621	90 3/4	Aug 5	109 1/2	Oct 9	
			---	---	---	---	American Woolen of Mass	45	45 1/2	Jan 8	60 3/4	May 24	
			---	---	---	---	Do pref	290	90	Jan 3	96 3/4	Mar 12	
			---	---	---	---	Amoskeag Manufacturing	419	60 1/2	Jan 2	85	Oct 18	
			---	---	---	---	Do pref	1,311	76	Jan 7	82	June 5	
			---	---	---	---	Art Metal Construc Inc	10	11	Feb 21	18	July 8	
			---	---	---	---	Atl Gulf & W I S S Lines	420	98	Jan 15	120 1/4	Feb 16	
			---	---	---	---	Do pref	10	58 1/2	Jan 17	64	July 19	
			---	---	---	---	Booth Fisheries	505	21	Jan 25	28 1/2	Sept 5	
			---	---	---	---	Century Steel of Amer Inc	1,620	10 1/4	May 18	14 1/2	Aug 19	
			---	---	---	---	Cuban Port Cement	235	12	Jan 29	17 1/2	May 1	
			---	---	---	---	East Boston Land	615	4	Jan 31	5 3/4	May 15	
			---	---	---	---	Edison Electric Illum	123	134	June 21	170	Oct 18	
			---	---	---	---	Fairbanks Co	3,094	27 1/2	June 27	60 3/4	Oct 19	
			---	---	---	---	General Electric	29	128	Jan 16	157 1/2	Oct 16	
			---	---	---	---	Gorton-Pew Fisheries	65	30 3/4	Aug 29	35	Aug 30	
			---	---	---	---	Internat Port Cement	2,120	4 1/2	Oct 10	7 1/2	Oct 23	
			---	---	---	---	Do pref	500	12	Apr 23	19 1/2	Oct 21	
			---	---	---	---	Island Oil & Trans Corp	2,295	3 1/2	Aug 23	5 1/2	Mar 18	
			---	---	---	---	McElwain (W H) 1st pref	100	88	Sept 30	92 1/2	Feb 28	
			---	---	---	---	Massachusetts Gas Cos	578	277 1/4	Jan 15	91	May 16	
			---	---	---	---	Do pref	181	62	June 17	70	Jan 3	
			---	---	---	---	Mergenthaler Linotype	61	107	June 11	135	Oct 31	
			---	---	---	---	New Eng Cotton Yarn	100	88	Jan 15	89 1/2	May 16	
			---	---	---	---	Do pref	100	---	---	---	---	
			---	---	---	---	New England Telephone	108	82 1/2	July 30	100 1/2	Oct 10	
			---	---	---	---	Nova Scotia Steel & C	100	56	July 5	69	Jan 2	
			---	---	---	---	Pullman Company	40	102	Jan 7	128	Oct 16	
			---	---	---	---	Punta Alegre Sugar	6,260	29	Jan 3	49 1/2	Oct 25	
			---	---	---	---	Reece Button-Hole	10	11	Jan 29	13 3/4	Mar 16	
			---	---	---	---	Stewart Mfg Corp	28,142	27	Oct 23	32 3/4	Oct 25	
			---	---	---	---	Swift & Co	5,183	102	Aug 30	146 1/4	Aug 17	
			---	---	---	---	Torrington	108	45	Jan 29	52 1/2	Aug 7	
			---	---	---	---	United Fruit	861	115 1/2	Jan 17	147	Oct 19	
			---	---	---	---	United Shoe Mach Corp	4,206	38 1/2	July 9	48 1/2	May 16	
			---	---	---	---	Do pref	220	24 1/4	Aug 9	26 1/2	May 23	
			---	---	---	---	U S Steel Corporation	6,114	87	Mar 25	116 1/2	Aug 28	
			---	---	---	---	Do pref	16	108	Mar 25	113	Oct 22	
			---	---	---	---	Ventura Consol Oil Fields	10,770	5	Jan 2	8 3/4	Aug 9	
			---	---	---	---	Mining						
			---	---	---	---	Adventure Con	25	1 1/2	June 27	1 3/4	Jan 25	
			---	---	---	---	Ahmeek	66	71	June 13	83	Jan 3	
			---	---	---	---	Alaska Gold	750	1 1/2	Apr 25	4 1/2	July 5	
			---	---	---	---	Algobab Mining	25	15	July 11	45	May 13	
			---	---	---	---	Alloues	180	247	June 14	54	Feb 27	
			---	---	---	---	Amer Zinc, Lead & Smelt	330	25	12 3/4	Mar 23	21 1/4	July 3
			---	---	---	---	Do pref	25	41	Jan 2	54	July 6	
			---	---	---	---	Arizona Commercial	345	11	Jan 5	16 1/4	Aug 24	
			---	---	---	---	Butte-Balaklava Copper	300	20	Oct 21	45	Jan 7	
			---	---	---	---	Butte & Sup Cop (Ltd)	10	17	Mar 25	33	May 14	
			---	---	---	---	Calumet & Arizona	746	62 1/2	Jan 15	73 1/2	May 16	
			---	---	---	---	Calumet & Hecla	427	46	Feb 28	465	May 27	
			---	---	---	---	Centennial	1,078	25	10 3/4	June 27	14 1/2	Feb 19
			---	---	---	---	Copper Range Co	850	25	43 3/4	Mar 25	50 1/2	Oct 19
			---	---	---	---	Daly-West	770	20	1 1/2	Apr 10	3	Sept 30
			---	---	---	---	Davis-Daly Copper	1,770	10	5 1/2	Jan 2	6 3/4	Mar 8
			---	---	---	---	East Butte Copper Min	170	10	5 1/2	Mar 25	10 3/4	Oct 22
			---	---	---	---	Franklin	20	3	June 21	6	Feb 18	
			---	---	---	---	Granby Consolidated	25	73 1/2	June 14	84 3/4	Oct 24	
			---	---	---	---	Greene Cananea	25	39	Jan 17	56	Oct 19	
			---	---	---	---	Hancock Consolidated	245	25	5 3/4	June 21	10 1/4	Jan 2
			---	---	---	---	Indiana Mining	627	25	40	July 23	1	Jan 3
			---	---	---	---	Island Creek Coal	26	1	50	Jan 14	70	May 15
			---	---	---	---	Do pref	320	79 1/2	Oct 1	84	Feb 18	
			---	---	---	---	Ile Royale Copper	540	19 1/2	Jan 14	29	July 3	
			---	---	---	---	Kerr Lake	50	5	Jan 2	6 1/2	Oct 18	
			---	---	---	---	Keweenaw Copper	350	50	Sept 11	1 1/4	May 15	
			---	---	---	---	Lake Copper Co	25	5	Mar 25	8 3/4	May 14	
			---	---	---	---	La Salle Copper	25	2	Jan 2	3 1/4	Mar 5	
			---	---	---	---	Mason Valley Mine	230	5	3 1/2	Sept 20	6	Feb 13
			---	---	---	---	Mass Consol	4,650	25	34	Sept 17	7	Jan 2
			---	---	---	---	Mayflower-Old Colony	1,000	25	65	Mar 26	4	Oct 19
			---	---	---	---	Michigan	245	25	40	June 28	34	Oct 25
			---	---	---	---	Mohawk	25	25	53 1/2	Oct 11	66 1/2	May 16
			---	---	---	---	Nevada Consolidated	15	18 1/2	Jan 30	20 1/2	May 14	
			---	---	---	---	New Arcadian Copper	10	14	Aug 29	2 1/2	July 1	
			---	---	---	---	New Idria Quicksilver	10	13 1/4	Jan 2	17 1/4	Mar 7	
			---	---	---	---	New River Company	80	12	Aug 29	20	Jan 2	
			---	---	---	---	Do pref	390	65	Aug 29	80	Jan 31	
			---	---	---	---	Nipissing Mines	814					

Outside Stock Exchanges

Boston Bond Record.—Transactions in bonds at Boston Stock Exchange Oct. 19 to Oct. 25, both inclusive:

Table with columns: Bonds, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week, Range since Jan. 1. (Low, High). Includes entries like US Lib Loan 3 1/2s, 1st Lib Loan 4s, etc.

Pittsburgh Stock Exchange.—The complete record of transactions at the Pittsburgh Stock Exchange from Oct. 19 to Oct. 25, both inclusive, compiled from the official sales lists, is given below. Prices for stocks are all dollars per share, not per cent. For bonds the quotations are per cent of par value.

Table with columns: Stocks, Par, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week, Range since Jan. 1. (Low, High). Includes entries like Amer Rolling Mill com, American Sewer Pipe, etc.

Baltimore Stock Exchange.—Complete record of the transactions at the Baltimore Stock Exchange from Oct. 19 to Oct. 25, both inclusive, compiled from the official sales lists, is given below. Prices for stocks are all dollars per share, not per cent. For bonds the quotations are per cent of par value.

Table with columns: Stocks, Par, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week, Range since Jan. 1. (Low, High). Includes entries like Arundel Sand & Gravel, Atlantic Petroleum, etc.

Chicago Stock Exchange.—The complete record of transactions at the Chicago Stock Exchange from Oct. 19 to Oct. 25, both inclusive, compiled from the official sales lists, is given below. Prices for stocks are all dollars per share, not per cent. For bonds the quotations are per cent of par value.

Table with columns: Stocks, Par, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week, Range since Jan. 1. (Low, High). Includes entries like American Radiator, American Shipbuilding, etc.

Philadelphia Stock Exchange.—The complete record of transactions at the Philadelphia Stock Exchange from Oct. 19 to Oct. 25, both inclusive, compiled from the official sales lists, is given below. Prices for stocks are all dollars per share, not per cent. For bonds the quotations are per cent of par value.

Table with columns: Stocks, Par, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week, Range since Jan. 1. (Low, High). Includes entries like Alliance Insurance, American Gas, American Milling, etc.

Table with columns: Bonds—(Con.), Friday Last Sale Price, Week's Range of Prices, Sales for Week, Range since Jan. 1. Includes entries like Lehigh V. I Coal 1st 5s 1933, Pennsylv RR gen 4 1/2s 1965, etc.

Volume of Business at Stock Exchanges

TRANSACTIONS AT THE NEW YORK STOCK EXCHANGE DAILY, WEEKLY AND YEARLY.

Table showing transactions at the New York Stock Exchange daily, weekly, and yearly. Columns include Week ending, Stocks (Shares, Par Value), Railroad, State, Mun. & Foreign Bonds, and U. S. Bonds.

Table showing sales at the New York Stock Exchange. Columns include Week ending, 1918, 1917, Jan. 1 to Oct. 25, 1918, 1917. Rows include Stocks—No. shares, Par value, Bank shares, Bonds, Government bonds, State, mun., &c., bonds, R.R. and misc. bonds.

DAILY TRANSACTIONS AT THE BOSTON, PHILADELPHIA AND BALTIMORE EXCHANGES.

Table showing daily transactions at the Boston, Philadelphia, and Baltimore exchanges. Columns include Week ending, Boston, Philadelphia, Baltimore, Shares, Bond Sales.

New York "Curb" Market.—Below we give a record of the transactions in the outside security market from Oct. 19 to Oct. 25, both inclusive. It covers the week ending Friday afternoon.

It should be understood that no such reliability attaches to transactions on the "Curb" as to those on the regularly organized stock exchanges.

On the New York Stock Exchange, for instance, only members of the Exchange can engage in business, and they are permitted to deal only in securities regularly listed—that is, securities where the companies responsible for them have complied with certain stringent requirements before being admitted to dealings.

On the "Curb," on the other hand, there are no restrictions whatever. Any security may be dealt in and any one can meet there and make prices and have them included in the lists of those who make it a business to furnish daily records of the transactions.

Table with columns: Week ending Oct. 25, Friday Last Sale Price, Week's Range of Prices, Sales for Week, Range since Jan. 1. Includes entries like Aetna Explos. r. (no par), Brit-Am Tobac ord., etc.

Large table with columns: Rights, Friday Last Sale Price, Week's Range of Prices, Sales for Week, Range since Jan. 1. Includes entries like Texas Co. r., Former Standard Oil Subidiaries, Anglo-Amer Oil r., etc.

* Odd lots. † No par value. ‡ Listed as a prospect. § Listed on the Stock Exchange this week, where additional transactions will be found. ¶ New stock. r Unlisted. s Ex-cash and stock dividends. w When issued. z Ex-dividend. c Ex-rights. s Ex-stock dividend.

CURRENT NOTICE

A three-day convention of sales managers and representatives of the National City Co. from thirty cities was held this week at the New York office.

William R. Compton Company is preparing a schedule of the new Federal Income Tax Law and also a booklet on the War Revenue Law of 1918.

An additional issue of \$228,000 Louisville Gas & Electric Co. Bond-Secured 7% notes, due Sept. 1 1920, is being offered at 98 1/2 and int., yielding over 8%.

As a permanent matter of record, the entire issue having been over-subscribed, Kidder, Peabody & Co. and the Guaranty Trust Co. of this city are publishing an advertisement in this issue of their joint offering of \$25,000,000 American Tobacco Co. 7% serial gold notes.

W. S. Barstow & Co., Inc., have issued a 60-page volume presenting in convenient form general data regarding public utility companies with yearly gross earnings in excess of \$7,800,000.

Halsey, Stuart & Co. of Chicago have issued a pamphlet for free distribution, containing a chart, showing the effect of the Federal taxes on the income of bonds when held by individual investors.

The attention of investors desiring a high-grade investment with a liberal yield is called to the list of bonds advertised by Redmond & Co. in our issue to-day on the first advertising page opposite our Clearing House returns.

Paine, Webber & Company have opened a branch office at 90 State Street, Albany, N. Y., with James R. Stevens, Jr., as Manager.

STOCK OF MONEY IN THE COUNTRY.—The following table shows the general stock of money in the country, as well as the holdings by the Treasury and the amount in circulation on the dates given:

Table with columns: Stock of Money Oct. 1 '18, Money in Circulation, U. S. Held in Treas. Oct. 1 1918, Oct. 1 1917. Rows include Gold coin, Gold certificates, Standard silver dollars, etc.

Population of continental United States estimated at 106,301,000. Circulation per capita, \$53.82.

This statement of money held in the Treasury as assets of the Government does not include deposits of public money in Federal Reserve banks and in national banks and special depositories to the credit of the Treasurer of the United States.

Includes \$431,896,091 07 Federal Reserve Gold Settlement Fund deposited with Treasurer of the United States. Includes own Federal Reserve notes held by Federal Reserve banks.

New York City Banks and Trust Companies

Table listing various banks and trust companies in New York City, including their assets and liabilities. Columns include Bank Name, Assets, and Liabilities.

Banks marked with a (*) are State banks. † Sale at auction or at Stock Exchange this week. ‡ Includes one-third share Irving Trust Co. § New stock, §-rights.

New York City Realty and Surety Companies

Table listing various realty and surety companies with their bid and ask prices. Columns include Company Name, Bid, Ask.

Quotations for Sundry Securities

Large table listing various securities including Standard Oil Stocks, RR. Equipments, Ordnance Stocks, Public Utilities, and Industrial and Miscellaneous. Columns include Stock Name, Bid, Ask.

* Per share. † Bond. ‡ Purchaser also pays accrued dividend. § New stock. ¶ Bid price. † Noted. ‡ Ex-dividend. § Ex-rights. (†) Without par value.

Investment and Railroad Intelligence.

RAILROAD GROSS EARNINGS.

The following table shows the gross earnings of various STEAM roads from which regular weekly or monthly returns can be obtained. The first two columns of figures give the gross earnings for the latest week or month, and the last two columns the earnings for the period from Jan. 1 to and including the latest week or month. The returns of the electric railroads are brought together separately on a subsequent page.

Main table of Railroad Gross Earnings with columns for Road, Latest Gross Earnings (Week or Month, Current Year, Previous Year), and July 1 to Latest Date (Current Year, Previous Year). Includes sub-tables for Missouri Pacific and Pennsylvania RR.

AGGREGATE OF GROSS EARNINGS—Weekly and Monthly.

Summary table showing aggregate gross earnings with columns for Weekly Summaries (Current Year, Previous Year, Increase or Decrease, %) and Monthly Summaries (Current Year, Previous Year, Increase or Decrease, %).

Latest Gross Earnings by Weeks.—In the table which follows we sum up separately the earnings for the third week of October. The table covers 7 roads and shows 14.29% increase in the aggregate over the same week last year.

Table with 5 columns: Third Week of October, 1918, 1917, Increase, Decrease. Rows include Buffalo Rochester & Pittsburgh, Canadian Northern, Canadian Pacific, Grand Trunk of Canada, Grand Trunk Western, Detroit Gr Hav & Milw, Canada Atlantic, and Total (7 roads).

For the second week of October our final statement covers 15 roads and shows 11.98% increase in the aggregate over the same week last year.

Table with 5 columns: Second Week of October, 1918, 1917, Increase, Decrease. Rows include Previously reported (7 roads), Colorado & Southern, Detroit & Mackinac, Duluth South Shore & Atlantic, Mineral Range, Nevada-California-Oregon, St Louis Southwestern, Tennessee Alabama & Georgia, Texas & Pacific, and Total (15 roads).

Net Earnings Monthly to Latest Dates.—The table following shows the gross and net earnings with charges and surplus of STEAM railroad and industrial companies reported this week:

Table with 5 columns: Roads, Gross Earnings (Current Year, Previous Year), Net Earnings (Current Year, Previous Year). Rows include Louisiana Ry & Nav Cob, Pittsburgh & West Va., St Louis—San Francisco System, South Buffalo, Spokane Port & Seattle, and Total.

b Net earnings here given are before the deduction of taxes.

ELECTRIC RAILWAY AND PUBLIC UTILITY COS.

Large table with 6 columns: Name of Road or Company, Latest Gross Earnings (Week or Month, Current Year, Previous Year), Jan. 1 to Latest Date (Current Year, Previous Year). Lists numerous companies like Adirondack El Pow Co, Alabama Power Co, Amer Power & Lt Co, etc.

Table with 6 columns: Name of Road or Company, Latest Gross Earnings (Week or Month, Current Year, Previous Year), Jan. 1 to Latest Date (Current Year, Previous Year). Lists companies like Pacific Power & Lt, Paducah Tr & Lt Co, Pensacola Electric Co, etc.

a Now covers only the lines east of York Beach, Me.; in the first four months of 1917 covered also the lines west of York Beach, Me. b Represents income from all sources. c These figures are for consolidated company. f Earnings now given in milreis. g Includes constituent companies.

Electric Railway and Other Public Utility Net Earnings.—The following table gives the returns of ELECTRIC railway and other public utility gross and net earnings with charges and surplus reported this week:

Table with 5 columns: Companies, Gross Earnings (Current Year, Previous Year), Net Earnings (Current Year, Previous Year). Rows include Lincoln Tel & Tel, Massachusetts Gas Co., Coal Department, N J Pow & Lt Co, Pacific Tel & Tel, etc.

a Net earnings here given are after the deduction of taxes. b Net earnings here given are before the deduction of taxes.

Table with 5 columns: Company, Gross Earnings, Net after Taxes, Fixed Charges, Balance, Surplus. Rows include Adirondack Elec Power Corp, Cleveland Painesv & Eastern Ry, Columbus Elec Co, Duluth-Superior Traction, El Paso Elec Co, etc.

		Gross Earnings.	Net after Taxes.	Fixed Chgs.	Balance, Surplus.
Philadelphia Rap	Sept '18	2,728,887	1,056,502	818,881	237,621
Transit	'17	2,419,584	1,030,246	811,165	219,081
	3 mos '18	8,180,341	2,984,168	2,451,526	532,642
	'17	7,293,659	3,069,879	2,434,936	634,943
Washington Balt	Sept '18	323,665	82,254	27,804	55,857
& Annapolis RR	'17	179,669	94,679	18,257	77,852
	9 mos '18	2,105,150	791,936	217,254	258,777
	'17	943,843	415,543	199,300	226,923

z After allowing for other income received.

z After allowing for other income received.

		Gross Earnings.	Net Earnings.	Fixed Chgs. & Taxes.	Balance, Surplus.
Louisville El Ry	Sept '18	345,246	125,001	82,562	256,155
	'17	302,040	142,371	78,812	282,360
	9 mos '18	2,764,357	1,141,614	720,312	2533,937
	'17	2,389,871	1,131,106	698,312	2564,733
New York Dock	Sept '18	455,658	204,816	105,737	99,079
	'17	425,719	193,084	95,260	97,824
	9 mos '18	3,984,734	1,715,598	855,185	860,413
	'17	3,521,891	1,758,525	872,912	885,613
Virginia Ry & Power Co	Sept '18	699,200	236,318	179,822	271,021
	'17	574,338	254,402	157,307	2107,043
	3 mos '18	2,071,666	728,925	529,594	2241,769
	'17	1,728,994	801,481	474,041	356,432
York Railways	Sept '18	94,731	33,651	28,171	5,480
	'17	85,437	39,267	27,676	11,591
	10 mos '18	912,107	363,893	281,509	82,384
	'17	866,077	403,853	276,208	127,645

z After allowing for other income received.

FINANCIAL REPORTS

Annual Reports.—An index to annual reports of steam railroads, street railways and miscellaneous companies which have been published during the preceding month will be given on the last Saturday of each month. This index will not include reports in the issue of the "Chronicle" in which it is published. The latest index will be found in the issue of June 00. The next will appear in that of June 00.

Georgia Southern & Florida Ry.

(24th Annual Report—Year ended Dec. 31 1917.)

President Fairfax Harrison Oct. 1 wrote in substance:

In the report for the fiscal year ended June 30 1917 the operating and financial results for the first six months of the calendar year 1917 were set forth. This report is now presented for the remaining six months to Dec. 31 1917, on which date operation for account of U. S. Government began.

Income Statement for the 6 Mos. ended Dec. 31 1917 and Comparison with 1916.

	6 Months ended—	Dec. 31 1917.	Inc. or Dec.
Operating revenues	\$1,623,113	Inc. \$185,865
Operating expenses	1,224,280	Inc. 229,300
Taxes and uncollectible revenue	124,057	Inc. 56,247
Operating income	\$274,776	Dec. \$99,683
Other income	135,777	Inc. 29,294
Total gross income	\$410,553	Dec. \$70,389
Interest and rentals	198,012	Inc. \$13,024
Net income	\$212,541	Dec. \$83,413

We purpose to submit to a meeting of the stockholders for their decision the question of the contract between the Government and the company for the temporary use of the company's railroad property when the negotiations concerning it have reached the point where the board can make a definite recommendation on the subject.

OPERATIONS, EARNINGS, ETC.

Years ending—	Dec. 31		June 30	
Operations—	1917.	1916.	1917.	1916.
Miles operated	402	402	402	402
Passengers carried	863,840	709,475	748,386	647,652
Passengers carried 1 mile	43,241,156	34,681,226	37,403,225	30,310,728
Rcts. per pass. per mile	2.246 cts.	2.140 cts.	2.181 cts.	2.161 cts.
Tons freight carried	1,245,081	1,205,794	1,221,701	1,170,849
Tons fr't carried 1 mile	173,195,811	166,808,721	166,944,582	159,336,145
Rate per ton per mile	0.976 cts.	0.959 cts.	0.984 cts.	0.923 cts.
Gross earns. per mile	\$7,183	\$6,424	\$6,958	\$6,076
Operating Revenues—				
Freight	\$1,690,961	\$1,600,109	\$1,642,751	\$1,471,091
Passenger	971,198	742,067	818,779	654,867
Mail, express, &c.	237,928	253,428	256,096	241,882
Incidental, &c.	83,341	74,205	79,937	77,568
Total oper. revenue	\$2,983,428	\$2,669,809	\$2,797,563	\$2,445,408
Maint. of way, &c.	\$396,817	\$308,822	\$361,039	\$270,527
Maint. of equipment	646,515	508,700	558,587	467,120
Traffic expenses	87,948	91,210	90,442	86,264
Transportation expenses	1,083,340	927,940	980,987	895,502
General expenses	115,768	105,920	110,601	110,672
Miscell. operations, &c.	5,693	3,701	5,124	3,768
Total oper. expenses	\$2,336,081	\$1,944,293	\$2,106,780	\$1,833,853
Net earnings	\$647,347	\$725,516	\$690,783	\$611,555
Taxes accrued, &c.	194,988	144,269	138,741	140,501
Operating income	\$452,359	\$581,247	\$552,042	\$471,055
Hire of equipment	\$256,221	\$142,700	\$233,757	\$72,244
Other income	38,349	31,847	31,520	31,452
Total gross income	\$746,929	\$755,794	\$817,319	\$574,751
Deduct—				
Interest on bonds	\$280,000	\$272,800	\$276,850	\$271,900
Int. on equip. obliga'ns.	34,239	28,279	35,176	23,040
Miscellaneous	74,350	59,123	63,541	60,024
First pref. divs. (5%)	34,200	34,200	34,200	34,200
Second pref. divs. (5%)	54,200	54,200	54,200	54,200
Total deductions	\$476,989	\$448,602	\$463,966	\$443,365
Balance, sur. or def.	\$269,940	\$307,192	\$353,353	\$131,386

BALANCE SHEET.

	Dec. 31'17.	June 30'17.		Dec. 31'17.	June 30'17.
Assets—			Liabilities—		
Road & equipm't.	12,813,822	12,766,761	Common stock	2,000,000	2,000,000
Invest. in affil. ops.			First pref. stock	684,000	684,000
Stocks	91,065	69,165	Second pref. stock	1,040,000	1,040,000
Bonds	15,000	15,000	Bonds	6,000,000	6,000,000
Notes	47,169	64,967	Equip. tr. oblig'ns	695,000	765,000
Advances	3,750	3,750	Bills payable	225,336	225,336
Other investments	17,301	17,301	Traffic, &c., bals.	72,539	74,064
Misc. phys. prop.	131,029	131,029	Accounts & wages	331,804	292,464
Traffic, &c., bals.	120,255	104,045	Taxes & int. acc'd	97,013	90,933
Mater. & supplies	342,734	298,297	Mat'd int. & divs.	142,395	141,920
Cash	379,501	371,851	Miscellaneous	102,230	91,177
Special deposit	102,395	101,920	Operating reserves	139,588	120,767
Agts. & conductors	51,274	8,414	Accrued deprec'n	768,755	747,295
Miscellaneous	235,012	187,568	Unadjusted, &c.	144,603	68,918
Advances, &c.	160,363	120,086	Reserves for divs.	44,200	44,200
			Add'ns to property	37,139	37,139
			Profit and loss	1,942,089	1,792,882
Total	14,510,670	14,260,095	Total	14,510,670	14,260,095

—V. 107, p. 1287.

Central Vermont Railway.
(18th Annual Report—Year ended Dec. 31 1917.)

Years ended—	Loco-tives.	Pass. Cars.	Freight Cars.	Rails (Miles)				
				80-lb.	75-lb.	72-lb.	60-lb.	56-lb.
Dec. 31 1917	107	109	3,058	221.1	109.2	48.0	32.0	132.3
June 30 1916	100	109	3,147	212.0	113.1	48.8	32.0	136.7
June 30 1915	97	109	3,194	207.5	116.2	48.8	32.0	138.1

OPERATING STATISTICS AND FISCAL RESULTS.

Years Ending—	Dec. 31 '17.	Dec. 31 '16.	June 30'16.	June 30'15.
Passengers carried	1,514,528	1,555,153	1,533,569	1,559,533
Passengers carried 1 m.	41,165,036	42,856,215	40,996,849	42,136,108
Earns. per pass. per mile	2.6 cts.	2.48 cts.	2.49 cts.	2.50 cts.
Tons carried	4,333,773	4,405,440	4,288,183	3,651,234
Tons carried one mile	267,482,693	326,791,438	324,528,704	292,602,872
Earns. per ton per mile	1.2 cts.	1.01 cts.	0.98 cts.	0.96 cts.
Earns. per fgt. train mile	\$3.49	\$3.06	\$2.82	\$2.42
Earns. per pass. train m.	\$1.27	\$1.18	\$1.13	\$1.01
Operating Revenue—				
Freight	\$3,214,417	\$3,290,655	\$3,190,377	\$2,822,596
Passenger	1,069,748	1,063,404	1,019,113	1,054,055
Mail, express, &c.	532,413	457,271	402,868	333,760
Total oper. revenue	\$4,816,578	\$4,811,330	\$4,612,358	\$4,210,411
Operating Expenses—				
Maint. of way and struc.	\$530,427	\$587,288	\$540,108	\$566,995
Maint. of equipment	753,640	627,403	645,230	628,000
Traffic expenses	104,398	110,963	108,400	108,151
Transportation expenses	2,470,232	2,146,073	2,021,065	1,878,527
General expenses	134,649	117,191	101,951	93,510
Miscell. operations	28,702	29,014	27,965	25,085
Total	\$4,022,047	\$3,617,932	\$3,444,719	\$3,300,268
Net earnings	\$794,531	\$1,193,398	\$1,167,639	\$910,143
Taxes	207,009	192,750	192,994	190,219
Operating income	\$587,522	\$1,000,648	\$974,645	\$719,924
Other Income—				
Income from securities	50,387	43,720	43,720	66,220
Total	\$637,909	\$1,044,368	\$1,018,365	\$786,144
Deduct—				
Interest on bonds, &c.	\$731,283	\$731,099	\$518,054	\$525,950
Leased line rentals			216,553	216,553
Hire of equipment	Cr. 11,713	72,851	85,710	85,086
Miscellaneous rents, &c.	73,066	33,622	22,840	Cr. 6,863
Total deductions	\$792,636	\$837,572	\$843,157	\$770,726
Balance, sur. or def.	def. \$154,727	sur. \$206,796	sur. \$175,208	sur. \$15,418

x After deducting \$1,116 transportation for investment (Cr.).

BALANCE SHEET.

	Dec. 31'17.	June 30'16.		Dec. 31'17.	June 30'16.
Assets—			Liabilities—		
Road & equipm't.	17,261,248	17,020,563	Capital stock	3,000,000	3,000,000
Inv. in affil. cos.			1st M. 4% bonds	12,000,000	11,750,000
Stocks	4,973,916	117,916	Coll. trust bonds	35,000	35,000
Advances	3,299,855	8,384,749	Equip. trust certfs.	441,000	635,000
Other investments	75,000	75,000	Non-negot'le debt		
Securities issued, pledged	1,226,000	976,000	to affiliated cos.	68,632	243,840
Securs. unpledged	42,000	42,000	Loans & bills pay.	8,633,937	7,758,085
Cash	255,436	189,970	Accounts & wages	2,748,886	2,122,678
Demand loans, &c.		17,500	Traffic, &c., bals.	243,240	152,209
Special deposits	12,947	11,486	Miscell. accounts	1,908	874,850
Materials & supp.	692,619	418,312	Accrued int., &c.	115,217	95,363
Agents & conduc.	156,344	122,274	Accrued taxes	88,046	97,667
Traffic, &c., bals.	60,517	53,444	Accrued deprec'n	659,219	547,421
Miscell. accounts	381,522	420,846	Other current liab.		
Unadjusted acct's.	113,853	82,410	bilities	131,592	
Other curr. assets	104,994		Def'd credit items, &c.	249,165	257,605
Deferred assets	35,660		Profit and loss	276,066	362,755
Total	28,691,911	27,932,472	Total	28,691,911	27,932,472

Note.—Contingent liabilities in respect of principal of and interest on \$200,000, par value, first mortgage 4% bonds of the Montreal & Province Line Ry. Co., and \$537,000, par value, Central Vermont Transportation Co. 5% Steamship gold bonds, both issues being guaranteed by the Central Vermont Ry. Co.—V. 107, p. 1579.

Boston & Worcester Electric Companies.

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BOSTON & WORCESTER ST. RY. RESULTS FOR YEARS END. JUNE 30.

Revenue—	1917-18.	1916-17.	1915-16.	1914-15.
Transportation	\$846,706	\$791,201	\$784,672	\$724,430
Miscellaneous	13,571	14,979	16,582	14,367
Total revenue	\$860,277	\$806,180	\$801,254	\$738,797
Conducting transport'n.	\$370,343	\$303,464	\$273,492	\$228,847
Maintenance	186,682	147,833	*144,270	120,425
General expenses	86,951	90,608	81,491	81,854
Net revenue	\$216,301	\$264,274	\$302,000	\$307,671
Interest	\$123,229	\$119,758	\$120,294	\$120,724
Taxes	55,415	50,794	50,652	49,301
Prof. dividends (6%)	27,432	26,832	23,832	23,832
Common dividends (1 1/4%)	25,312	(2 1/4) 50,625	(3 1/4) 75,938	(2 1/4) 55,688
Surplus	def. \$15,086	\$16,265	\$31,285	\$58,126

GENERAL BALANCE SHEET JULY 1.

Assets—		Liabilities—	
Property	Investment	Preferred stock	Common stock
5,245,375	5,195,200	457,200	2,025,000
Cash in bank	12,613	Funded debt	2,520,000
25,133	15,301	245,000	2,520,000
Accounts receivable	25,133	Notes payable	70,081
10,236	12,992	Accounts payable	48,237
Prepaid accounts	10,236	Interest accrued	31,809
General materials	172,428	Taxes accrued	39,720
and supplies	157,656	Prof. stock prem.	9,144
Coal	24,127	Prof. div. reserve	63,810
Discount on bonds	31,115	Deprec., &c., r'e've.	11,026
	36,300	Profit and loss	76,264
Total	5,521,027	Total	5,521,027

—V. 107, p. 1579.

Pittsburgh Steel Company and Subsidiary Companies.
(Annual Report for Fiscal Year ended June 30 1918.)

Pres. Wallace H. Rowe on Sept. 30 1918 says in substance:

Operations.—To meet the necessities of our Government and its allies, your company in common with other manufacturers in the steel trade pledged itself on April 26 1918 to subordinate its production to these requirements, which pledge has been cheerfully and faithfully observed. The demands for your products for Government purposes have been constant and increasing and every effort has been made to fulfill same.

As a measure for stabilizing prices in Sept. 1917 the Government adopted the policy of naming maximum prices for iron and steel products. These prices were materially less than the then market quotations and with slight modifications have remained in effect during the year.

Serious inroads have been made on our man power by the call for war service. This is now leading us to consider the employment of women in positions for which they are fitted. The severe winter and railroad congestion further hampered operations.

Results.—Considering these adverse conditions, the results of the year's operations have been satisfactory. The net sales for the year were \$37,930,842, an increase of \$4,864,759 over year 1916-17.

The net profits for the year (after setting aside \$1,365,134 for depreciation of plants and for extinguishment of mines and \$2,730,122 for estimated income and War Profits Taxes) were \$4,556,443, being a decrease of \$3,255,001 compared with the preceding year. This decrease is accounted for by various increases in wages and higher costs of materials and supplies and by an increase of \$906,574 in Income and War Profits Taxes.

Shipments.—The value of our products shipped during the year compares as follows:

Year—	1917-18.	1916-17.	1915-16.	1914-15.
Pig iron and billets	\$15,758,126	\$11,868,000	\$5,364,608	\$1,482,439
Hoops, bands & cot'n ties	2,991,219	2,618,275	1,260,842	1,045,573
Wire rods, plain wire, nails, fencing, &c.	18,161,345	17,387,285	14,506,902	8,829,395
Miscellaneous products	1,020,153	1,192,524	715,683	292,457
Total	\$37,930,842	\$33,066,083	\$21,848,036	\$11,649,864

Repairs and Renewals.—As will be noted from the profit and loss account, \$2,074,673 was expended on this work, while for extraordinary repairs and replacements an expenditure of \$61,738 was made, all of which were charged to cost of manufacture. The respective corresponding amounts for last year were \$1,265,506 and \$85,800.

Improvements.—The construction of gas producers referred to in last annual report did not progress as rapidly as was expected, owing to extraordinary difficulties in obtaining materials, scarcity of labor and the severe winter weather. However, they are now practically completed. No new construction work of any magnitude was undertaken.

Depreciation.—In continuance of our previous policy, \$888,632 was charged during the year for depreciation of plant, buildings, &c., making the total amount reserved on that account at June 30 last \$2,365,709.

Liberty Loans.—Through subscriptions and purchase your company now owns and holds in its treasury \$1,300,000 3 1/4% First Liberty Loan bonds, \$1,000,000 4 1/4% Second Liberty Loan bonds, converted, and \$1,200,000 4 1/4% Third Liberty Loan bonds. The installments owing on the last issue as shown by balance sheet were paid on their respective dates. The company assisted its employees in purchasing bonds; every employee was a subscriber to the third issue.

Mines.—At your Rowe mine conditions have developed indicating that it will not be possible to continue satisfactorily the extraction of ore by the open pit method of mining, and accordingly the management has deemed it wise to sink a shaft. The company has therefore written off \$350,000 of its capital on account of depletion of its ore mine.

On Jan. 4 1918 your subsidiary, the Monessen Coal & Coke Co., began mining coal from its Iron City mine and has continued its operation uninterruptedly. The output and the mining cost have been satisfactory.

Dividends.—The usual quarterly dividends of 2% on the common stock likewise were paid, and, in addition, an extra dividend of 20%.

Purchase.—The purchase of a tract of coal land in Greene County, Pa., was consummated during the year. The land, consisting of 513 acres, has a frontage on the Monongahela River and the drill records show the coal to be of a high grade and suitable to the needs of your plants.

CONSOLIDATED INCOME ACCOUNT YEARS ENDING JUNE 30.

	1917-18.	1916-17.	1915-16.	1914-15.
Total sales	\$37,930,842	\$33,066,083	\$21,848,036	\$11,649,864
Mfg. &c., cost (incl. replacements, &c.)	28,394,591	20,674,357	15,608,867	9,429,709
Depreciation and depl't.	1,015,134	963,339	500,000	—
Gross profit on oper.	\$8,521,117	\$11,428,387	\$5,739,169	\$2,220,155
Selling expenses, taxes, int. charges (net), &c.	\$974,087	\$1,053,587	\$1,194,260	\$1,373,640
Provision for exting't of mine property	350,000	543,939	—	—
Adv'd royalties paid as canceled leased ore lands, &c., written off	—	166,922	—	—
Prov. for war prof. tax	2,730,122	1,823,548	—	—
Donation to Red Cross	—	50,000	—	—
Balance	\$4,466,908	\$7,790,390	\$4,544,909	\$846,515
Other income	89,534	21,054	19,158	11,645
Net profits, all sources	\$4,556,442	\$7,811,444	\$4,564,067	\$858,160
Preferred dividends (7%)	735,000	(7) 735,000	(14) 1,470,000	—
Common dividends (28) 1960,000	(28) 1,960,000	(28) 1,960,000	(4) 280,000	—
Balance, surplus	\$1,861,442	\$5,116,444	\$2,814,067	\$858,160

CONSOLIDATED BALANCE SHEET JUNE 30.

Assets—		Liabilities—	
Real est., plant, &c.	21,911,950	Preferred stock	10,500,000
Invest'ts (at cost)	240,400	Common stock	7,000,000
Liberty bonds	4,064,870	Accounts payable	2,861,760
Cash	1,492,660	Depreciation res.	2,365,709
Bills & accts. rec.	2,941,893	Res., war prof. tax	602,000
Inventories	7,110,474	Res. for exting't of mine property	561,122
Short-term loan	—	Repairs, &c., res.	931,418
Miscellaneous	57,534	Bal. 3rd Lib. bds.	750,000
Adv. ore contracts &c.	110,589	Profit and loss	12,358,360
Total	37,930,370	Total	37,930,370

x Balance of subscription to Third Liberty Loan bonds payable July 18 and Aug. 15 1918.—V. 107, p. 1485.

Chicago Pneumatic Tool Company.
(Official Statement Dated April 30 1918.)

The New York Stock Exchange in June last listed the company's \$6,485,800 capital stock (of a total authorized issue of \$7,500,000). An official statement dated April 30 submitted to the Exchange shows in brief:

Organization.—Incorporated in N. J., Dec. 23 1901, with a capitalization of \$7,500,000, shares of \$100 each; charter perpetual. Manufactures, buys and sells air compressors, gas and oil engines, pneumatic and electric tools, rock drills, commercial motor trucks, railway motor cars (taking the place of hand cars) and all appliances thereto. It does business directly and through its subsidiaries in all parts of world, direct or through agents.

The company has outstanding an issue of \$2,500,000 (total authorized issue) of First Mortgage 20-year 5% Sinking Fund bonds, dated Jan. 1 1902 and due Dec. 31 1921, a first lien on the properties of the company and upon stock of subsidiaries. Redeemable at 105% and int. on 30 days' notice. Annual sinking fund \$50,000 for purchase of bonds at not exceeding 105 and int. To date there have been purchased and stamped "non-negotiable" \$1,220,000 of said bonds, leaving outstanding \$1,238,000, of which \$42,000 are held in the treasury. The subsidiary companies have no outstanding funded debt.

By the issuance of its stock and bonds, it acquired the assets and property of (a) Chicago Pneumatic Tool Co.; (b) Boyer Machine Co. of Detroit; (c) Franklin Air Compressor Co. (controlling the New York Air Compressor Co.) of Franklin, Penn.; (d) Pneumatic Tool Department of Chisholm & Moore Manufacturing Co. of Cleveland, Ohio; (e) Taite, Howard Pneumatic Tool Co., Limited, of London, England; (f) Standard Pneumatic Tool Company of Chicago and Aurora, Illinois; (g) Philadelphia Pneumatic Tool Co. of N. J.; (h) Canadian Pneumatic Tool Co. of Montreal; (i) International Pneumatic Tool Co., Ltd., of London, England, later consolidated with the Taite, Howard Pneumatic Tool Co., Ltd., under name of The Consolidated Pneumatic Tool Co. of London, England.

The corporate existence of the above acquired companies has ceased with the exception of the two last named ("h" and "i"):

Controlled Cos., Stock Owned Therein and Value on Books of Ch. P. Tool Co.

Name of Company	Incorporated	Date	Par.	Stock Auth.	Issued	Co. Owns	Book Val. x
Consol. Pneumatic Tool Co.	Gt. Brit.	1900	£1	£300,000	£185,222	All	\$1,102,785
Canadian Pneumatic Tool Co.	Canada	1902	\$50	\$50,000	\$16,600	All	16,600
Internationale Pressluft & Elektricitats Gesellschaft, m.b.H. of Berlin	Germany	1905	—	M300,000	M300,000	All	71,234
Chicago Pneumatic Tool Co. of Mass.	Mass.	1912	\$100	\$10,000	\$10,000	All	10,000

These and other investments together aggregate \$1,214,296, for which a reserve of \$12,925 is deducted.

The company has branch offices or selling agencies as follows: Boston, Philadelphia, Pittsburgh, Richmond, Va., Cleveland, Detroit, Cincinnati, Birmingham, St. Louis, San Francisco, Los Angeles, Seattle and Spokane, St. Paul, Minn., Salt Lake City, Utah, El Paso, New Orleans, Mexico City, D. F., Havana, Cuba, Denver, Colo., Omaha, Neb., &c.

The plants of the company are as follows: Detroit, Mich. (owned); Cleveland, Ohio (owned); Franklin, Pa. (owned); Chicago Heights, Ill. (owned); Fraserburgh, Scotland (held under 999 year lease, buildings owned); Montreal, Que. (leased).

Detroit Plant (owned).—This property is located at the corner of 2nd and Amsterdam Avenues, Detroit, and has a total floor area of 76,813 sq. ft. The buildings are constructed of brick and steel and are equipped with sprinkler system, excepting the heat treating department which is a fire-proof building throughout. Steam and electric power are used in the manufacture of portable pneumatic tools, and the output has been as shown below: 670 employees are employed at this plant.

Cleveland Plant (owned).—Occupies all of the 329 feet front on 49th St. and 160 feet on Lakeside Ave., Cleveland. Buildings brick and steel, one to three stories high, all interconnected. Product is pneumatic tools, chiefly consisting of Little Giant Drills. Material is purchased in the form of steel and gray iron castings made from the company's patterns and designs, drop forged steel parts and bar steel. Includes brass foundry of about 20-ton capacity per month. Product is used in the manufacture of the Little Giant Drills and in other plants employs about 500 men.

Franklin, Pa., Plant (owned).—Approximately 11.7 acres of land in city of Franklin, Venango County, Pa., on which are located two manufacturing plants known as Plant No. 1 and No. 2. Approximately 270 men are now employed. Output compressors and engines.

Chicago Heights (Ill.) Plant (owned).—Located in Chicago Heights, Cook County, Ill., on approximately 7 1/2 acres of land. Products in three distinct groups, viz.: motor trucks, Rockford railway cars (motor cars taking the place of hand cars) and rock drills. The production of motor trucks is mostly assembling, as the main units are purchased complete ready for assembling, and only the connecting links are manufactured from the raw stock. For the production of Rockford railway cars and rock drills the bar stock drop forgings and castings are purchased outside and machined and heat treated for assembly. Approximately 200 men are now employed.

Fraserburgh (Scotland) Plant.—The plant of the Consolidated Pneumatic Tool Co., Ltd., is in Fraserburgh, Scotland. Consists of about 14 acres held on a lease for 999 years dating from Jan. 1907 and building (owned) designed for production of pneumatic tools or similar appliances, a total floor area 37,775 sq. feet. Buildings, except the stores, are of stone with steel roof.

Montreal Plant (leased).—The Canadian Pneumatic Tool Co., Ltd., is located in Montreal. Present annual capacity and consumption of steel in manufacturing, 23 tons, and brass, 4 tons. Ten men are employed.

Net Earnings Available for Dividend and Surplus Account—Dividends Paid by Chicago Pneumatic Tool Co.

[Net earnings of foreign subsidiaries retained by them for working capital included.]

Years—	Company's Earnings.	Rate.	Dividend Amount.	Subsid. Cos. Earnings.
1911	\$412,739	4%	\$257,951	—
1912	601,196	4%	257,951	—
1913	705,697	4%	257,951	\$105,823
1914	278,655	4%	257,952	104,449
1915	533,247	4%	257,952	162,519
1916	953,423	4%	257,952	136,755
1917	1,169,390	4%	257,952	100,223

Earlier dividends were: 1902, 6%, \$453,263; 1903, 7 1/4%, \$361,979; 1904, 1/2 of 1%; 1905, 3%, \$244,551; 1906, 4%, \$244,351; 1907, 4%, \$190,063; 1908 and 1909, none; 1910, 4%, \$257,951.

In conformity with the policy adopted by the company in 1904 net charges to depreciation have been made as follows: Buildings, 1 1/2%; general machinery, special machinery and tools, shop furniture and fixtures, 6%; power plant, 8%; electric light and gas fixtures, office furniture and fixtures, patterns and drawings, 10%; foundry equipment, 8%.

Yearly Output of (1) Tools, (2) Compressors and Engines, (3) Auto Trucks and Railway Cars (Number of Each).

(1) Tools—	1910.	1911.	1912.	1913.	1914.	1915.	1916.	1917.
Detroit	14,246	14,084	16,370	19,137	13,092	16,575	20,011	25,566
Cleveland	8,214	6,733	8,032	10,452	5,885	5,414	8,015	11,442
Fraserburgh	—	—	1,860	1,946	1,734	1,674	3,221	3,769
(2) Compressors and Engines—								
Franklin	450	478	620	585	432	615	1,234	1,337
(3) Auto Trucks and Railway Cars—								
Chicago Hgts.	113	565	1,235	814	446	480	632	902

INCOME ACCOUNT OF SUBSIDIARY COS.—CALENDAR YEAR 1917.

Sales	Consol. Pneumatic Tool Co., Ltd.	Canadian Pneumatic Tool Co.
Cost of sales	\$282,887	\$400,754
Other expenses	149,011	369,734
Profit	\$11,443	\$31,020
Miscellaneous earnings	1,001	4,562

Net profit. — \$12,444

Note.—Because of the war there is no available income account for the Internationale Pressluft & Elektricitats Gesellschaft.

BALANCE SHEET OF SUBSIDIARY COMPANIES—DEC. 31 1917.

	Consol. Pneumatic Tool Co., Ltd.	Canadian Pneumatic Tool Co., Ltd.	Int. Pressluft Elektricitats Gesellschaft.
Assets—			
Goodwill and patents	\$87,749		\$1
Machinery, plant, &c.	2,191	\$42,723	
Investments at cost	70,025		8,144
Accounts receivable	94,503	122,186	241,099
Stock on hand and on consignment	105,042	301,561	290,345
Cash	96,008	10,060	291,931
Bills receivable		4,265	
Miscellaneous	2,294	4,316	
Total	\$457,811	\$485,111	\$831,626
Liabilities—			
Capital stock issued	\$185,224	\$16,600	\$300,000
Accounts payable	26,859	301,110	17,128
Bills payable	39,800	1,666	
Accrued commissions	5,029		5,354
War contingencies	57,093		
Depreciation of investments	3,000	21,102	1,104
Profit and loss	140,806	144,633	173,131
Chicago Pneumatic Tool Co.			315,409
Doubtful debts and legal expenses			19,500
Total	\$457,811	\$485,111	\$831,626

Directors.—(Terms expiring 1919) J. R. McGinley, Chairman, Pittsburgh, Pa.; Willard A. Mitchell, New York; Herbert A. Jackson, Chicago. (Terms expiring 1920) Charles M. Schwab, New York; James H. Ward, New York; J. L. Price, Chicago. (Terms expiring 1921) W. O. Duntley, Chicago; Allan A. Ryan, New York; E. M. Richardson, New York.

Executive Committee.—J. R. McGinley, Chairman; Willard A. Mitchell, W. O. Duntley, Herbert A. Jackson, J. L. Price.

Officers.—President, Herbert A. Jackson; V.-Presidents, J. G. Osgood and J. L. Price; Treasurer, L. Beardsley; Secretary, W. B. Seelig; Auditor, R. S. Baker; Assistant Secretaries, Thomas Aldcorn and Charles Booth.

The report of the company itself for the calendar year 1917 was given in V. 106, p. 705. As to new bond issue, see a subsequent page and V. 107, p. 1581, 1483.

Nevada-California Electric Corporation.
(Report for Fiscal Year ending Dec. 31 1917.)

Pres. W. E. Porter, Denver, says in substance:

Merger.—All outstanding securities of the subsidiaries owned by the Central California Electric Corporation, acquired by your corporation in 1916, were deposited in 1917 with the trustee under your First Lien 6% Gold Mortgage. The Central California Electric Corporation was then dissolved. During 1917 the Nevada-California Power Co. purchased the entire physical property and other assets of the Pacific Power Corporation. Since the first of the year the Railroad Commission of California has approved the purchase by the Southern Sierras Power Co., of the properties of four subsidiary companies: Corona Gas & Electric Light Co., Rialto Light, Power & Water Co., Coachella Valley Ice & Electric Co., and Bishop Light & Power Co. These purchases have been consummated. It is hoped that our corporate structure may be still further condensed by future eliminations.

Earnings.—The gross revenues of the subsidiary companies indicate a satisfactory growth. The increased cost of materials, fuel and labor, together with additional taxes and other fixed charges, has caused expenses to increase more rapidly than revenues.

William E. Humphreys, chartered accountant, Denver, June 15, reports (in brief):

Organization.—Practically all of the capital stocks of the subsidiary companies are owned by your corporation, and all of their bonds are also owned except a portion of the first mortgage issues of Nevada-California Power Co. and the Southern Sierras Power Co.

Funded Debt.—The trustee has certified on Dec. 31 1917 \$742,000 of First Lien 6% Gold Bonds, Series "A," which were available for the use of the Corporation at that date. These are not shown in the general balance sheet either as assets or liabilities.

The first mtge. issue of Nevada-California Power Co. was \$3,000,000, of which \$575,000 have been redeemed and canceled through the sinking fund and \$402,000 have been acquired by the Electric Corporation, so that only \$2,023,000 are outstanding in the hands of the public.

The first mtge. issue authorized by the Southern Sierras Power Co. was \$5,000,000 of which only \$2,650,000 were actually issued, and through the operation of the sinking fund \$17,000 of these have been redeemed and canceled, while \$620,500 have been acquired by the Electric Corporation, leaving only \$2,012,500 in the hands of the public. This is a closed mtge.

The financing plans of the corporation provide that all bonds issued by the various underlying companies shall be purchased by the corporation and pledged under the indenture securing the First Lien 6% Gold Bonds.

Acquisitions, &c.—Several important changes have taken place in the past year in the properties of the companies. The power plant of Pacific Power Corporation, its transmission and distributing lines and other assets were acquired by the Nevada-California Power Co., while the completion of two units of the hydro-electric plant on Rush Creek and the construction of a transmission line to Yuma, Ariz., and numerous extensions of the distribution system have added greatly to the power load, the number of customers and the earnings of the companies.

Profits for the Year.—The final net available surplus of all companies for the year, after eliminating inter-company transactions and after deducting all fixed charges, &c., and appropriating \$83,354 for the bond redemption fund, was \$336,217, as compared with \$293,520 for the year 1916.

The increase in expenses was brought about by increased Federal income and local taxes, the operations of the ice company, and the operation of additional plant capacity. General expenses, extraordinary repairs and distribution expenses decreased. The gross earnings, however, increased to such an extent that the operating profits showed an increase of \$153,107.

Total Undivided Surplus.—The summary of surplus earned as of Dec. 31 1917, all subsidiary companies being included, shows that, after the payment of \$352,006 of dividends declared in 1917, there remained a total unappropriated surplus of \$2,405,771, in addition to which there were reserve accounts which were in reality surplus amounts aggregating \$56,513.

Status.—The financial condition of the corporation and all sub-companies after eliminating inter-company securities and accounts, and after applying the reserves for depreciation to reduce permanent property accounts, may be summarized as follows:

Permanent property, less depreciation reserves	\$23,674,898	Total assets	\$25,112,309
Other assets	1,437,411	Total liabilities	11,577,368
Leaving the total value of all assets in excess of all liabilities	\$13,534,941		

Working Capital.—The year 1917 showed a decrease in working capital of \$775,000, due to the large expenditures on property and equipment. This decrease, however, should be overcome by the sale of First Lien bonds of the corporation available for this purpose.

EARNINGS FOR CALENDAR YEARS.

	1917.	1916.	1915.	1914.
Earnings, all sources	\$1,992,811	\$1,554,780	\$1,657,620	\$1,564,017
Expenses and taxes	914,719	616,276	735,814	682,103
Operating profit	\$1,078,092	\$938,504	\$921,806	\$881,914

INCOME ACCOUNT FOR CALENDAR YEARS.

	1917.	1916.	1917.	1916.
Oper. earnings:				
Light	231,117	227,457	298,919	126,251
Power	1,461,871	1,232,125	68,758	33,996
Ice, cold st. & wat.	216,431	11,935	5,576	18,833
Miscellaneous	75,731	55,380	21,024	27,449
Total op. earns.	1,985,150	1,526,897	374,277	186,529
General expenses	786,125	521,532		
Taxes	128,594	88,244		
Oper. profits	1,070,431	917,121		
Other income (net)	7,661	20,917		
Total income	1,078,092	938,038		
Deduct—				
Int. 1st M. bonds	248,531	322,052		
Total deduc'ns.	248,531	322,052		
Previous surplus	\$2,421,560	2,254,535		
Total surplus	\$2,405,771	2,282,205		

x Includes available surplus for the year, \$336,217; surplus at the beginning of the year, \$1,785,997; surplus appropriated for bond redemptions, \$579,563; deficit of Central California & Pacific Power Corp. at time of

amalgamating the properties and securities of those companies in 1917 into the Nevada-California Power Co., inserted for reconciling purposes, \$56,000.

COMBINED GENERAL BALANCE SHEET DECEMBER 31.

	1917.	1916.	Liabilities—	1917.	1916.
Assets—			(Continued)		
Prop., equip., &c.	24,144,242	23,327,392	N.-C. Elec. Corp.		
Investments	265,901	267,039	1st Lien bonds	5,155,400	4,760,000
Special dep. & s. f.	1,742	26,419	Cent. Cal. El. Corp.		
Inventories	310,811	234,617	1st Lien bonds		23,000
Current assets	433,789	621,251	2d Lien bonds		11,570
Due on stk. subsc.	53,016	94,001	N.-C. Pow. 1st M.	2,023,000	2,121,000
Due from contr. cos.	298,958	144,091	So. Sierras Power		
Prepaid insurance	73,361	61,606	Co. 1st M. bds.	2,012,500	2,184,500
Prem. pd. on sec. & unamortized dis-			Coachella Vall. Ice & El. Co. 1st M.		2,000
count & expense	3,514,424	3,182,103	Imp. Ice & Devel.		
Total	29,096,244	27,958,519	Co. 1st M. bds.		10,000
			N.-C. El. conv. bds.	990,800	1,456,800
Liabilities—			Current liabilities	1,395,668	606,466
N.-C. Elec. Corp.:			Susp. credit items	168	
Prof. stock	6,046,300	5,322,100	Res'v. for deprec. do fire losses, &c.	469,344	592,249
Common stock	8,529,900	8,514,700	Surplus	2,405,771	2,282,206
Sub. cos. cap. stk.			Discts. in bd. red.	2,805	4,238
Not held by N.-C.	10,881	21,505	Total	29,096,244	27,958,519

Note.—Liabilities covering matured bond interest coupons, matured Nevada-California Power Co. scrip and accrued interest thereon, and the offsetting deposits not included.—V. 107, p. 1290.

American Window Glass Co., Pittsburgh, Pa.
(Report for Fiscal Year ending Aug. 30 1918.)

President M. K. McMullin reports in substance:

Operations.—The operation of the factories during the past year has been curtailed to a very large extent, due to the issuing of a Government order on Feb. 20 1918. This order restricted the consumption of fuel at each plant from Dec. 8 1917 and ending Dec. 7 1918, to an amount not in excess of what was necessary to produce one-half of the quantity of common window glass produced during either of the two preceding fiscal years.

Under this order the company was authorized to produce during the period covered by the order, 1,727,185 50-ft. boxes of common window glass. This amount includes all glass known in the trade as 16-oz., single strength, double strength and glass heavier than double strength, but does not include photo dry plate and X-ray glass.

We produced, from Sept. 1 1917 to Dec. 8 1917, 736,044 50-ft. boxes of glass which was not covered by the order, and produced from Dec. 8 1917 to Aug. 30 1918, applying on the curtailment order, 1,205,949 50-ft. boxes, making the total production for our fiscal year 1,941,993 50-ft. boxes. In order to complete our quota under the curtailment order, the company is entitled to produce from Aug. 31 1918 to Dec. 7 1918 521,236 50-ft. boxes.

The restricted output caused a very great increase in the cost of production, owing to large increases in wages, and naturally compelled corresponding increases in selling price.

Improvements.—We made some improvements and developed some new patentable devices which are enabling us to increase our total average production per machine per eight-hour shift for the past fiscal year 10% over the total average for the year 1916-17. In order to provide an adequate supply of fuel, we are installing at our Arnold and Belle Vernon factories up-to-date and substantial producer plants, to provide us with fuel at the lowest available cost, rendering these two plants entirely independent of the falling supply of natural gas. The erection of the producer plants and the necessary flues has cost in the neighborhood of \$1,000,000.

Sales—Supplies on Hand.—During the past fiscal year our sales of all kinds of window glass very considerably exceeded the amount of glass that we produced. This was possible through our having a much larger amount of glass in our warehouses Aug. 30 1917 than we had at the close of the fiscal year, which was the smallest the company has ever had.

Had it been possible to secure more vessel space the export trade would have been much larger.

Western Pennsylvania Natural Gas Co.—This gas company still shows a profit from its operations, although our supply of gas is decreasing. We are continuing to drill, but the wells are small. We will, however, have considerable gas from our fields for some years.

PRODUCTION AND INCOME ACCOUNT.

Year ending—	Aug. 30 '18.	Aug. 31 '17.	Aug. 25 '16.	Aug. 27 '15.
Boxes com. window glass:				
Single strength	1,941,993	2,434,198	2,431,193	1,900,069
Double strength		609,635	669,265	723,258
Net profits	\$5,846,079	\$4,932,893	\$3,461,978	\$2,053,454
Other income	29,873	78,876	55,753	114,133
Total income	\$5,875,952	\$5,011,769	\$3,517,731	\$2,167,587
Deductions	279,219	304,139	180,536	193,971
Net income	\$5,596,733	\$4,707,630	\$3,337,195	\$1,973,616
Royalties	1,784,312	1,541,180	1,380,861	862,295
Balance, surplus	\$3,812,421	\$3,166,450	\$1,956,334	\$1,111,321
Preferred dividends (7%)	\$279,650	(7)\$279,650	(18½)\$739,075	(49)\$1,957,550

BALANCE SHEET.

	Aug. 30 '18.	Aug. 31 '17.	Aug. 30 '18.	Aug. 31 '17.
Assets—			Liabilities—	
Pl'ts, good-w., &c.	18,210,238	17,537,523	Common stock	13,000,000
Materials & supp.	1,522,280	1,743,339	Preferred stock	4,000,000
Investments	71,059	85,421	1st mtge. and col-	4,000,000
Treasury stock	5,000	5,000	lateral bonds	1,084,000
Cash, notes, &c. rec.	2,249,266	2,204,432	Accts., notes pay-	
Discount on bonds	140,288	187,738	able, &c.	737,338
Repairs, &c.	137,651	41,273	Royalty accounts	819,962
Prepaid insur., &c.	55,887	47,948	Res'v. for repairs	709,413
U. S. Liberty bonds	224,455	121,650	Miscellaneous	30,956
Profit and loss		1,298,316	Profit & loss surp.	2,234,455
Total	22,616,124	23,272,639	Total	22,616,124

—V. 107, p. 1580.

Ogilvie Flour Mills Co., Ltd.

(Report for Fiscal Year ended Aug. 31 1918.)

W. A. Black, Vice-President and Managing Director, on Oct. 10 1918 reported in substance:

The output of our flour mills was somewhat less than for the previous year, owing to the control of wheat by the Food Board, which allotted to the mills their proportionate share. The capacity of our cereal mills was increased during the year, the output being materially increased, and finding ready sale at satisfactory prices.

Our trading in grains and other commodities was large and profitable, and these profits, together with income from investments, give us nearly 60% of our total profits.

The turnover for the year was \$56,657,117, of which \$40,412,848 was on the sale of the products of our flour mills, the profits from which netted us \$832,910, or only a shade over 2% (2.06% to be exact) on the turnover, a figure which is indeed very low.

Realizing that our business is subject to exceptional market changes, it has been our policy to carry the large supplies and investments at a most conservative figure, but owing to Government requirements and in order to take care of any sudden change in values, a special contingent account has been established, flour and wheat being from two to three times normal values. We profited by the advance to high prices, and it is hardly possible to avoid some loss when normal values again prevail.

We continue to contribute largely to the income and business profits taxes, our contribution this year again exceeding the dividends paid to the shareholders of our ordinary stock. There has been practically no change in the holdings of our shareholders, the average holdings being 34 shares.

The outlook this year is hardly as promising as last. First, for the reason that the Government has felt it necessary to adopt the use of the same quantity of substitutes for flour as is used by our allies, which means a reduction in the use of wheat flour in Canada by some 20%. Second, the

export outlook is not as bright as it was a year ago, but we feel confident of the maintenance of a satisfactory return to the shareholders.

[The usual quarterly dividends were paid during the year on the preferred stock, and four quarterly dividends of 3% were paid on the common stock, together with a bonus of 15%, which was paid on Oct. 1 1918.]

INCOME ACCOUNT FOR YEARS ENDING AUG. 31.

	1917-18.	1916-17.	1915-16.	1914-15.
Trading profits aft. bond				
int. & prov. for war tax	\$832,911	\$721,038	\$774,270	\$459,780
Other profits	1,122,504	637,809		1,059,813
Total profits	\$1,955,415	\$1,358,847	\$774,270	\$1,519,593
Prof. dividends (7%)	140,000	140,000	140,000	140,000
Common dividends (27%)	675,000	625,000	300,000	200,000
Balance, surplus	\$1,140,415	\$593,847	\$334,270	\$1,179,593

BALANCE SHEET AUG. 31.

Assets—		Liabilities—	
1918.	1917.	1918.	1917.
Plant, real est., &c.	5,692,892	5,888,290	2,000,000
G'd-will, tr. mks., &c.	1	1	2,500,000
Cash on hand, &c.	1,078,472	259,072	2,350,000
Bills receivable		617,278	2,350,000
Accts. rec. (less res.)	1,501,826		3,433,615
for contingencies		1,667,868	2,171,961
Mat'ls & suppl's	1,462,916	2,637,010	520,250
Stable, plant, &c.		35,200	1,596,407
Investments	6,575,150	1,148,084	253,645
Pension fund	173,252	111,064	2,500,000
Total	16,484,510	12,363,866	16,484,510
			12,363,866

x Includes \$4,896,900 Dominion of Canada War Loans and Treasury bills.—V. 107, p. 1582.

Certain-teed Products Corporation.

Extracts from Statement to New York Stock Exchange.

The company's reports for the fiscal year 1917 and for the half year ending June 30 1918 were cited in the "Chronicle" of Sept. 7 1918 in connection with the various data from the company's statement to the New York Stock Exchange dated April 1 1918. Further facts reported to the Exchange follow:

Data from Statement to New York Stock Exchange.

Organization.—Organized under laws of Maryland Jan. 30 1917 and amended certificate filed Feb. 9 1917. Charter perpetual. Total authorized capital stock, 250,000 shares, consisting of 100,000 shares of 7% cum. first pref. stock, par \$100 each; 50,000 shares of 7% cum. convertible second pref. stock, par \$100 each, and 100,000 shares of common stock, without nominal or par value. [The \$3,500,000 first pref. stock was placed by William Salomon & Co. See offering, V. 104, p. 954; V. 105, p. 718.]

The corporation (being a reorganization of General Roofing Mfg. Co., an Illinois corporation established in 1904), in accordance with the terms of its charter, is engaged in the business of manufacturing and selling prepared roofings and building papers, tarred felts, insulating papers, wall boards, deadening felts, paints, varnishes, stains, enamels, and kindred products, the principal brands being known as "Certain-teed." The new corporation took the name "Certain-teed" to realize the more effectively upon the great trade value of that name.

The plan of reorganization of General Roofing Mfg. Co. provided for the retirement of its outstanding preferred stock and gave each holder of its common stock for each share thereof \$25 cash, 1 1/4 shares of said second preferred stock and 4 shares of said common stock of Certain-teed Products Corporation; \$1,925,000 of second pref. stock and 44,000 shares of common stock without nominal or par value were thus issued to the holders of the common stock of General Roofing Mfg. Co. The directors of the new corporation accordingly authorized the issuance of the following shares: (a) 28,250 shares of first pref., 19,250 shares of second pref., and 60,000 shares of common stock, to be issued for property valued by the board of directors in said resolution at \$6,550,000, consisting generally of all the assets of General Roofing Mfg. Co., both tangible and intangible, all the capital stock of Mound City Paint & Color Co., and the felt manufacturing plant at Niagara Falls, New York, formerly belonging to Lockport Paper Co.; (b) 6,750 shares of first preferred stock to be sold for cash at not less than \$100 per share; (c) 10,000 shares of common stock, to be sold for cash at not less than \$20 per share; of this 10,000 shares of common stock, described under (c) above, none were immediately issued, but 5,000 shares have recently been sold to employees on a deferred payment plan.

Pursuant to said authorization by the board, shares of said first preferred stock and of said common stock were sold for a cash sum which was used to prepay and retire outstanding bonds secured by three mortgage deeds of trust which were liens on the New York, Marseilles and East St. Louis plants (said bonds have been canceled and the mortgages discharged of record); to purchase the capital stock of Mound City Paint & Color Co., Gregg Varnish Co. and Kent & Purdy Paint Co.; to purchase the felt manufacturing plant of Lockport Paper Co., and to build a roofing plant at Niagara Falls, New York; to build a roofing plant in Contra Costa County, near Richmond, California; to provide for the retirement and cancellation of the preferred stock of General Roofing Mfg. Co., and for the cash to be paid to the holders of the common stock, as hereinbefore described; and to provide at least \$675,000 additional working capital.

Under the laws of Maryland a director need not be a stockholder, and nothing contained in the charter requires that a director be a stockholder.

Companies Whose Entire Issued Capital Stock Is Owned by the Corporation.

Name of Company	Incorporated.	Authorized.	Issued.
1. Mound City Paint & Color Co.	Missouri	1880	\$120,000
2. Gregg Varnish Co.	Missouri	1895	24,000
3. Kent & Purdy Paint Co.	Missouri	1887	40,000
4. Certain-teed Products Corp. of Mo.	Missouri	1917	50,000
5. Certain-teed Prod. Corp. of Texas.	Texas	1915	10,000
6. General Roofing Mfg. Co.*	Illinois	1904	50,000
7. Gen'l Roofing Co., Ltd., London	England	1916	2,000 shs. 503 shs.

* At the time of the purchase of its property and assets by the corporation, General Roofing Mfg. Co. had outstanding \$900,000 7% cum. pref. stock, and \$1,100,000 of common stock; in March 1917 the capitalization was reduced to \$50,000, consisting of 500 shares of \$100 each. The company has ceased active business. Its charter is preserved chiefly for the purpose of retaining the good-will attaching to its name.

Preferred Stock.—The rights of the pref. shareholders are set forth at great length, including:

(1) **First pref.** holders will vote exclusively in case two 1st pref. quarterly dividends are unpaid, and vote so long as there are any arrears. Three-quarters vote of the outstanding 1st pref. stock is necessary to (a) create any mortgage, (b) create shares prior to or equal with the 1st pref. stock, (c) create any evidences of indebtedness maturing later than one year from date of issue, and (d) sell or dispose of the assets as an entirety. No additional 1st pref. stock shall be issued unless the net profits are three times the annual dividend requirements of the 1st pref., plus that to be issued. The company is to set aside a sinking fund out of surplus after 1st pref. dividends on or before April 1 yearly commencing with April 1 1918, a sum equal to 3% of the maximum amount of 1st pref. theretofore issued. In case of involuntary dissolution, the first pref. shares are entitled to payment of their face value and all accrued dividends before any payment on the 2d pref. and if the dissolution is voluntary, or in case the 1st pref. shares are called for payment, on 60 days' notice, all or any part, the holders shall receive 120 and divs.

(2) **The Second preferred** shares are entitled to par and dividends in case of dissolution or to 110 and divs. in case the dissolution is voluntary or in case said shares are called for payment, all or any part, on 60 days' notice. As to the first \$2,000,000 of said 2d pref. stock, any holder thereof may at any time prior to Jan. 1 1920 convert such second pref. stock into common stock of the corporation having no nominal or par value at the rate of one and one-third shares of such common stock for each share of 2d pref. stock of the par value of \$100, and thereafter and at any time prior to Jan. 1 1922 may convert such 2d pref. stock into such common stock at the rate of one share of such common stock for each share of such 2d pref. stock, in each case with a cash adjustment of accrued dividends, under suitable

regulations to be prescribed by the board of directors. If any 2d pref. stock shall have been called for redemption, the holder thereof may nevertheless convert the same within the period, and upon the terms above stated, up to 30 days prior to the date fixed for redemption. The 2d pref. stock so surrendered for conversion shall not be reissued, and no 2d pref. stock shall be issued in lieu thereof or in exchange therefor.

The holders of the remaining shares of the 2d pref. stock authorized to be issued by the certificate of incorporation, over and above said first \$2,000,000 par value thereof issued, shall have the right to convert the same into common stock without any nominal or par value, at any time prior to Jan. 1 1922, only if and to the extent that such right may be conferred upon the holders of such stock, or of any thereof, by resolution of the board, and at such rate of conversion, and upon and subject to such terms, as may be provided by such resolution.

So long as any of the 1st pref. stock shall be outstanding no dividend in excess of \$4 per share for any one fiscal year shall be declared or paid upon the common stock unless, after the payment of such dividend, the surplus (exclusive of moneys in the 1st pref. stock sinking fund unapplied) shall be equal to two years' dividends on the 1st pref. stock at the time outstanding, or shall amount to at least \$1,000,000, whichever sum may be the larger.

No holder of 1st pref. stock shall have any preferential right of subscription to any shares of any class of stock of the corporation issued or sold, nor to any obligations convertible into stock, nor any right of subscription to any thereof other than such, if any, as the board of directors in its discretion may determine.

All preferred stock redeemed shall be canceled.

Sales Offices and Warehouses.—The corporation maintains (a) sales offices and warehouses in Atlanta, Cincinnati, Houston, Kansas City, Memphis, Nashville, New Orleans, St. Louis, Boston, Richmond, Albany, Buffalo, Cleveland, Pittsburgh, Chicago, Des Moines, Duluth, Grand Rapids, Indianapolis, Milwaukee, Minneapolis, Los Angeles, Salt Lake City, Seattle. (b) Sales offices also in New York, Philadelphia, London (Eng.), Havana (Cuba), Detroit; (c) warehouses also in Birmingham, Ala.; Bangor, Jersey City, Norfolk, Springfield, Mass., Portland, Ore., Spokane.

GENERAL INVESTMENT NEWS

RAILROADS, INCLUDING ELECTRIC ROADS.

Government Operation of Railroads.—*List of Roads Under Federal Control.*—The list of railroads and systems of transportation under Federal control as issued Oct. 10 1918 may be found on previous pages in this issue. The list contains the names of upwards of 600 roads.—V. 106, p. 1688, 1576.

Algoma Central & Hudson Bay Ry.—*Int. Payment.*—See Algoma Central Terminals, Ltd., below.—V. 107, p. 1481.

Algoma Central Terminals, Ltd.—*Interest Payment.*—Interest for the year ending June 30 1918 at the rate of 5% per annum will be paid on this company's First Mortgage 50-year gold bonds for the year ending June 30 last, upon presentation of coupon No. 3 at the office of the Bank of Montreal, London or New York. This payment will be made Nov. 1.

Interest at the rate of 2% will be paid under the same conditions upon presentation of coupon No. 1 of the 5% 50-year gold bonds of the Algoma Central & Hudson Bay Ry. (V. 107, p. 1481).—V. 106, p. 1695.

Brooklyn Rapid Transit Co.—*Denied.*—

The New York P. S. Commission has denied this company's application for the modification or further postponement of the order requiring the obtaining of new cars. The commission has also instructed its counsel to begin proceedings by mandamus, penalties or otherwise because of the failure of the companies to obey the order.

The War Labor Board on Oct. 24 handed down a decision in the dispute between the company and certain of its employees, in which it held that 29 men must be reinstated by the company which it found reason to believe had discriminated against union employees in violation of a proclamation issued by President Wilson on April 9, covering the rights of workmen to organize.—V. 107, p. 1384, 1191.

Canadian Northern Ry.—*Tunnel Opens.*—

Announcement is made that the Mt. Royal Tunnel on the new Montreal-Ottawa short line was opened for traffic on Oct. 21.—V. 107, p. 1481, 1384.

Chicago Burlington & Quincy RR.—*Standard Return.*—

The Director-General of Railroads on Oct. 22 signed the contract between the RR. Administration and this company calling for an annual rental of \$33,300,079. (Unconfirmed).—V. 107, p. 1384.

Chicago & North Western Ry.—*Standard Return.*—

The Director-General of Railroads on Oct. 22 signed the contract with this company fixing the amount of annual rental, &c., at \$23,364,028. (Unconfirmed).—V. 107, p. 1481.

Chicago St. Paul Minneapolis & Omaha RR.—*Standard Return.*—

The Director-General of Railroads on Oct. 22 signed a contract between the RR. Administration and this company fixing the annual rental at \$4,934,789. (Unconfirmed).—V. 107, p. 1286.

Chicago & Western Indiana Ry.—*Note Renewal.*—

A press report states that the directors on Oct. 24 authorized the renewal of the \$15,000,000 one-year 6% notes which fell due on Sept. 1, but which were not paid because of lack of funds.

The renewal of these notes is for one year from Sept. 1 and they are renewed upon the same basis as the original issue. In consideration of such renewal, however, a premium of 1 1/4% will be paid at the time of renewal.—V. 107, p. 1579.

Cincinnati Findlay & Fort Wayne.—*Sale.*—

Special Master Frank H. Shaffer will sell this property under foreclosure at Findlay, Ohio, on Nov. 18 1918; upset price, \$200,000. The Nov. 1914 and subsequent coupons on the \$1,150,000 First Mgt. Guar. gold bonds remain unpaid. The property was not included in the Cinc. Ham. & Dayton reorganization plan as issued, but under adjustments of certain claims arranged by the committee, the depositing bondholders in August 1917 received \$200 per bond (V. 105, p. 606).—V. 107, p. 1481, 695.

Colorado Southern Railway.—*Standard Return.*—

The Director-General of RRs. on Oct. 22 signed the contract between the RR. Administration and this co. fixing the annual rental (including Wichita Valley line) at \$4,934,789 (unconfirmed).

Sub.-Co. Default.—

See Colorado Springs & Cripple Creek District Ry., on page 1579 in last week's issue.—V. 107, p. 1003, 401.

Cripple Creek Central RR.—*Sub.-Co. Default.*—

See Colorado Springs & Cripple Creek Ry. on page 1579 in last week's issue.—V. 107, p. 802.

Detroit Grand Haven & Milwaukee Ry.—*Bond Payment*

We are informed officially that the equipment and consolidated bonds of this company falling due on Nov. 14 and 15 will be paid off in cash at maturity or, at the option of the holders of the bonds, will be extended for a further period of two years, then to be redeemed at 101 and interest at 6%. The option will be advertised and circular issued in due course.

Decision.—

Judge John S. McDonnell in the Circuit Court at Grand Rapids, Mich., on Sept. 23, re-entered the decision holding that the special charter of the company is unassailable and the reports of the company on the amount of capital stock paid in, upon which its taxes are computed, are correct. The special charter which was granted to this company provides that the company shall pay an annual tax of 1% on the capital stock paid in.—V. 107, p. 1287.

Fairmount Park Transit Co.—Acquisition.—

The Phila. Stock Exchange on Oct. 16 struck off the Unlisted Department the capital stock of the Fairmount Park Transportation Co., the Stock Exchange having been advised that the property and assets of this company had been acquired through public sale, by the Fairmount Park Transit Co. See plan declared operative in Feb. 1915 and now, it is understood, consummated in V. 100, p. 555. Compare also p. 94 of "Electric Railway Section."—V. 105, p. 2455.

Fairmount Park Transportation Co.—Sale.—

See Fairmount Park Transit Co. above.—V. 105, p. 2455.

Federal Light & Traction Co.—Note Exchange.—

Replying to our inquiry, we are advised that \$265,000 par value of the 5% Two-Year gold notes of this company have been retired; having given in exchange therefor Three-Year 7% gold notes of a like face amount, dated Feb. 1 1918.

The remaining \$22,000 will be taken up with cash on Nov. 1 1918, if same are presented to the Trustee, the Rhode Island Hospital Trust Co. of Providence, R. I.—(V. 107, p. 696.)

Fort Worth & Denver City Ry.—Standard Return.—

The Director-General of Railroads on Oct. 22 signed the contract between the RR. Administration and this company fixing the annual rental at \$1,891,386. (Unconfirmed.)—V. 107, p. 1003.

Hawkinsville & Florida Southern Ry.—Officers.—

Fairfax Harrison has been elected President of this company and F. S. Wynn as Treasurer.—V. 107, p. 1287.

International Traction Co. of Buffalo.—Court Decision.—

The Court of Appeals at Albany on Oct. 23 reversed the recent order of the lower courts issuing a writ of mandamus designed to compel the company to resume service. The Court of Appeals held that the matter should be remitted for a rehearing at a special term of the Supreme Court.—V. 107, p. 1579, 1482.

Kansas City & Memphis RR.—Sale.—

This property was sold at public auction for \$275,000 to the bondholders' protective committee of the Arkansas Oklahoma & Western Ry. who hold first lien on the company. The property has been in receiver's hands since 1914.—V. 106, p. 2757.

Meridian Terminal Co.—Officers.—

The present officers of this company are: H. W. Miller, Pres.; F. S. Wynn, Treas.; and Richard Miller, Sec.—V. 85, p. 1402.

Middletown & Unionville RR.—Adjustment Interest.—

This company will pay 3% interest on its Adjustment Income Mortgage bonds on Nov. 1 at the Bankers Trust Co. upon presentation of coupon No. 7 which was due April 30 1918.—V. 106, p. 1797.

Monterey & Pacific RR.—Decision.—

The California Supreme Court has affirmed the judgment of the lower court which held the Monterey Gas & Electric Co. liable for bonds of this company to the amount of \$300,000, on which interest has not been paid. Action in this case was brought by the San Francisco Theological Seminary and was one of the 17 others of similar nature.—V. 100, p. 398.

Nashville Chattanooga & St. Louis Ry.—President.—

Whiteford B. Cole, Chairman of the Board, has also been elected President to succeed the late John Howe Peyton.—V. 107, p. 1192, 607.

New York Chicago & St. Louis RR.—Mortgage.—

The "Chronicle" is in receipt of the following official data:

"The stockholders on July 2 1918 authorized a "Second & Improvement Mortgage" for an aggregate amount of \$35,000,000, which may be issued and outstanding at any one time, including the Gold Bonds of 1906 (debentures), which are equally secured, leaving new bonds to the amount of \$25,000,000, which may be issued for improvements.

"This mortgage is dated May 1 1918, and all bonds thereunder will mature May 1 1931. Bonds are to be issued in series, each series to bear such rate of interest as may be fixed by the directors in each instance. This mortgage has not been approved by the Director-General of Railroads, and no bonds have been issued thereunder."

The total Government advances to this company are as follows: Aug. 1 1918, \$132,275; Oct. 1 1918, \$370,000; total, \$502,275. These advances were made as loans upon the company's demand notes, bearing interest at 6%. The notes are not secured by collateral.

Chairman O. P. Sweringen is also President of the company, and H. D. Howe, Marshall Bldg., Cleveland, has succeeded William A. Morgan as a director and been made Vice-Pres. & Gen. Counsel. J. J. Bernet retired from the board to become Gen. Mgr. of the company under the U. S. Govt.—V. 107, p. 1101, 604.

New York Ontario & Western RR.—Standard Return.—

The proposed "standard return" as approved by I.-S. C. Commission is \$2,103,589, but the contract has not as yet been signed. The shareholders will meet Nov. 1 to approve the contract.

While the capital outlays approved by the U. S. RR. Administration amounted to \$213,379, two items aggregating \$74,000 were deferred until at least another year, leaving for 1918 \$139,379. As anticipated rental (not as loan), the Govt. has paid the company \$400,000. Richard D. Rickard is Secretary and Treasurer of the corporation, with Arthur L. Parmelee as Acting Federal Treasurer.—V. 107, p. 1004.

Northern Pacific Ry.—Government Contract.—

Stockholders on Oct. 25 voted to authorize the directors to execute a contract between the company and the Director-General of RRs. for operation of the property under Federal control.—V. 107, p. 1482, 1004.

Oklahoma Railway (Oklahoma City).—Fare Situation.—

This company has given notice that it was to file an application on Oct. 21 for permission to increase its passenger fares on its interurban lines.—V. 106, p. 2229.

Pacific Gas & Electric Co.—Earnings.—

Earnings for September and Years ending Sept 30

	September—1918.	September—1917.	Yrs end 1918.	Sept 30—1917.
Gross oper. revenue.....	\$1,965,019	\$1,696,828	21,638,310	19,501,093
Exp., incl. taxes, reserve for depreciation, &c.—	1,349,821	1,110,506	14,620,478	12,063,349
Net earnings.....	\$615,798	\$586,322	\$7,017,832	\$7,437,746
Other income.....	45,921	41,057	481,717	574,293
Total net income.....	\$661,719	\$627,379	\$7,499,549	\$8,012,039
Total deductions.....	481,983	485,196	5,801,088	5,635,073
Balance.....	\$179,736	\$142,203	\$1,698,461	\$2,376,966

—V. 106, p. 925.

Petaluma & Santa Rosa Ry.—Reorganization Data.—

The California RR. Commission, by a supplementary order, approved the stipulation of the company as to the amortization of its debt and granted permission to the reorganized company to issue (a) \$698,400 of 5 1/2% 25-year First Mtge. bonds; (b) \$173,600 6% Cum. Pref. stock; (c) \$1,000,000 Com. Stock. Compare plan, &c., V. 105, p. 2456.—V. 107, p. 906, 1193, 1580.

Quebec Central Railway Co.—Earnings.—

Results for Fiscal Years ending June 30.

	1917-18.	1916-17.	1915-16.	1914-15.
Net, after taxes.....	\$501,845	\$518,627	\$492,274	\$417,482
Other income.....	5,500	15,427	16,840	8,617
Int. on 4% deb. stock.....	117,741	175,314	175,314	175,314
Int. on 3 1/2% deb. stock.....	57,573			
Int. on 5% 3d M. bonds.....	82,247	82,247	82,247	82,247
Dividends.....	(5%)169,080	(5)169,080	(4)135,264	(4)135,264
Balance, surplus.....	\$80,905	\$107,413	\$116,089	\$33,274

—V. 105, p. 2180.

Pittsburgh Rys.—Interest, &c., to be Paid.—

Judge Charles P. Orr in the United States District Court at Pittsburgh on Oct. 17, following the filing of a petition by receivers Caslery and Stewart, setting forth a statement of the indebtedness of the company falling due during October and aggregating \$530,128, ordered the receivers to pay out moneys in the way of interest and fixed charges aggregating \$100,152.—V. 107, p. 1385, 1288.

Rhode Island Co.—Fare Increase—Wages.—

The Rhode Island P. U. Commission on Oct. 17 granted this company an increase in fares to go into effect Oct. 23. All zones for which two-cent fares are now collected will become nickel zones, and in nine instances the sizes of the zones will be reduced, while throughout the system there will be a charge of one cent for a transfer.

It is announced that employees will be granted the wage increase recently awarded them by the War Labor Board following the advance in fares.—V. 107, p. 1382, 1388.

San Diego & Arizona Ry.—Mortgage.—

The California RR. Commission has authorized this company to execute a mortgage for \$12,000,000 to secure 40-year 6% bonds payable July 1 1957. The permit authorizes the issuance of \$7,289,088 to the joint builders of the road to reimburse advances made by them, and to pay bank loans and finance the construction of the railway subsequent to Oct. 1 1916. The company is also permitted to issue \$5,826,799 of its 7% cumulative preferred stock.

The \$12,000,000 mortgage authorized, it is stated, will be made to the United States Mortgage & Trust Co. of New York.—V. 107, p. 1194, 604.

Southern Pacific Co.—Anti-Trust Suit Postponed.—

See page 1542 in last week's issue.—V. 107, p. 1482, 1386.

Southern Railway.—Late Information—New Director.—

The issue of \$1,000,000 1st M. 6% bonds of Alabama Central RR., due July 1 1918, taken up by the Southern Ry. Co. at maturity, have been pledged under the latter's First Consol. Mtge. The Carolina & North Western RR., running from Chester, S. C., to Edgemont, N. C., 134 miles, control of which was reported as acquired by the Southern Ry. Co. interests in July 1918, is not operated as part of the Southern System but by the U. S. Government. Henry W. Miller has been elected a director of the Southern, succeeding John W. Grant, of Atlanta.—V. 107, p. 1475, 1386.

Terre Haute Indianapolis & Eastern Traction Co.—

The Indiana Public Service Commission has authorized this company to charge a straight 5-cent fare on the car lines at Terre Haute, being an increase of 20%.—V. 107, p. 182.

Trenton & Mercer County Traction Corp.—6c. Fare.—

Judge Swayne in the New Jersey Supreme Court on Oct. 22 affirmed the six-cent fare and the abolition of the six-for-a-quarter tickets, as a war time measure for this company's lines. An appeal will be taken to the Court of Errors and Appeals.—V. 107, p. 1580, 1482.

Wheeling & Lake Erie Ry.—Directors.—

The directors whose terms expire Oct. 1921 are: Bertram Cutler, Warren Bicknell, J. H. McClement, J. A. House and Walter S. Bowler. Carl R. Gray resigned as Chairman Mar. 31 1918.—V. 107, p. 1194, 1005.

Winnipeg Electric Co.—No Wage Increase.—

This company has notified the Canadian Government that it cannot meet the recent wage award of the Labor Commission increasing wages of the employees, unless the city officials permit the company to increase its rate of fare from 5 to 6c.—V. 107, p. 1580, 1288.

INDUSTRIAL AND MISCELLANEOUS.

American Brass Co., N. Y.—Extra Dividend.—

Press reports state that an extra dividend of 3 1/4% has been declared on the \$15,000,000 outstanding capital stock, along with the regular quarterly 1 1/2% payment, both payable Nov. 15 to holders of record Oct. 31.

Extra Dividends were Paid in Recent Years as Follows.

Rate%	1906.	1907.	1908.	1909 to '13.	1915.	1916.	1917.	1918.
1 1/2	1 1/2	1 1/2	1 1/2	1 1/2	7	14	37 1/2	3 1/2, 3 1/2, 3 1/2, 3 1/2

In July 1907 a 20% stock dividend was paid and in July 1917 a Red Cross dividend of 1% was disbursed.—V. 107, p. 404.

American Can Co.—Action Postponed on Anti-Trust Suit.

See page 1542 in last week's issue.—V. 107, p. 1386, 907.

American District Telegraph Co. of N. J.—Dividend Omitted.—

The company has omitted the quarterly dividend of 1% due about Oct. 29 this year. Four per cent has been paid annually for many years—1% each quarter to and including July 1918, with extra payments of 1% each in Jan. 1916, 1917 and 1918.—V. 107, p. 1005.

American Dist. Teleg. Co. of N. Y.—Dividend Omitted.—

We learn the dividend due July 1 last on the \$3,839,200 outstanding capital stock was omitted. This co.'s div. payments have been as follows:
Dividends.—'96. '97. '98 '99. '00. '01. '02 to '15. '16. '17. 1918.
Per cent..... 1 2 2 2 1/2 2 1/2 2 1/2 2 yearly 1 1/2 2 Jan., 1 s.-a.
—V. 106, p. 501.

American Metal Co., Ltd.—Dissolution.—

The stockholders will vote Oct. 21 on the proposition that the corporation be forthwith dissolved.—V. 107, p. 1483, 292.

American Sumatra Tobacco Co.—Stock Div. Approved.

This company has received the approval of the Capital Issues Committee of its application for permission to declare a 15% stock dividend. In its statement the Capital Issues Committee makes no reference to the company's request for permission to issue additional stock at par. It is stated, however, that the company is not concerned in this respect in view of the fact that there is no present need for additional funds.—V. 107, p. 1103, 905.

American Tobacco Co.—Oversubscription of \$25,000,000

7% Serial Gold Notes for Funding Discount Notes.—The Guaranty Trust Co. of N. Y. and Kidder, Peabody & Co. have sold, at prices ranging from 100 and int. to 98 1/8 and int., to yield from 7% to about 7 1/4%, according to maturity, \$25,000,000 7% serial gold notes, to be dated Nov. 1 1918 and to mature serially, \$5,000,000 Nov. 1 1919, \$3,333,000 Nov. 1 1920 and 1921, \$3,334,000 Nov. 1 1922, and \$10,000,000 Nov. 1 1923. The issue was promptly oversubscribed. (See also advertising pages.)

Issue passed by the Capital Issues Committee as not incompatible, &c. Extracts from Letter of Pres. Percival S. Hill, Dated N. Y., Oct. 24 '18.

Company.—The company and its subsidiaries manufacture and sell all kinds of tobacco products, excepting snuff; in 1917 it did over 21% of the smoking and chewing tobacco business and over 23% of the cigarette business of the United States; American Cigar Co., a subsidiary company, is a large and prosperous manufacturer of cigars. During 1917 the company sold over 8,000,000,000 cigarettes, 64,000,000 lbs. of smoking tobacco, 33,000,000 lbs. of plug tobacco, 171,000,000 little cigars and nearly 74,000,000 cigarette books; and American Cigar Co. sold over 515,000,000 cigars. The brands of the company are well known and include Bull Durham, Tuxedo, Mayos, Spear Head, Piper Heidsieck, Lucky Strike, Sweet Caporal, Mecca, Fall Mall, &c.

Description.—The notes will be of an authorized serial issue of \$25,000,000, maturing on Nov. 1 of each year as follows: \$5,000,000 in 1919, \$3,333,000 in 1920, \$3,333,000 in 1921, \$3,334,000 in 1922, and \$10,000,000 in 1923, and will be in coupon form in denom. of \$1,000. They will bear interest from Nov. 1 1918, payable May 1 and Nov. 1, without deduction for any tax or Govt. charge excepting any Federal income tax in excess of 2%. They are to be redeemable at the option of company at any time after 30 days' notice as a whole, or in series (in which event all the notes of one or more of the series first maturing must be called for redemption) at the

following prices and accrued interest: 105% for notes having 4 years or more to run; 104% for notes having 3 years or more (but less than 4 years) to run; 103% for notes having 2 years or more (but less than 3 years) to run; 102% for notes having 1 year or more (but less than 2 years) to run; 101% for notes having less than 1 year to run.

Security, etc.—These notes will be direct obligations of the company, and upon completion of this financing, will, together with \$674,200 6% bonds due 1944, \$1,365,300 4% bonds due 1951, and \$6,036,360 Conv. 6% Dividend Certificates due 1921, constitute the company's entire funded debt. They will be subject only to the priority of the above bonds, being prior to the \$52,699,700 6% pref. stock and the \$40,242,400 com. stock of the company. These stocks at present quoted prices indicate an equity of over \$120,000,000 junior to the notes.

As long as any of these notes are outstanding the company will not (a) mortgage or pledge any of its real or personal property, except U. S. Govt. obligations, or (b) sell any of its real estate, plants, brands, trade-marks, patents or shares of stock of American Cigar Co., Mengel Box Co., Golden Belt Mfg. Co., or Tin Decorating Co. of Baltimore, unless the proceeds of such sales shall be deposited with the trustee, to be used to purchase notes in the open market, or applied upon the redemption of an entire series, or held as security for the payment of the notes.

The company will at all times maintain quick assets in a sum equal to at least 1 1/2 times the aggregate amount of its outstanding notes and all other liabilities (excluding its outstanding 6% and 4% bonds, notes secured by the U. S. Govt. obligations, and dividend certificates nor or hereafter outstanding and maturing at the time later than one year) all as defined in the trust agreement.

Purpose of Issue.—The proceeds will be applied to the retirement of the \$25,000,000 acceptance credit, maturing Nov. 22 1918. The quick assets of the company exceed \$85,000,000, and, upon completion of this financing, will be equal to more than 2 1/2 times the aggregate amount of these notes and all its other liabilities, excluding the 6% and 4% bonds, notes secured by U. S. Govt. obligations, and dividend certificates.

Earnings for the Calendar Years 1915, 1916 and 1917.

Calendar Years—	1915.	1916.	1917.
Gross sales, incl. those of cos. whose entire stock is owned	\$64,710,286	\$70,009,437	\$89,920,249
Net earnings	\$8,463,483	\$8,699,339	\$9,785,361
Income from divs., from cos. part of whose stock is owned	2,332,191	3,210,529	3,524,330
Total	\$10,795,674	\$11,909,868	\$13,309,691

In addition, the company received other income in each of the first two years in excess of \$500,000, and in 1917 in excess of \$250,000. After deduction of the small amount of bond interest charges, there was earned annually an amount equal to from 40% to 50% of the total par value of these notes. The earnings in 1917, after deduction of bond interest, were equal to more than 7 1/2 times the maximum annual interest on this issue.

Sales.—Sales for the 9 mos. to Oct. 1 1918, as compared with the 9 mos. to Oct. 1 1917 show a substantial increase in both volume and value. We estimate that our earnings for the year 1918 will substantially exceed the 1917 figures after what we deem liberal allowance for the increased taxes that seem probable.—V. 107, p. 1289, 1006.

American Writing Paper Co.—Plan for Replacing \$17,000,000 Bond Issue Due July 1 1919 by a New \$12,000,000 1st M. with Higher Interest Rate—Official Statement as to Financial Condition, Earnings, &c.—On subsequent pages of this issue will be found the full official statement regarding the plan for relieving the company from the large (\$17,000,000) mortgage due July 1 1919 and replacing the same by a \$12,000,000 issue of first mortgage bonds bearing 7% interest for the duration of the war and 6% thereafter.

The present management which took charge in 1917 has greatly improved the company's position both financially and as an operating organization, and it is now doing a record business, as shown in the aforesaid statement. Walter T. Rosen of Ladenberg Thalmann & Co. is Chairman of the board, George A. Galliver is President and the board of directors embraces some of the leading capitalists of the country, among them Henry Evans, President of Continental Insurance Co. of N. Y.; James N. Wallace, President of Central Trust Co., Galen L. Stone, Parmely W. Herrich, James D. Callery and C. J. Schmidlapp.—V. 107, p. 1580.

Amparo Mining Co.—Extra Dividend Reduced.—The directors have declared an extra dividend of 1% (previously 2% along with the quarterly payment of 3%, both payable Nov. 9 to holders of record Oct. 31 (unconfirmed).

This company was incorporated on March 10 1902 in New Jersey, having a mill with a daily capacity of 300 tons.

Production (in tons)—Years ending Dec. 31:

1917.	1916.	1915.	1914.	1913.	1912.
84,277	99,040	114,660	87,320	104,330	92,365

It has an authorized capital stock (par value, \$1) of \$3,000,000, of which amount \$2,000,000 is outstanding. No bonded debt.

Dividends.—Dividends are paid at the rate of 12% per annum, quarterly, Feb. 10. Extra dividends of 2% were paid Feb. 1914, Nov. 1915, Q.-F., 1916, and Feb. and May 1917.

Officers.—Pres., A. F. Bracher; V.-P., W. H. Kister; Sec., J. S. Williams; and Treas., Henry Freund. Office, Drexel Bldg., Philadelphia, Pa.

Bergner & Engel Brewing Co.—Com. Div. Resumed.—The common stock dividend, which has been omitted for five years, has been resumed, by the declaration of a 2% dividend, payable Nov. 1 to holders of record Oct. 24. The regular semi-annual dividend of 4% on the preferred stock has also been declared.—V. 97, p. 1288.

Bethlehem Steel Corp.—Orders, &c.—Following the directors' meeting Oct. 24, it was given out that unfilled orders as of Oct. 1 amounted to \$506,000,000, which amount is considerably in excess of the figures for the corresponding date a year ago, and compares with \$453,000,000 on Jan. 1 last.

Referring to company's strictly war business, Pres. Grace was quoted as saying: "Contrary to the popular belief, Bethlehem is not purely a war company. In normal times but 10% of our business is what is known as ordnance orders, and this is on account of our large commercial steel capacity and shipbuilding lines. With the cessation of hostilities shipbuilding would not stop immediately. We have on our books sufficient orders for ships to carry us through the entire year of 1919 at least."—V. 107, p. 908, 804.

Booth Mfg. Co.—Pref. Dividend Increased to 4 1/2%.—Press reports state that the directors have declared a quarterly dividend on the \$735,000 outstanding 6% cum. preferred stock, payable Nov. 1 to holders of record Oct. 16. Up to and including Aug. 1 accrued dividends have been paid at the rate of 3%.—V. 106, p. 711.

Boston Consolidated Gas Co.—Rate Increase Granted.—The Massachusetts Gas & Electric Commission has approved this company's petition to increase its rate for gas from 90c. to \$1 per 1,000 cu. ft. The new rate is allowed for the duration of the war.—V. 83, p. 820.

Brooklyn Borough Gas Co.—Rate Litigation.—Counsel for this company in closing the argument before the P. S. Commission for an increase in the price of gas, asked for an interlocutory order for authority to fix a price of gas above the present rate of 80c. per thousand. It was stated that unless the company sees immediate relief, it would be necessary to apply for a receivership.—V. 107, p. 698.

Car Lighting & Power Co.—Sub. Co. Sales.—See Consolidated Ry., Elec. Ltg. & Equip. Co. below.—V. 107, p. 1483.

Chicago Pneumatic Tool Co.—New Bonds—Report.—The shareholders on Oct. 21 voted to approve the proposed new notes at par of 6% refunding bonds, the proceeds of which are to be applied to

the extension of the plant and the retirement of outstanding bonds. Compare V. 107, p. 1581, 1483. For statement made last April to N. Y. Stock Exchange, see "Reports" above.—V. 107, p. 1581.

Central Leather Co.—Earnings for 3 & 9 Mos. end. Sept. 30.

	—Three Months—		—Nine Months—	
	1918.	1917.	1918.	1917.
Total net earnings (all properties)*	\$3,562,714	\$3,462,106	\$9,855,238	17,485,503
Less exp. & losses of all cos., except int. on bds.	1,204,493	1,091,610	3,448,145	3,359,325
Balance	\$2,358,221	\$2,370,496	\$6,407,093	\$14,126,178
Add inc. from invest's.	10,493	3,039	142,655	21,892
Total	\$2,368,714	\$2,373,536	\$6,549,748	\$14,148,070
Deduct—Int. on 1st M. 5s	\$495,552	\$459,552	\$1,378,656	\$1,378,656
Pref. divs. (7% p. a.)	582,733	582,733	1,748,199	1,748,197
Common divs. (3 3/4%)	1,290,279	1,290,279	2,282,801	3,076,819
Surplus for period	\$36,151	\$40,972	\$1,140,093	\$7,944,399

* Total net earnings are stated after deducting expenses incident to operations, including those for repairs and maintenance, approximately \$646,823 for the quarter and \$1,824,697 for the nine months. Total surplus Sept. 30 1918, \$30,026,605.—V. 107, p. 1581.

Cities Service Co.—Dividend Increase.—This company will pay on Feb. 1 a dividend of 1% (12% per annum) to common stockholders of record Jan. 15, in common stock. In addition to the regular monthly (cash) dividends of 1/4 of 1% on the preferred and common stocks, the directors have declared a dividend of 1/4 of 1% on the common, payable in common stock Nov. 1 to holders of record Oct. 15. This amount (1/4 of 1%) has been paid since Feb. 1918 and previous to that time 1/4 of 1% in cash and 1/4 of 1% in stock was paid on the common stock. This company has outstanding \$25,666,372 in common stock and \$66,494,851 in preferred.

Earnings for Sept. 1917 and 1918 and for Years end. Sept. 30.

	—12 Months—		—September—	
	1918.	1917.	1918.	1917.
Gross earnings	\$21,973,480	\$18,169,849	\$1,907,155	\$1,594,961
Expenses	449,361	327,646	54,853	28,588
Net earnings	\$21,524,119	\$17,842,203	\$1,852,302	\$1,566,373
Interest on debentures	100,642	3,151	48,628	227
Dividends on pref. stock	4,009,485	3,551,077	336,920	326,155
Net to common stock and reserves	\$17,413,992	\$14,287,976	\$1,466,754	\$1,239,991
Amounts Outstanding—In Hands of Public. Owned by Co.			\$2,551,833	\$69,960,500
Preferred stock	\$67,408,667		4,666,799	32,122,464
Common stock	27,455,665		24,039,254	30,000,000
Series B 7% Convertible debentures	5,966,746			

—V. 107, p. 1195, 805.

Columbia Gas & Electric Co.—Earnings.

Consolidated Earnings for Sept. and Nine Months ending Sept. 30 1918. (Incl. Sub. Cos.)—

	Sept. '18.	Inc. 9 Mos. '18.	Inc. 9 Mos. '17.
Gross earnings	\$835,824	14.0%	\$8,496,801
Operating expenses and taxes	452,903	13.1%	4,242,499
Net operating earnings	\$382,921	15.2%	\$4,254,302
Other income	163,157		1,470,380
Total net	\$546,078	10.3%	\$5,724,682
Lease rentals, &c.	300,071	3.9%	2,678,321
Fixed chgs. (Columbia Gas & Elec. Co.)	59,446		535,013
Surplus	\$186,561	27.5%	\$2,511,349

—V. 107, p. 1387.

Consolidated Arizona Smelting Co.—Production (in Lbs.).

Month	Production
January	1,820,000
February	1,780,000
March	2,270,000
April	2,000,000
May	2,000,000
June	1,750,000
July	1,430,000
August	1,250,000
September	1,002,000

Production for 9 mos. amounted to 15,302,000 lbs.—V. 106, p. 1464, 1129.

Consolidated Railway Electric Lighting & Equipment Co.—Bankruptcy Sale.—Benjamin F. Feiner and Daniel Greenwald, as trustees in bankruptcy, offer for sale at public auction the property of this company as a going concern. The majority of this company's capital stock is owned by the Car Lighting & Power Co. Upon inquiry the "Chronicle" was informed that no reorganization scheme is at present in mind, and that no committees representing security holders have been formed.—V. 106, p. 2652.

Corn Products Refining Co.—Earnings 9 Mos. end. Sept. 30

	1918.	1917.
Current profits	\$8,950,250	\$12,182,390
Bond interest and depreciation	1,698,331	3,590,696
Preferred dividends (5 1/4%)	1,565,912	1,565,912
Balance, surplus	\$5,685,961	\$7,025,781

Action Postponed on Anti-Trust Suit.—See page 1542 in last week's issue.—V. 107, p. 1387, 505.

Continental Refining Co.—Scrip Dividend.—The directors have declared the regular monthly dividend of 1% on the common stock, payable in scrip on Nov. 10 to holders of record Oct. 31. The scrip will be convertible at par into common stock on any date prior to maturity at the option of the holder. If held to maturity the scrip will be redeemed by the company with interest at the rate of 7% per annum. The same amount was paid in scrip on Sept. 10 and Aug. 10. See V. 107, p. 406, 908.

Crowell & Thurlow Steamship Co.—Par Value.—The shareholders of this company will vote Oct. 30 on the proposition to reduce the par value of the company's stock from \$100 to \$10 per share, in order that the issue may be traded in more readily. The present market price for the stock is between \$500 and \$600 per share.—V. 107, p. 1195.

Diamond Ice & Coal Co.—Dividends Resumed.—Press reports state that the directors have resumed dividends on the \$340,000 outstanding 7% cumulative preferred stock by declaring a dividend of 1 1/4%, payable Nov. 1. The last dividend paid on this class was that of 1 1/4% on Feb. 1 last. On the common stock the initial dividend of 1 1/2% was paid Dec. 15 1914 and maintained to date.—V. 104, p. 2120.

Distillers Securities Co.—Sub.-Co. Sale.—See Kentucky Distilleries & Warehouse below.—V. 107, p. 1484, 1387.

(E. I.) du Pont de Nemours & Co.—Acquisition.—This company has acquired the plant and business of the New England Paint & Varnish Co. at Everett, Mass., understood to be one of the largest paint and varnish producers in that district. The consideration is not announced.—V. 107, p. 1484, 1387.

Eastern Massachusetts Electric Co.—New Stock.—This company, controlled by the North Boston Lighting Properties, has been authorized by the Mass. Board of Gas & Electric Light Commissioners to issue at par (\$100) 250 shares of new stock and \$135,000 6% bonds, maturing July 1 1933, of which the total authorized amount is \$300,000.

Eastman Kodak Co.—Anti-Trust Suit Postponed.—See page 1542 in last week's issue.—V. 107, p. 144, 406.

Federal Light & Traction Co.—Earnings.—

Earnings for August and Eight Months ending Aug. 31.

	August		Inc.	Eight Months		Inc.
	1918.	1917.		1918.	1917.	
Gross earnings	\$283,088	\$230,227	23.0%	\$2,289,886	\$1,798,732	27.3%
Oper. administra. exp. and taxes	220,343	168,927	30.4	1,597,233	1,248,311	28.0
Total income	\$62,745	\$61,300	2.4	\$692,653	\$550,421	25.8
Interest charges	51,427	49,663	---	404,239	392,126	---
Net income	\$11,318	\$11,637	dec.2.7	\$288,414	\$158,295	82.2

—V. 107, p. 696.

General Chemical Co.—Earnings. 9 Mos. end. Sept. 30.—

	1918.		1917.	1918.		1917.
	Total profits	Insur. fund		Total profits	Insur. fund	
Total profits	\$6,462,148	\$7,226,789	\$315,000	\$225,000		
Prof. div. (6%)	684,373	684,373	Deprec. res'v	1,500,000	1,500,000	
Common divs.	991,152	943,956	Bal., surplus	\$2,971,623	\$3,873,459	

* After estimated allowance for Federal taxes.—V. 107, p. 406.

General Motors Corporation.—Acquisition.—

This company has purchased and will take over on Nov. 1 the property of the McLaughlin Carriage Co., Ltd., McLaughlin Motor Co., Ltd., and Chevrolet Motor Co. of Canada, Ltd., and will operate these companies as divisions of the parent enterprise.—V. 107, p. 1574, 1388.

General Ordnance Co. (N. Y.).—Dividend Increased.—

A dividend of 7% has been declared on the \$2,102,000 capital stock (par \$10), payable Nov. 15 to holders of record Nov. 1. This compares with 6% paid on May 25 last.
Officers.—The present company was incorporated June 1 1917 as successor to company of same name incorporated in Connecticut in 1915. The officers are: Chairman, L. Y. Stear; Pres., Frank D. Potter; Sec. & Treas., W. D. Fessler. Office, 100 Broadway, New York.—V. 106, p. 1904.

General Rubber Co.—Maturing Notes.—Refunding.—

See United States Rubber Co. Co. below.—V. 105, p. 719.

Great American Insurance Co.—Stock Increased, &c.—

The stockholders of this company on Oct. 24 voted to increase the authorized capital stock from \$2,000,000 to \$5,000,000, the new stock to be issued at \$150 per share.
The Alien Property Custodian on Oct. 22 sold for \$272,250 the rights in the stock formerly held by alien enemies which included the privilege of subscribing to the new issue. The firm of Potter, Choate & Prentice purchased the rights.—V. 107, p. 1484.

Hendee Mfg. Co., Springfield, Mass.—Earnings.—

	1917-18.	1916-17.	1915-16.
Net profits	\$740,691	\$539,755	\$209,980
Reserve for retirement of preferred stock	102,682	150,000	
Preferred dividends	(7%) 136,300	154,056	156,632

Balance, surplus.....\$501,709 \$235,699 \$53,348
Reserve for taxes on Aug. 31 1918, as per balance sheet, \$51,450, not including Federal and war taxes estimated at \$120,000.
The pref. stock was reduced during the year from \$2,200,000 to \$1,845,700. Total profit and loss surplus Aug. 31 1918 (after reduction of good-will account from \$8,300,000 to \$7,000,000), \$645,225.—V. 106, p. 820.

International Harvester Co.—Suit Dismissed.—

The Supreme Court has dismissed the dissolution suit against this company in accordance to the decision of the lower court.—V. 107, p. 1574.

Jewel Tea Co.—Sales—4 and 40 Weeks to Oct. 5.—

1918—4 Wks.—1917.	Decrease.	1918—40 Wks.—1917.	Decrease.
\$1,145,267	\$1,177,727	\$32,460	\$11,590,806
			\$11,668,420

—V. 107, p. 1389, 1290.

Jones Brothers Tea Co.—Sales.—

1918—Sept.—1917.	Increase.	1918—9 Mos.—1917.	Increase.
\$1,143,603	\$1,031,666	\$111,936	\$10,150,393
			\$8,585,482

—Increase in Sept. 1917, 10.85%; for 9 mos. 1917, 18.23%.—V. 107, p. 1195

Kentucky Distilleries & Warehouse Co.—Sale.—

This company, subsidiary to the Distillers Securities Corp., will sell 21 plants at public auction on Nov. 13.—V. 107, p. 1388.

Keystone Tire & Rubber Co.—15% Stock Dividend.—

This company has received the approval of the Capital Issues Committee to issue a stock dividend of 15%, payable Nov. 11 to holders of record Dec. 1. In a circular to the stockholders Treasurer Joel Jacobs said:
"With further reference to the proposed stock dividend on the stock of your company regarding which a letter was sent to you under date of Oct. 9 1918, your directors beg to state that they have just received from the Capital Issues Committee Opinion No. A-2114 with reference to \$225,000 common stock of your company, reading as follows:
"Passed by the Capital Issues Committee as not being incompatible with the national interest but without approval of legality, validity, worth or security."
"In accordance with said opinion, your directors have voted that the stock dividend of \$225,000 par value of common stock of your company heretofore authorized be paid on Dec. 1 to common stockholders of record at the close of business on Nov. 11, in the ratio of 15-100 of one share for each share held by the common stockholders of record at the close of business on Nov. 11.
"Common stock certificates for full shares only will be mailed on Dec. 1 1918 to stockholders of record at the close of business on Nov. 11 1918, representing the number of full shares to which each stockholder is entitled. The new stock will participate in any dividend declared after Dec. 1 1918.
"Where a stockholder is entitled to a fraction of one share, a scrip certificate will be mailed. At any time upon surrender to the Metropolitan Trust Co. at its office, 60 Wall St., N. Y. City, of a sufficient number of scrip certificates to constitute one share, a common stock certificate for one share will be issued in exchange therefor. Scrip certificates desired by stockholders to complete full shares or scrip certificates which stockholders desire to dispose of must be bought and sold in the market as the corporation will not sell or purchase such scrip certificates. Scrip certificates will not be entitled to dividends or to voting rights.
"In view of the increase of the capital stock of your company and the redemption of the pref. stock of your company, your directors have found it necessary to call in all common stock certificates now outstanding and to have issued in exchange therefor new common stock certificates. You are, therefore, urgently requested to present your certificates for stock now held by you to the Metropolitan Trust Co. at its office, 60 Wall St., N. Y. City, at any time after Nov. 15 1918 and before Jan. 31 1919, after which latter date old certificates will no longer be considered a good transfer."—V. 107, p. 1484.

Kinloch (Long Distance) Telephone Co.—Dividends.—

A press dispatch states that the 8% dividend now being paid by this company and its subsidiaries will be continued while it is under Government control. The company's proposal for its operation during the rest of the war had been accepted by the Postmaster-General.—V. 107, p. 1104.

McCrary Stores Corporation.—September Sales.—

1918—Sept.—1917.	Increase.	1918—9 Mos.—1917.	Increase.
\$780,059	\$619,557	\$160,502	\$6,489,135
			\$5,164,580

—V. 107, p. 1196, 700.

Massachusetts Gas Companies.—Sub. Co. Rates.—

See Boston Consolidated Gas Co. above.—V. 107, p. 1388, 909.

Monterey County Gas & Electric Co.—Liable for Bonds.

See Monterey & Pacific RR. under "Railroads" above.—V. 91, p. 1633.

Naumkeag Steam Cotton Co.—Interim Dividend.—

The directors have declared an interim dividend of \$5 per share, payable Nov. 1 to holders of record Oct. 19. Including this declaration the company will have disbursed \$29 so far this year.—V. 106, p. 713.

Mexican Petroleum Co., Ltd., Del.—Earnings.—This company, the leading subsidiary of the Pan-American Petroleum & Transport Co. (see that company below), reports:

Earnings for Six Months ending June 30 and Cal. Years 1915, 1916 and 1917.

	6 Months		Entire Calendar Years	
	1918.	1917.	1916.	1915.
Barrels oil sold	9,519,741	17,587,138	12,862,973	6,287,528
Oil sales	\$11,502,037	\$17,457,292	\$7,154,830	\$4,437,518
Net incr'se in oil storage	1,304,653	289,837	2,513,636	72,093
Income from oth. sources	70,731	374,660	---	491,278
Deduct—Oper. & SS. exp.	\$12,877,422	\$18,121,790	\$9,668,464	\$5,000,889
Deprec'n (all prop's)	\$3,960,873	\$7,538,868	\$1,609,378	\$597,287
Exhaustion of oil lands	824,532	1,509,016	400,000	400,000
Taxes	1,008,464	1,839,211	---	---
Paid on Coast Pipe L. bonds partic'n c'tfs.	882,727	957,896	215,757	---
Donations	29,312	61,317	34,517	21,589
Freight on oil	56,086	---	---	926,318
Bond interest	61,591	191,165	238,739	280,139
Amortization of bond discount & expense	16,991	192,453	---	---
do Coast Pipe Line bonds partic'n c'tfs.	130,146	260,293	---	---
Miscell. interest (net)	Cr.45,525	Cr.35,431	17,013	112,545
Profit, subject to war tax	\$5,952,222	\$5,607,021	\$7,153,060	\$2,888,101
Deduct—Prov. for income & excess profits tax	1,200,000	621,000	---	---
Dividends—Pref. stock	480,000	960,000	---	---
Common stock	1,573,696	1,180,263	---	---
Net profit	\$2,698,527	\$2,854,758	\$7,153,060	\$2,888,101

This statement includes the earnings, &c., of the Mexican Petroleum Co., Ltd., of Del.; Huasteca Petroleum Co.; Mexican Petroleum Co. (Cal.); Mexican Petroleum Corp.; Mexican Petroleum Corp. of Louisiana, Inc.
The Mexican Petroleum Co., Ltd., of Del., has in 1918 paid the following dividends on \$40,411,800 common stock (including presumably shares reserved for retirement of \$82,321 stock of Mex. Petr. Co. of Cal. not owned: No. 9, Jan. 10, 1 1/2% cash, \$606,177; Nos. 10, 11 and 12, paid April 10, July 10 and Oct. 10, each 2%, \$808,236, payable half in Liberty Loan bonds. The Pan-American Petroleum & Transport Co. reports that it owns at this date \$9,035,000 pref. stock of an outstanding \$12,000,000, and \$17,500,000 com. stock of an outstanding \$39,110,500.—V. 107, p. 909, 811.

New England Cotton Yarn Co.—Dividend Resumed.—

The directors have resumed dividends on the common stock by declaring a \$6 distribution, payable Nov. 6 to holders of record Nov. 1. Practically all of the pref. stock has been paid off.—V. 105, p. 2541.

Niagara Falls Power Co.—Merger Authorized.—

The New York P. S. Commission has authorized the merger of the Cliff Electrical Distributing Co., the Niagara Falls Power Co. and the Hydraulic Power Co. of Niagara Falls into a new company which will be known as the Niagara Falls Power Co. The company will have a capital of \$26,000,000. Compare V. 107, p. 1485, 1291.
Of the capital stock, \$11,515,400 is 7% cumulative pref. and is to be issued to the stockholders of the present Niagara Falls Power Co. at the rate of 2 shares for 1. Certificate of consolidation has not yet been filed. Compare V. 107, p. 1485, 1291.

Nipissing Mines Co.—Financial Statement as of Sept. 30.—

Cash in bank, including Canadian and U. S. war bonds	\$2,594,406
Bullion and ore in transit and at smelters	302,189
Ore on hand and in process and bullion ready for shipment	1,001,727
Total	\$3,898,322

—V. 107, p. 1104, 701.

North Boston Lighting Properties.—Sub.-Co. Stock.—

See Eastern Massachusetts Electric Co. above.—V. 97, p. 1826.

Ontario Steel Products Co., Ltd.—Back Div. Being Paid.—

The directors have declared a dividend of 1/2 of 1% on account of back dividends, along with the quarterly payment of 1 1/4% on the \$750,000 outstanding 7% cumulative pref. stock, payable, it is said, Nov. 15 to holders of record Oct. 31. Accumulated dividends now, we believe, amount to 5 1/2%.—V. 107, p. 801.

Pacific Coast Company.—Ship Merger.—

See Pacific Steamship Co. below.—V. 107, p. 909.

Pacific Steamship Co.—Acquisition.—

Announcement was made Oct. 17 of the final acquisition by this company of the right and title to the combined fleets of the Pacific Coast Steamship Co., and the Alaska Pacific Navigation Co., numbering 22 vessels. Compare V. 107, p. 909.

Pacific Telephone & Telegraph Co.—Earnings.—

Earnings of System for Quarter ending Sept. 30 1918 (Sept. 1918 Est.).		1918.		1917.	
	1918.	1917.		1918.	1917.
Gross earns	\$6,880,000	\$6,611,412	Deduct int---	\$759,000	\$738,626
Expenses	5,581,000	5,354,286	Dividends	480,000	480,000
Net earns	\$1,299,000	\$1,257,126	Surp. earns	\$60,000	\$38,500

—V. 107, p. 611.

Packard Motor Car Co.—Earnings.—

Earnings for Fiscal Years ending Aug. 31.		1918.		1917.	
	1918.	1917.		1918.	1917.
Net profits for year	\$6,887,089	\$5,400,691	Preferred dividends	\$560,000	\$455,000
Common dividends (cash)	710,382	910,636	Common dividends (stock)	---	395,602
Surplus	\$5,616,707	\$3,930,055			4,591,630
Profit and loss, surplus	\$14,928,242	\$9,311,541			\$764,188

—V. 107, p. 1582.

Pan-American Petroleum & Transport Co.—Listed.—

The New York Stock Exchange has listed this company's \$30,494,750 common stock and agrees to list a further \$19,505,250 upon official notice of issuance on conversion of outstanding \$30,494,750 7% Cumulative Convertible Preferred Stock, or of \$6,300,000 outstanding First Lien Marine Equipment 6% Convertible Bonds, or upon official notice of issuance and payment in full, making the total amount authorized to be listed \$50,000,000. The Exchange has also listed the aforesaid \$6,300,000 bonds.

These bonds, at any time prior to maturity, may be converted at Columbia Trust Co., trustee, N. Y. City, into common stock on the basis of \$60 principal of bonds for \$50 par value of common stock, with a cash adjustment of declared dividends and accrued interest; if called for redemption conversion may be made at any time up to 30 days prior to date fixed for redemption. On June 30 1918 \$5,648,000 of these bonds had been issued and \$1,352,000 remained unissued. Of the issued bonds, \$324,000 have been redeemed and canceled and the trustee held funds in the sum of \$376,000, available for redemption of future installments. Since that date all of the remaining bonds have been issued, and the second installment redeemed. There are now outstanding \$6,300,000.
At any time prior to Jan. 1 1936, the pref. stock is convertible at the office of the Guaranty Trust Co., N. Y. City, into common stock on the basis of 1 15-100 shares of pref. stock for two shares of common stock. If called for redemption, the pref. stock may be converted any time up to 30 days prior to the date fixed for redemption.
Conversion can take place at any time, as the stock transfer does not close.

Earnings.—The results for the half-year ended June 30 1918 compare with the full calendar years 1917 and 1916 as below:

Profit and Loss Account, 6 Mos. ended June 30 1918 and Cal. Years 1916 & '17

	6 Months 1918.	Calendar 1917.	Years— 1916.
Income: Steamships	\$2,669,915	\$4,111,277	
Divs.—Mex. Petr. Co., Ltd., of Del.	1,061,400	1,247,800	\$542,100
Oil properties	not shown	401,372	
Interest received			56,707
	\$3,731,315	\$5,760,450	\$598,807
Interest received			56,707
Deduct—Expenses	\$804,202	\$1,502,219	\$71,582
Depreciation (on steamers)	336,323	414,340	
Bond interest	147,007	107,813	
Bond discount and expense	50,770	145,621	
Miscellaneous interest (net)	20,794	20,992	
Provision for war taxes	305,000	530,000	
Profit for period	\$2,067,219	\$3,039,464	\$527,225
Propor. of undivided profits, sub. cos.	\$1,328,875	\$1,232,264	Not shown
Balance	\$3,396,094	\$4,271,728	527,225
Dividends on 7% preferred stock	\$367,500	\$735,000	\$462,898
Dividends on common stock	1,524,697	1,067,160	
Balance, surplus	\$1,503,897	\$2,469,568	64,327

The following dividends have been paid on the common stock: No. 1, Oct. 10 1917, 1 3/4%, \$533,574; No. 2, Jan. 10 1918, 1 3/4%, \$533,585; No. 3, April 10 1918, payable half in 4% Liberty Loan bonds, \$762,348; No. 4, July 10 1918, payable half in 4% Liberty Loan bonds, \$762,350. The earnings of the Mexican Petroleum Co., Ltd., are given under that caption above.

Compare map in "Railway & Industrial Section." In view of the Governmental supervision of the Petroleum Industry, and as a matter of practical conservation, the management has deemed it expedient to suspend publication of the "Pan-American Record" for the duration of the war.—V. 107, p. 1583, 909.

Pennsylvania Iron Works Co.—Bonds Called.—Notice is given that the following six First Mtge. 5% gold coupon bonds, for \$1,000 each, due Nov. 15 1921, have been drawn for payment at 105 and interest at the Land Title & Trust Co., trustee, Philadelphia, on Nov. 15: Bonds Nos. 80, 86, 92, 127, 138, 243; V. 85, p. 564.

Pennsylvania Salt Mfg. Co.—Director.—R. G. Wood succeeds Gen. R. Dale Benson as a director.—V. 107, p. 1576.

Peoples Gas Light & Coke Co. (Chicago).—Decision.—The Illinois Supreme Court has handed down the decision holding that the Act of 1905 granting the City of Chicago the right to establish gas rates by ordinance, is unconstitutional. The decision reverses the judgment of the Municipal Court of Chicago.—V. 107, p. 611, 507.

Providence (Rhode Island) Gas Co.—Decision.—Associate Justice Sweetland of the Superior Court at Providence, R. I., has handed down a decision denying the motion of the company to dismiss the Appeal of the City of Providence and the town of North Providence to the decision of the P. U. Commission, allowing the company to charge \$1 30 per thousand cubic feet for gas.—V. 107, p. 1105.

Pullman Co., Chicago.—Government Order.—A press dispatch from Chicago states that this company has obtained a contract from the Government for the assembling of 5,000 airplanes involving an expenditure of \$100,000,000.—V. 107, p. 1583, 807.

Quaker Oats Co.—Action Postponed on Anti-Trust Suit.—See page 1542 in last week's issue.—V. 106, p. 2126.

Safety Car Heating & Lighting Co.—Obituary.—President Robert M. Dixon died Oct. 16.—V. 106, p. 1791.

Savage Arms Corporation.—Bond Redemption, Etc.—This corporation has called for payment on Dec. 31 all of its outstanding First Mtge. 6% gold bonds (issued when it was under the name Driggs-Seabury Ordnance Co.) with the exception of those maturing Dec. 31 next, at 101 and int. at the Franklin Trust Co., N. Y.

Referring to the above and discussing the company's business status, the Boston News Bureau says: Of the \$1,500,000 bonds originally issued only \$271,000 are now outstanding, against \$528,000 at the close of 1917. The bonds are redeemable in five annual installments, falling Dec. 31 1916 to 1920, so the action taken anticipates its redemption requirements by two years, and leaves it clear of debt.

Of \$271,000 bonds at present outstanding \$107,000 fall due at the end of this year, the remaining \$164,000 in 1919-20.

Since the beginning of the European war Savage Arms has delivered over 55,000 Lewis machine guns, of which more than 40,000 went to the United States Government. Deliveries of Lewis guns are now running between 5,000 and 6,000 a month, highest rate of output ever attained, comparing with about 1,700 monthly at the time of this country's entrance into the war.

Savage Arms has recently closed a large Government contract for army pistols. These will be manufactured at its plant at Utica, N. Y., which manufactures the Lewis gun.

Contracts on hand at company's three plants, at Utica, N. Y., and Sharon and Philadelphia, Pa., are sufficient to ensure capacity operations until July 1919.

Savage Arms is in an exceptionally strong financial position, as is indicated by its anticipating its bond redemption requirements. In usually well-informed quarters it is estimated that liquid assets alone, exclusive of plant, are equal to \$100 a share on the common stock, and that they should be greatly increased before the middle of next year.—V. 107, p. 508, 297.

Sheffield Condensed Milk Co., Inc.—Stock Increase.—Shareholders on Oct. 25 voted to increase the authorized capital stock from \$500,000 to \$750,000, the new stock to be 7% cumulative preferred stock, redeemable at 102.5 per share. Compare V. 107, p. 1485.

Smith Motor Truck Corp.—Receivership.—A reply to our inquiry we are advised that this company went into the hands of F. M. McKey, receiver, appointed by the U. S. District Court, on Aug. 31 1918. Since that time, the business has been continued in operation under direction of the Court.

The last dividend on the preferred stock was paid July 15 1917.—V. 106, p. 2234.

Standard Milling Co.—Whole Dividend in Cash.—At a meeting on Oct. 23 the directors declared a quarterly dividend of 1 1/2% on the preferred stock to be paid out of the earnings of the current fiscal year on Nov. 30 to holders of record Nov. 19; a quarterly cash dividend of 2% upon the common stock, payable on Nov. 30 in cash to holders of record Nov. 19 was also declared. The previous disbursement on the common stock was paid, half in cash and half in stock.—V. 107, p. 1477.

Standard Oil Co. of Indiana.—Extra Dividend.—The directors have declared an extra dividend of 3%, along with the quarterly payment of 3%, on the \$30,000,000 outstanding capital stock (par \$100), payable Nov. 30 to holders of record Nov. 4.

Divs. (%)	1912.	1913.	1914.	1915.	1916.	1917.	1918.
Regular	Aug., 3	Nov., 3	12	12	12	12	3, 3, 3, 3
Extra	Nov., 7	20	13	--	--	12	3, 3, 3, 3

Vice-President.—Henry S. Morton has been elected Vice-President.—V. 107, p. 1583.

Stewart Manufacturing Corp.—Earnings.—Earnings for Years 1916 and 1917, Sept. 1918 and 9 Months ending Sept. 30.

	Calendar Years— 1916.	1917.	Sept. 1918.	9 Mos. 1918.
Gross sales	\$1,867,306	\$1,881,079	\$274,940	\$1,635,680
Net profit	\$569,909	\$320,465	\$54,371	\$257,358
Interest on bonds			\$1,750	\$1,750
x Moving expenses for nine months 1918, amounted to				\$14,480.—

V. 107, p. 1198.

Texas Co.—Issuing of New Stock to Shareholders.—

Subject to the approval of stockholders who will vote Dec. 16, the directors have approved the issue of \$15,625,000 capital stock, of which \$13,875,000 is to be offered to shareholders of record Dec. 30 at par, \$100 per share, in the ratio of one new share for each five shares held. The new stock will participate in dividends from July 1 1919.

The balance of the new stock is to be sold at par to a trustee for allotment and sale from time to time to the employees of the company and its subsidiaries. The increase in capital stock has been approved by the Capital Issues Committee.

The first installment, 50%, will be paid by stockholders on or before Feb. 3 next, and the second installment of 50% on or before May 1 1919. On all amounts paid on or before Feb. 3, interest at the rate of 6% per annum will be allowed from Feb. 3 to June 30 1919. On all payments made after Feb. 3 and on or before May 1 1919, the same rate of interest will be allowed from May 1 to June 30 1919.—V. 107, p. 1583, 1485.

(J. V.) Thompson Coal Properties.—Sale.—

Judge Charles P. Orr in the United States District Court at Pittsburgh, continuing the restraining order previously issued which expired Oct. 1, has restrained County Treasurers from selling these coal lands for taxes. The trustees in bankruptcy have informed the court that within 60 days they would be able to pay all taxes from sales of coal lands already made.—V. 107, p. 516.

Tobacco Products Corp.—Formal Complaint.—

The Federal Trade Commission has issued formal complaint alleging violations of the Anti-Trust Law against this corporation, and four others including their directors and officers. The complaint alleges the employment of price discrimination in the sale of cigarettes, and charges maintenance of interlocking directorates and concentration of control, of the group under Tobacco Products Corp. of Virginia.

Pres. George J. Whelan in the above connection said in part: "The various officials mentioned in the newspapers report have at all times intended to comply, and believe they have complied, with the provisions of the Clayton Law and all other Federal statutes governing the conduct of corporations, and they have also always been willing to open, and have opened, their books freely to the Federal officials, and have concealed nothing from them."

"This corporation in all its dealings with jobbers and retailers in the trade has aimed at all times to deal fairly and without the slightest discrimination, and instead of attempting to stifle competition, it has always welcomed it, believing that fair competition is the life of trade."—V. 107, p. 1583, 409.

Tonopah Mining Co.—Consolidated Earnings.—

Three Mos. ending—	Gross Val. Ore Milled.	Net Earns.	Other Income.	Explor. Exp.	Net Income.	Divs. Paid.
Aug. 31 1918	\$415,098	\$123,657	\$20,109	---	\$143,766	\$150,000
Aug. 31 1917	385,014	119,512	41,772	\$9,782	151,502	150,000

—V. 107, p. 409.

United Shoe Machinery Co.—Rehearing Denied.—

The Supreme Court of the United States on Oct. 21 denied the motion of Federal attorneys for a rehearing of the dissolution case, which was denied in favor of the company at the last session of the court.—V. 107, p. 910.

United States Rubber Co.—Refunding of General

Rubber Co. 5% Debentures Due Dec. 1 1918—Offer of Exchange for New Issue of 5-Year 7% Notes.—Kuhn, Loeb & Co., New York, announce by advertisement on another page that, in order to provide the funds required to pay off the General Rubber Co. 5% debentures due Dec. 1 1918, they have purchased \$6,000,000 United States Rubber Co. (which owns General Rubber Co.) 5-Year 7% Secured gold notes. The U. S. Rubber Co. has agreed to provide the balance of cash required to pay the maturing debentures.

Holder of the debentures are privileged to exchange the same for a like face amount of the new notes. A cash payment of \$15 in respect to each \$1,000 debenture exchanged will be made to holders accepting this offer of exchange, so that the new notes will yield the investor 7.35% upon the investment.

Passed by the Capital Issues Committee as not incompatible with the national interest, but without approval of legality, validity, worth or security. Opinion No. A2269.

Holders desiring to avail of this offer should promptly deposit their debentures with the above named bankers who will issue a temporary receipt therefor. The coupon due Dec. 1 should be detached and collected in the usual manner. This offer may be withdrawn at any time without notice; it will expire on Nov. 1 1918, or upon the earlier acceptance by holders of \$6,000,000 of debentures.

Data From Letter of Pres. S. P. Colt, dated New York, Oct. 21 1918.

Security.—The new notes will be secured by deposit with the Industrial Trust Co. of Providence, R. I., as Trustee, of \$9,000,000, principal amount, of United States Rubber Co. First & Refunding Mortgage 5% gold bonds, due 1947. The definitive notes will be issued in coupon form, denom. \$1,000*. Interest 7% per annum from Dec. 1 1918, payable J. & D. in gold coin without deduction for any tax or taxes (other than Federal income taxes in excess of 2% per annum) which the company or the trustee may be required to pay, or to retain therefrom, under any present or future law of the United States of America, or of any State, county, municipality or other taxing authority thereof. The notes will be redeemable at the option of the company, as a whole but not in part, on any interest payment date on or after Dec. 1 1920, at a premium of 1% for each six months between the redemption date and the date of maturity, together with interest.

Assets.—The current assets of the United States Rubber Co. of June 30 1918 amounted to \$135,798,148, while the current indebtedness amounted to \$33,347,719. On the first of the current month the amount of cash on hand exceeded the loans and notes payable.

Earnings.—Net earnings for the three years ended Dec. 31 1917, applicable to interest charges, averaged \$14,478,433, equal to over four times such interest. The net earnings for the six months ended June 30 1918, after deducting all interest charges and after allowing for depreciation, estimated Federal taxes and reserve, were \$10,242,365.

The company will promptly make application to list the new notes on the New York Stock Exchange.—V. 107, p. 1486, 1198.

United States Steel Corp.—Anti-Trust Suit Postponed.—

See page 1542 in last week's issue.—V. 107, p. 1583, 1486.

Virginian Power Co.—Earnings.—

	1918—June	1917	Inc. %	1918—6 Mos.	1917 Inc. %
Gross earnings	\$62,231	\$46,772	33.0	\$366,773	\$269,628 36.0
Oper. exp. and taxes	32,587	35,211	dec7.4	201,226	178,210 12.9
Net earnings	\$29,644	\$11,561	156.4	\$165,547	\$91,418 81.1
Interest on bonds	18,426	16,350	12.7	104,526	98,100 6.6
Balance	\$11,218	def\$4,789	---	\$61,021	def\$6,682
Interest on notes	3,636	3,464	4.9	23,383	11,087 110.9
Balance	\$7,582	def\$8,253	---	\$37,638	df\$17,769

The company is now installing an additional unit to increase the generating capacity of its steam-power station at Cabin Creek Junction, W. Va., from 38,666 electrical h. p. to 65,332 h. p. The district served contains more than 300 operating mines, having a combined output for the year ended June 30 1916 of 23,034,000 tons of bituminous coal. The company now has outstanding \$4,353,000 of its \$15,000,000 First & Coll. Mtge. bonds of 1912 and all of its \$750,000 6% convertible notes of 1917. A further \$178,000 of the bonds is in the treasury, \$52,000 in sinking fund and \$10,417,000 reserved for extensions, &c. C. P. Toby is no longer a director.—V. 106, p. 2565.

Western Power Co. of California.—Report.—

See Great Western Power Co. on pp. 1286 and 1388 in recent issues.—V. 105, p. 494.

Reports and Documents.

AMERICAN WRITING PAPER COMPANY

October 10th 1918.

To the Holders of the First Mortgage Sinking Fund 5% Gold Bonds, Dated July 1 1899:

The undersigned have, at the request of the holders of a large number of the above bonds, which mature on July 1 1919, consented to act as a committee for the purpose of arranging with the Company a plan for the refunding of said issue of bonds.

In formulating the plan, the Committee has given full weight to the rights of the bondholders and the necessity of funding the Company's debt in such a manner as to strengthen its structure and to safeguard its future. At the same time, it has been mindful of the priority which, during the war period, the Government is entitled to have in its appeal for new funds from the money market.

The plan provides:

1. For the reduction of the bonded debt of the Company from \$17,000,000 to \$12,000,000 and the creation of a new closed direct first mortgage limited to \$12,000,000.
2. The outstanding issue of bonds matures on July 1, 1919. Under the proposed plan the new issue of bonds will be dated as of January 1, 1919, and will mature on January 1, 1939. Under the plan the present outstanding bonds will be canceled and the mortgage discharged on or before July 1, 1919.
3. Each \$1,000 par value of the outstanding bonds is to be exchanged for \$1,000 par value of the new issue.
4. The new bonds are to bear interest for the period from January 1, 1919, to and including January 1, 1921, at the rate of 7% per annum and thereafter until maturity or earlier redemption at the rate of 6% per annum; provided, however, that if the present war shall continue beyond January 1, 1921, then and in such event the interest rate shall continue at the rate of 7% per annum to and including the first interest payment after the termination of the war between the United States and Germany as proclaimed by the Government of the United States.
5. Sinking Fund provisions:
 - (a) An annual payment of 1% of the par value of the bonds outstanding. And to accelerate the retirement of the bonds an additional sinking fund of:
 - (b) Twenty-five per cent (25%) of the net surplus earned in any one year, after providing for depreciation, fixed charges, &c., as defined in the mortgage, until the amount of bonds outstanding has been reduced to \$10,000,000 par value; and thereafter Fifteen per cent (15%) of the annual net surplus, as so defined, so long as any of the bonds are outstanding.

For a more detailed description of the proposed refunding bond issue, its sinking fund provisions, the reduction in the Company's bonded debt, as well as a statement of the history and business of the Company, its financial condition and earnings and its operating conditions and management, attention is called to the accompanying letter from George A. Galliver Esq., President of the American Writing Paper Company, dated October 1, 1918. From this letter it appears that:

The physical value of the Company's property, conservatively appraised, upon which the new bonds will have a direct first lien, exceeds \$16,000,000. In addition, the Company's net working capital exceeds \$5,000,000, making total net assets of over \$21,000,000 or nearly twice the \$11,000,000 bonds to be outstanding in the hands of the public.

The average annual net earnings available for interest since the Company's organization have been largely in excess of the annual requirements for interest on the new bonds.

The stability of the Company's business has been demonstrated over a long period of years. It is at the present time doing the largest volume of business in its history and is rapidly developing both its domestic and foreign trade.

A Deposit Agreement has been prepared under which the Old Colony Trust Company of Boston and the Central Union Trust Company of New York will act as Depositaries. Negotiable certificates for bonds deposited will be issued by the Depositaries. Bondholders will be bound by the provisions of the Deposit Agreement, to the full terms of which reference is hereby made. Copies of the Deposit Agreement may be obtained from either of the Depositaries or the Secretary of the Committee. No charge will be made to depositing bondholders for expenses of the Committee or for any other reason.

Bondholders are requested to deposit their bonds, with the January 1, 1919, and July 1, 1919, coupons attached, with the Old Colony Trust Company of Boston, or the Central Union Trust Company of New York, ON OR BEFORE DECEMBER 1, 1918. Interest on deposited bonds will be paid by the Committee as and when received by it.

In the opinion of the Committee the new bonds will combine a high degree of safety of principal with an interest yield which takes into account present abnormal conditions, as well as an adequate return for the entire life of the issue. The Committee considers the plan highly advantageous to the bondholders and unhesitatingly recommends its prompt acceptance. Time being of the essence of the matter, the Committee urges all bondholders to deposit their bonds without delay.

GEORGE C. LEE, *Chairman*
GORDON ABBOTT
W. MURRAY CRANE
A. WILLARD DAMON
GEORGE C. GILL
HENRY EVANS
JAMES N. WALLACE
ALBERT H. WIGGIN
MELVILLE C. BRANCH

Committee

OLD COLONY TRUST COMPANY, BOSTON
CENTRAL UNION TRUST COMPANY, NEW YORK
Depositaries
ROPES, GRAY, BOYDEN & PERKINS, *Counsel*
60 State Street, Boston, Mass.

JOSIAH F. HILL, *Secretary*
44 State Street, Boston, Mass.

Application will be made to list the Certificates of Deposit on the New York and Boston Stock Exchanges.

AMERICAN WRITING PAPER COMPANY

Office of the President
HOLYOKE, MASS.

October 1 1918.

George C. Lee, Esq., Chairman, American Writing Paper Company Bondholders' Committee, Boston, Mass.

Dear Sir:—Referring to the plan for a refunding issue of \$12,000,000 First Mortgage Six Per Cent Sinking Fund Gold Bonds of the American Writing Paper Company, to be dated January 1 1919, which plan I understand your Committee proposes to submit to the holders of the present First Mortgage Five Per Cent Bonds of this Company, due July 1 1919, I take pleasure in giving you the following information regarding the Company's business and finances:

HISTORY AND BUSINESS.

The American Writing Paper Company was organized under the laws of New Jersey on June 30 1899. It manufactures paper of practically all grades, with the exception of newsprint. It is the largest manufacturer of fine or high grade papers in the world. It owns and operates 26 mills, having a total capacity of about 125,000 tons of paper per annum. Of these mills, 16 are in Holyoke, Mass., 4 in western Massachusetts towns, 3 in Connecticut, 2 in Ohio and 1 in Wisconsin. In connection with its mills it owns very valuable water powers and water power rights, especially in Holyoke. All of its mills are in good physical condition and well equipped for efficient and economical operation in their respective lines of papers.

The War Industries Board has placed the manufacture of paper in preferred Class C for priorities and Class 4 for coal and labor, thereby classifying the industry as one essential to the prosecution of the war.

REDUCTION IN BONDED DEBT.

It is important to note that the bonded indebtedness of the Company since July 1 1899, the date of issue of the outstanding Five Per Cent First Mortgage Bonds, has been reduced by over one-third, as shown by the following table:

The original issue of the First Mortgage Five Per Cent Twenty-Year Bonds, dated July 1 1899, was \$17,000,000
There are now outstanding in the hands of the public 11,000,000

A reduction of \$6,000,000
Or 35%

This reduction is represented by:
Bonds held by the Trustee in the Sinking Fund \$3,777,000
Bonds purchased and owned by the Company 2,223,000
\$6,000,000

This substantial reduction has been effected primarily by the use of surplus earnings.

PROPOSED REFUNDING BOND ISSUE.

LIEN.

The proposed issue of Bonds will be secured on or before July 1 1919 by a closed direct first mortgage upon all of the fixed assets of the Company, including Real Estate, Buildings, Machinery, Water Powers, Equipment, Patents, Dandy Rolls and Trade Marks.

Subject to due authorization by the shareholders, the total authorized issue will be limited to \$12,000,000, dated as of January 1 1919, due January 1 1939, of which \$11,000,000 will be reserved for refunding the \$11,000,000 of bonds now outstanding in the hands of the public and \$1,000,000 will, under the terms of the Indenture, be issued to the Company, and be held free in its treasury for corporate requirements.

ASSETS.

After allowances for depreciation, totaling \$5,827,663 97, the net valuation of the Company's fixed assets (pre-war basis) on which the proposed issue is a closed direct first lien, is \$16,110,957 93, as certified to by the American Appraisal Company, or nearly one and one-half times the \$11,000,000 of bonds to be outstanding in the hands of the public.

In addition, the Company's net working capital (excess of current assets over all current liabilities) exceeds \$5,000,-

000, making total net assets of more than \$21,000,000, or nearly double the \$11,000,000 bonds to be outstanding in the hands of the public.

From the above statement it is clear that the new bonds will be strongly protected by assets.

EXTRA INTEREST DURING THE WAR.

Recognizing the necessity of not appealing to the money market in competition with the requirements of the Government and at the same time wishing to give the bondholders a rate of interest commensurate with the money market conditions due to the war, the Directors of the American Writing Paper Company have accepted the suggestion made by your committee to make the rate of interest on the proposed new issue 6%, being an increase of 1% per annum over the interest rate of the bonds now outstanding, and, further, to pay additional interest at the rate of 1% per annum for the period of the war and to and including the first interest date after the termination of the war between the United States and Germany as proclaimed by the Government of the United States, and, irrespective of the duration of the war, to give to the depositing bondholders the additional 1% for the period of two years from the date of the proposed new issue. This will make a 7% return to the bondholders from January 1 1919 to and including January 1 1921, and the rate after that period 6%, with the proviso that if the war should continue beyond January 1 1921 the additional 1% will be paid to the bondholders until after the termination of the war as above stated.

Attention is also called to the fact that, although the maturity of the present bond issue is July 1 1919, in the event that the proposed plan becomes operative, the bondholders will enjoy the benefit of the additional rate of interest from the date of the proposed new issue, namely January 1 1919.

The proposed new mortgage will provide for the payment of interest by the Company without deduction for Normal Federal Income Taxes up to 2%, so far as it may lawfully pay the same.

EARNINGS AND FIXED CHARGES.

The annual interest charge on the proposed \$11,000,000 of bonds to be outstanding in the hands of the public will be \$770,000 for the years 1919 and 1920, and \$660,000 thereafter if the war shall have terminated by that date.

The record of earnings of the Company shows a safe margin over interest charges, as shown by the following summary:

Period—	Ratio of Earnings to Interest Charges on \$11,000,000 New Bonds		
	Earnings per annum	During War (\$770,000)	After War (\$660,000)
19 years to July 31 1918.....	\$1,125,000	1.46	1.70
Period from January 1 1914 to July 31 1918.....	1,431,000	1.86	2.17
Calendar year 1918 (last 5 months estimated).....	2,000,000	2.60	3.03

SINKING FUND PROVISIONS.

The Sinking Fund provisions of the new bond issue will be as follows:

(1) A fixed annual sinking fund payment equal to 1% of the total amount of bonds outstanding, including, as outstanding, bonds held uncanceled in the sinking fund. Interest on uncanceled bonds in the hands of the Trustee of the sinking fund will be added to the sinking fund.

(2) An additional sinking fund of:

(a) Twenty-five per cent (25%) of the net available surplus earned in any one year after providing for fixed charges, depreciation, &c. (as defined in the Indenture), but before paying dividends, until the amount of bonds outstanding has been reduced to \$10,000,000; and thereafter:

(b) Fifteen per cent (15%) of the net available surplus earnings as defined in the Indenture during the entire life of the bonds.

Bonds purchased through the additional sinking funds will be canceled and not re-issued.

The sinking funds will begin to accrue January 1 1919 and will be applied by the Trustee to the purchase of bonds.

in the open market at not exceeding the calling price or the calling of bonds at 105 if not so purchased.

From the above it will be seen that the sinking fund provisions of the new bond issue will be materially stronger than those of the existing issue and that in all probability it will result in the retirement of a large percentage of the total issue before maturity.

FINANCIAL CONDITION JULY 31 1918.

ASSETS.

Fixed Assets:	
Reproductive Value (based upon 1913 prices) of real estate, buildings, machinery, water power, &c., as appraised by the American Appraisal Co. as of March 31 1917, with subsequent additions and deductions to July 31 1918.....	\$21,938,621 90
Less allowances for depreciation.....	5,827,663 97
	<u>\$16,110,957 93</u>
Current Assets:	
Cash.....	\$544,990 59
Accounts Receivable (less reserves).....	2,840,571 10
Merchandise Inventories (less reserves)....	5,028,635 79
Advanced payments on Merchandise.....	156,534 76
Other current assets.....	25,051 86
	<u>8,595,784 10</u>
Miscellaneous Assets.....	191,317 69
	<u>8,787,101 79</u>
Total tangible assets, excluding any valuation for Good-Will, trade-marks, &c.....	\$24,898,059 72
Good-Will, Trade-Marks, &c. (as of date of organization)....	18,010,150 41
	<u>\$42,908,210 13</u>

LIABILITIES.

Funded Debt:	
First Mortgage 5% Sinking Fund Bonds, due July 1 1919, in hands of public.....	*\$11,118,000 00
Current Liabilities:	
Notes Payable.....	\$800,000 00
Trade Acceptances.....	310,964 44
Accounts Payable.....	1,563,755 82
Accrued Accounts (not due).....	245,939 25
Collateral Loans.....	521,126 66
Reserves for taxes and Liability Insurance.....	46,697 34
	<u>3,488,483 51</u>
Total liabilities, except capital stock and surplus.....	\$14,606,483 51
Capital Stock, Preferred.....	\$12,500,000 00
Common.....	9,500,000 00
	<u>22,000,000 00</u>
Surplus.....	6,301,726 62
	<u>\$42,908,210 13</u>

*Since the date of the above statement, the Company has purchased an additional \$118,000 of its bonds.

EARNINGS FOR THE NINETEEN YEARS SINCE ORGANIZATION.

During the nineteen years since the organization of the Company it has earned, after liberal allowance for depreciation and maintenance, a large margin over its interest requirements. This is shown by the following table:

Net Sales.....	\$210,874,021 65
Net Earnings.....	\$32,394,845 34
Miscellaneous Profits.....	1,044,895 91
	<u>\$33,439,741 25</u>
Of which there has been expended or reserved for Depreciation, Repairs and Maintenance.....	12,053,070 99
Leaving.....	\$21,386,670 26
Average per year, \$1,125,000	
Interest on funded debt in hands of the public required.....	\$13,837,045 64
Net Profits.....	\$7,549,624 62
Dividends paid.....	1,247,898 00
	<u>\$6,301,726 62</u>
Undivided surplus, representing increase in Net Assets, after liberal reserves for depreciation.....	\$6,301,726 62

RECENT EARNINGS.

	Jan. 1 1914 to July 31 1918.	Jan. 1 1918 to July 31 1918.	Average per Year.
Sales.....	\$63,686,589 15	\$11,695,248 08	\$13,895,000 00
Net Earnings.....	\$9,471,228 54	\$1,607,861 41	\$2,066,000 00
Reserved for Depreciation, Repairs and Maintenance.....	2,913,452 51	533,956 10	635,000 00
Balance applicable to interest on Funded Debt.....	\$6,557,776 03	\$1,073,905 31	\$1,431,000 00

Based upon the actual sales and net profits for the seven months ending July 31 1918, and a reasonable estimate for the balance of the year, the sales for the current year ending December 31 1918 will be by far the largest in the Company's history. The indicated net earnings applicable to bond interest charges are at least \$2,000,000 for this year, assuming

that the existing general business conditions will not be adversely affected by the war during the remainder of 1918.

The above estimated net earnings of \$2,000,000 are after deducting all expenses, including estimated taxes, and including liberal allowances for maintenance and depreciation, based upon the recommendations of the American Appraisal Co., which made a complete inventory of this Company's plants and equipment in 1917.

Since January 1 1917 the accounts of the Company have been audited by Messrs. Ernst & Ernst, Certified Public Accountants, who have established the Company's present system of accounting, which has further been passed upon and approved by Messrs. Touche, Niven & Co., as modern and efficient, and as enabling the prompt and accurate determination of costs of production of each class of goods. Inventories are based upon cost or market value, whichever is less, and are taken monthly, thus reducing to a minimum the possibility of loss from fluctuations in values of materials or finished product.

OPERATING CONDITIONS AND MANAGEMENT.

The principal products of the Company are papers manufactured from textile waste, rag stock and paper stock. Sulphite pulp is used in large quantities, but wood papers are minor products. The demand for the chief grades of paper produced by the Company is world-wide, and it is believed that these grades are manufactured in its mills as economically as in any mills in the country. At the present time the mills are operated at full capacity. Governmental regulations are fully respected. The outlook for future business is good. It seems likely that the attitude of the Government with regard to the conservation of natural resources, such as timber lands, will gradually bring about a further increase in the demand for papers from waste products such as rag and paper stock, in which classes of business this Company is the leading manufacturer in the United States. The Company is likewise the heaviest consumer of such raw materials and with well organized purchasing and storing facilities occupies an advantageous position in the industry. It carries no dead or unproductive investment in timber lands; this condition enables the Company to take advantage of both domestic and import markets of wood pulp, the latter becoming of increasing importance in the future owing to superiority in quality, abundance of supply and prospective increased shipping. The Company's present inventory of raw materials and supplies is conservative and well balanced; it would seem that unless unforeseen operating or war conditions develop, the plants will be operated steadily during the coming winter months. The scientific cost system of accounting now becoming operative enables the management to determine currently the price at which each grade of paper should be sold in order to insure a reasonable profit on every sale, and prices are constantly being adjusted to meet increased costs. Through excellent accounting methods, tying in of costs, and proper inventories, monthly verifications of profits are made. The good-will of the trade that has accrued to the Company is a large and a constantly growing asset.

The present management took charge in 1917, and has fully systematized all departments, so that there is now an effective distribution of authority and supervision, as well as a thorough interdependence and balance throughout the whole organization.

CONCLUSION.

I have called your attention to the stability of the Company's business, demonstrated over a long period of years, the recognized high quality and great diversity of its products, its excellent present earnings and the favorable outlook for the future.

The Company has ceased to be merely a local enterprise. It is doing a very large volume of business throughout the United States, and in addition the management has adopted the broad policy of building up a world-wide trade and particularly in the markets of South America and the Far East which in the past have been dominated by Germany and Austria.

These facts should, in my judgment, be brought to the attention of the bondholders in connection with the plan proposed for the refunding of the Company's bonds due July 1 1919, and which plan I unhesitatingly recommend to their approval.

Very truly yours,
GEORGE A. GALLIVER,
President.

The Commercial Times.

COMMERCIAL EPITOME

Friday Night, Oct. 25 1918.

Peace talk has had a rather detrimental effect upon wholesale business, and the influenza epidemic and warm weather have cut down retail trade. Illness of workmen has caused a reduction in output in different industries. Trade is best at the West. There less attention is paid to peace talk and more business is being done than a year ago. Christmas trade is not brisk as yet, though at the West there is a pretty good demand for toys and furs. The Government would be glad to have Christmas shopping done as early as possible. As in the past, so now, Government business overshadows everything else. It goes right ahead with unabated vigor in spite of diplomatic exchanges and talk of a possible armistice and of a peace at an earlier date than at one time seemed possible. In fact, so active is Government business that the list of non-essential articles is continually being increased, to the end that restrictions on their production may help to speed up business for the army and navy. Every effort is being made to increase the production of iron and steel, though it is hampered for the time being by the influenza epidemic. Cotton has been declining, but grain has advanced. The weather has been good for the winter-wheat crop. Beneficial rains have fallen in the Southwest, including Nebraska and Texas. It looks now as though the crop there would be larger than the last one, though it is, of course, too early to give much heed to appearances. The corn crop, though smaller than was at one time expected, is of far better quality than the last one. Owing to the vast amount of sickness in the country, there has been brisk trade in drugs; sales of quinine both in the United States and Canada have been notably large at high prices. Collections in the main are good. Measures have been taken to check speculation by restricting the use of money for such purposes. The Fourth Liberty Loan, it is generally believed, was oversubscribed. American exports of food continue on a large scale. And it is expected that the evacuation of Northern France and Belgium will place an additional burden upon the American people in supplying food. It must be said that our people have submitted to restrictions in the matter of food with the utmost patience and good nature. They are not used to having the number of spoonfuls of sugar prescribed for them, nor to being compelled to pay extra for bread and butter, nor to eating rye or mixed bread and submitting to many other little unusual things which at any other time and in any other cause might be vexatious. But the great cause has consecrated every deprivation, great or small, and in the sum total it has been large. The cost of living has been a severe tax on the income of millions of American homes. But the people are still ready to do anything in their power to help the stricken populations across the ocean. And now it is said that 10,000,000 people who have been on semi starvation diet in Europe for the last four years will have to be fed very largely by America for some time to come. It will be cheerfully done. In the move to increase our foreign trade after the war it is of interest to note that for the first time since the beginning of the war the exportation of commercial samples, except to enemy countries, for soliciting orders will be permitted by the War Trade Board. Special provisions are being made for sending samples into Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guatemala, Paraguay, Peru, Salvador, Uruguay, Haiti, Honduras, Nicaragua and Panama. The neutral countries of Europe, as well as the Allies and their colonies, are included in the list; also Japan, China and other countries in the Orient. It is gratifying to note that 70,000 soft coal miners of central Pennsylvania bituminous coal fields have voted to work Sundays to overcome a loss of production due to influenza epidemic. The scarcity of labor is still one of the great drawbacks of the times. And meanwhile wages continue to mount. The year 1918 has seen the highest ever known. The great draft of labor to the metal industries was one cause, aside from the major cause of the draft. Since March every month has seen a new increase in the level of wages as reported by the State Labor Bureau of Statistics and Information. These figures show that in August the number of employees fell off 2%. Losses range from 4% in the stone, clay, glass and clothing trades to a fractional loss in the light and power industries. The average weekly earnings for an employee in August was \$21 23, as against \$16 44 in 1917, \$14 44 in 1916, \$12 89 in 1915 and \$12 53 in 1914. It is of interest to note in contrast with such figures that the silk workers in China, now receiving equal to only eleven cents a day, have struck for an increase to twelve cents, owing to the increase in the cost of living, making the munificent sum of seventy-two cents for six days' work. And yet the American laboring man is not everywhere happy, though some of them are making as high as \$120 a week. They still want more. Small wonder that there is a big demand for labor saving devices. Profiteering in the matter of food prices is being sharply looked into. Sixty-seven more butchers have been

convicted for overcharges, and by order of the direction of the Federal Food Board have had to contribute to the Red Cross. Yet it is true that prices of food have recently increased. The aggregate rise in five years is 72%. Within a year the increase has been 14%. Sugar, meanwhile, is growing scarcer and restrictions upon the use of it by manufacturers will be made more severe during November and December. This is owing to heavy shipments abroad. Restaurants are complying with recent food restriction orders. As against attempts at profiteering the Food Administration for one thing has warned chain-restaurant owners to stop charging five cents for bread and butter served with meals, until the matter has been fully investigated by the Food Administration. Restaurants in New York, Philadelphia, Baltimore, Washington and other cities are affected. The Childs restaurants have stopped making this charge. Effective Oct. 22 and until further notice the War Trade Board will give consideration to applications for coffee importations, an arrangement providing for the approval of such applications by the Food Administration having been determined upon. Dr. Copeland says the influenza epidemic is now waning. Certainly this is also said to be the case in many parts of the country. The military camps have lost about 14,000 men by the disease, but the crest is now said to have been passed. Thirteen States report a decline in the epidemic and all but three army camps are now free from it, the exceptions being Camp Lewis, Wash.; Camp McClellan, Ala., and Kearney, Cal.

LARD firm; prime Western, 26.65@26.75c.; refined for the Continent, 28.25c.; South America, 28.65c.; Brazil in kegs, 29.65c. Futures advanced with corn and also because of a big buying of ribs and heavy covering of shorts. Shipments of product are reducing stocks. Prices reacted later with a decline in hogs and the cash trade relapsing into dullness; pork and ribs dropped heavily with live hogs off 25 to 50c. in a single day. To-day prices advanced. For the week they are higher

DAILY CLOSING PRICES OF LARD FUTURES IN CHICAGO.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
October delivery...cts.	25.30	25.60	25.77	23.27	25.00	25.50
November delivery....	24.20	24.50	24.65	24.20	24.20	24.70

PORK firmer; mess, \$40@41; clear, \$42@50; family, \$53@55. Chicago cash ribs, firm; cash, \$22@23. Beef products scarce and firm; mess, \$35@36; packet, \$36@37; family, \$40@41; extra India mess, \$58@59; No. 1 canned roast beef, \$4 25; No. 2, \$8 25. Cut meats firm; pickled hams, 10 to 20 lbs., 30 3/8@30 7/8c.; pickled bellies, 36@37c. To-day November pork closed at \$35 10, a rise of 10c. for the week. Butter, creamery, 53@58 1/2c. Cheese, flats, 29 1/2@33 1/2c. Eggs, fresh, 45@60c; nearby white, 72@92c.

COFFEE nominal; No. 7 Rio, 10 5/8c.; No. 4 Santos, 15c.; fair to good Cucuta, 14 1/4@14 1/2c. Trading in futures is still suspended. Cost and freight business is in abeyance pending developments. News from Washington as to definite action by the Food Administration officials is eagerly awaited. Meanwhile the stock at Rio is 782,000 bags, against 517,000 a year ago, and at Santos 4,587,000 bags against 3,177,000 last year. There is no fear of a shortage of coffee in this country, though the total in sight for the United States is only 1,292,415 bags, against 2,642,318 a year ago. Of mild the stock is estimated to be equal to the quantity of Brazil in sight for this country. Restrictions on the use of coffee in the interest of economy and conservation for the war period have been put into effect through a joint arrangement between the War Trade Board and the Food Administration. Importations of coffee from Central and South American countries will be restricted to actual needs, and in public dining rooms and households the utmost economy will be sought until there is relief in the shipping situation. The Coffee Exchange has received a message from the Coffee Division of the Food Administration at Washington saying that several returns of open contracts omit the names of principals. This they say is imperative and ask that contract holders be advised to forward promptly.

SUGAR firm; centrifugal, 96-degrees test, 7.28c.; granulated, 9c. Trade has been rather quiet. Beet root sugar factories are starting up under satisfactory conditions. It is said that in the territory supplied by Michigan, Ohio and Indiana factories demand exceeds production, but that the weather recently has been very favorable and beets are being delivered to the factories in liberal volume and are testing very satisfactory as to sugar content. Chicago reports only a moderate trade. Purchases of Cuban cane sugar for November shipment thus far have been, it is estimated, about 30,000 tons; October clearances, 150,000 tons; still to come forward, 95,000 tons. The Cuban crop of 1918-19 is stated at 3,446,083 tons, of 2,240 lbs. each, or 422,363 long tons larger than the previous one. Cuban stocks are 276,084 tons larger than a year ago. New Orleans reports the first arrivals of new Louisiana sugar. There are rumors that Java sugar is being offered here.

PETROLEUM firm and active; refined in barrels, cargo, \$15.50@16.50; bulk, New York, \$8.25@9.25; cases, New York, \$19.25@20.25. Gasoline firm; motor gasoline, in steel barrels, to garages, 24 1/2c.; to consumers, 26 1/2c.; gas machine, 41 1/2c. There is a reduction in mid-continent stocks of crude oil. September deliveries exceeded field receipts by 1,752,763 barrels. The "Oil City Derrick" says that the receipts of crude petroleum from the wells by the lines of Kansas and Oklahoma aggre-

gated 10,998,283 barrels for September, the daily average being 366,609 barrels. This is a falling off of 385,780 barrels, compared with August. Deliveries by the mid-continent lines in September were 12,850,940 barrels, a decrease of 659,546 bbls. A decrease of 2,271,090 bbls. in the stock during the month is reported. Receipts of 10,998,283 barrels of crude petroleum from wells of Kansas and Oklahoma which make regular monthly reports, show decreases of 385,780 barrels from August and 576,557 barrels from September of last year.

Pennsylvania dark \$4 00	South Lima.....\$2 38	Illinois, above 30 degrees.....\$2 42
Cabell.....2 77	Indiana.....2 28	Kansas and Okla-homa.....2 25
Orichton.....1 40	Princeton.....2 42	Caddo, La., light.....2 25
Corning.....2 85	Somerset, 32 deg..1 25	Caddo, La., heavy.....1 55
Wooster.....2 58	Ragland.....2 25	Canada.....2 78
Thrall.....2 25	Electra.....2 25	Healdton.....1 45
Strawn.....2 25	Moran.....2 33	Henrietta.....2 25
De Soto.....2 15	Plymouth.....2 33	
North Lima.....2 38		

OILS.—Linseed lower; city raw, carloads, \$1 60@1 65; five-barrel lots, \$1 60@1 65. Lard, prime, edible, \$2 50. Coconut, Ceylon, barrels, 17@17 1/2c.; Cochin, 18@18 1/2c. Soya bean, 18 1/2@18 1/2c. Manila, coast freight rates now on the basis of 3c. per lb. Corn oil, crude, barrels, 17 3/4@18c. Olive, \$4 25. Cod, domestic, \$1 45@1 50. Prime crude cottonseed oil, Southeast, \$17 50. Spirits of turpentine, 67c.; strained rosin, common to good, \$15 25@15 40.

TOBACCO.—Trade in domestic is generally quiet, with prices steady, however. For Havana there is a steady demand and quite a good business is being done at firm quotations. The allotment of 12,000 bales of Sumatra was made on the 21st inst., supposedly at about \$2 55 to \$2 60, or 75 cents lower than a year ago.

COPPER trade is awaiting Government action as to future prices. To-day the Price Fixing Board was to have a conference with copper producers as Washington, but it has been postponed. Supplies needed on Government contracts and on priority certificates are reported ample; carloads 26c.; smaller lots 27.30c. Tin dull at 77 1/2@78 1/2c.; pending the announcement of the details of Government control. Nobody seems to have any clear idea when they will be made known. Lead quiet at 8.05@8.90c., spot New York. Distribution is entirely in the hands of the Lead Committee. Spelter dull at 9.15@9.45c., spot New York.

PIG IRON is still scarce. The situation, on the whole, is about as acute as ever. Furnaces are concentrating on the production of basic, at the expense of that of foundry. Some are ready to contract for delivery in the first half of next year. Meanwhile it is harder than ever to get foundry iron for civilian business. This is unfortunate for post-war transactions. Basic production with a view to helping steel mills is increasing. The total October output of pig iron moreover is expected to surpass that of September. Supplies of coke are increasing. If by any means the output of foundry iron can be materially increased the outlook for peace as well as war business will, of course, be sensibly improved. Recent peace talk caused some slowing down in the demand for pig iron, scrap and ferro-alloys.

STEEL production continues on a big scale despite the influenza epidemic and recent peace talk. In fact, the war production increases as curtailments in non-essential branches are extended. It is believed that the United States Government will shortly increase its purchases of rails, &c. The influenza epidemic has cut down production somewhat of plates; ship steel fabrication has suffered both in the East and the Central West. There is of course a big demand for plates and sheets. Mills making barbed wire for shipment to France are oversold. The Government has ordered \$132,000,000 worth of auto-trucks.

COTTON

Friday Night, Oct. 25 1918.

THE MOVEMENT OF THE CROP, as indicated by our telegrams from the South to-night, is given below. For the week ending this evening the total receipts have reached 169,230 bales, against 163,647 bales last week and 169,334 bales the previous week, making the total receipts since Aug. 1 1918 1,356,983 bales, against 1,798,288 bales for the same period of 1917, showing a decrease since Aug. 1 1918 of 441,305 bales.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.	Total.
Galveston.....	8,402	11,797	11,296	10,304	6,182	6,751	54,732
Texas City.....	---	---	---	---	---	---	---
Port Arthur, &c..	---	---	---	---	---	389	389
New Orleans.....	6,132	5,328	6,494	9,236	6,851	5,757	39,798
Mobile.....	318	338	1,074	759	299	689	3,477
Pensacola.....	---	---	---	---	---	---	---
Jacksonville.....	---	---	---	---	---	246	246
Savannah.....	9,158	5,394	6,642	5,286	5,958	3,499	35,937
Brunswick.....	---	---	---	---	---	4,000	4,000
Charleston.....	1,941	603	1,203	639	470	1,446	6,302
Wilmington.....	44	---	2,100	672	1,122	1,289	5,227
Norfolk.....	2,595	3,022	6,476	1,439	2,465	1,357	17,354
N'port News, &c..	---	---	---	---	---	141	141
New York.....	---	---	---	77	---	---	77
Boston.....	---	146	36	57	333	---	572
Baltimore.....	---	---	---	---	---	978	978
Philadelphia.....	---	---	---	---	---	---	---
Totals this week..	28,590	26,628	35,321	28,469	23,680	26,542	169,230

The following shows the week's total receipts, the total since Aug. 1 1918 and the stocks to-night, compared with last year:

Receipts to Oct. 25.	1918.		1917.		Stock.	
	This Week.	Since Aug 1 1918.	This Week.	Since Aug 1 1917.	1918.	1917.
Galveston.....	54,732	536,861	73,338	629,171	266,724	212,783
Texas City.....	---	1,614	2,115	4,661	6,504	150
Port Arthur, &c..	389	2,457	103	9,697	---	---
New Orleans.....	39,798	283,068	70,290	332,002	280,774	173,692
Mobile.....	3,477	33,744	6,942	37,341	20,912	15,626
Pensacola.....	---	---	---	1,155	110	---
Jacksonville.....	246	1,121	1,582	13,950	8,493	9,800
Savannah.....	35,937	316,564	31,910	393,694	256,886	162,806
Brunswick.....	4,000	21,300	5,000	58,000	1,800	8,000
Charleston.....	6,302	46,755	14,158	80,346	50,221	52,005
Wilmington.....	5,227	33,861	5,555	35,217	44,109	42,618
Norfolk.....	17,354	61,811	14,460	73,065	86,611	40,446
N'port News, &c..	141	1,171	178	1,385	---	---
New York.....	77	2,139	21,353	63,937	92,168	98,557
Boston.....	572	11,268	2,257	23,575	11,758	8,708
Baltimore.....	978	3,249	3,724	38,131	6,512	27,616
Philadelphia.....	---	---	---	2,961	10,505	6,842
Totals.....	169,230	1,356,983	251,964	1,798,288	1,144,087	859,649

In order that comparison may be made with other years, we give below the totals at leading ports for six seasons:

Receipts at—	1918.	1917.	1916.	1915.	1914.	1913.
Galveston.....	54,732	72,338	103,414	94,146	123,806	134,426
Texas City, &c..	389	2,218	23,067	21,439	23,170	33,828
New Orleans.....	39,798	70,290	91,084	46,729	39,118	85,962
Mobile.....	3,477	6,942	3,103	5,306	4,574	21,772
Savannah.....	35,937	31,910	35,063	29,784	43,965	123,375
Brunswick.....	4,000	5,000	3,000	3,000	1,300	30,000
Charleston, &c..	6,302	14,158	6,926	11,336	12,594	29,853
Wilmington.....	5,227	5,555	6,653	9,775	5,566	28,323
Norfolk.....	17,354	14,460	21,792	20,599	12,732	36,369
N'port N, &c..	141	178	---	212	2,086	6,147
All others.....	1,873	28,915	11,826	3,231	3,816	30,337
Total this wk	169,230	251,964	305,928	245,558	272,727	560,392
Since Aug 1..	1,356,983	1,798,288	2,543,780	2,113,677	1,314,815	3,677,385

The exports for the week ending this evening reach a total of 122,878 bales, of which 88,168 were to Great Britain, 9,200 to France and 25,510 to other destinations. Exports for the week and since Aug. 1 1918 are as follows:

Exports from—	Week ending Oct. 25 1918. Exported to—				From Aug. 1 1917 to Oct. 25 1918. Exported to—			
	Great Britain.	France.	Other.	Total.	Great Britain.	France.	Other.	Total.
Galveston.....	43,854	---	15,510	59,364	199,576	---	85,883	285,459
Texas City.....	---	---	---	---	---	---	12,200	12,200
Pt. Nogales.....	---	---	---	---	---	---	130	130
New Orleans.....	13,947	5,800	---	19,747	120,399	68,459	26,953	215,811
Mobile.....	6,778	---	---	6,778	18,644	---	---	18,644
Savannah.....	23,589	3,400	---	26,989	63,596	41,000	31,594	136,190
Brunswick.....	---	---	---	---	11,196	---	---	11,196
Wilmington.....	---	---	---	---	---	---	5,646	5,646
Norfolk.....	---	---	---	---	20	31	---	51
New York.....	---	10,000	10,000	59,784	25,646	964	90,675	176,105
Boston.....	---	---	---	---	7,911	---	---	8,875
Baltimore.....	---	---	---	---	11,220	---	---	11,220
Philadelp'ia.....	---	---	---	---	1,077	---	---	1,077
Pacific ports.....	---	---	---	---	---	---	43,387	43,387
Total.....	88,168	9,200	25,510	122,878	493,423	136,100	296,468	925,991
Total 1917..	63,058	---	27,593	90,651	847,506	293,802	268,769	1,320,077
Total 1916..	151,109	32,367	66,053	249,529	826,394	245,709	519,348	1,591,451

In addition to above exports, our telegrams to-night also give us the following amounts of cotton on shipboard, not cleared, at the ports named. We add similar figures for New York.

Oct. 25 at—	On Shipboard, Not Cleared for—					Leaving Stock.
	Great Britain.	France.	Germany.	Other Cont'l.	Coast-wise.	
Galveston.....	14,000	---	---	9,841	1,000	24,841
New Orleans.....	5,000	8,000	---	15,000	5,000	33,000
Savannah.....	---	---	---	---	5,000	5,000
Charleston.....	---	---	---	---	1,000	1,000
Mobile.....	2,082	---	---	---	---	2,082
Norfolk.....	---	---	---	---	500	500
New York.....	12,000	5,000	---	3,000	---	20,000
Othlr ports.....	7,000	---	---	---	---	7,000
Total 1918..	40,082	13,000	---	27,841	12,500	93,423
Total 1917..	34,058	19,341	---	20,038	11,930	85,367
Total 1916..	85,561	37,628	---	59,714	30,885	217,388

*Estimated

Speculation in cotton for future delivery has still kept within narrow proportions and the trend of prices, despite rallies from time to time, has been downward. Within about ten days the decline has been approximately 200 points. It may be attributed to the fact that receipts are piling up at the South, stocks are large, exports small and speculation is lacking. The trade is about the only buyer, aside from shorts from time to time. Japanese interests have been buying January, March and May rather freely, according to the common understanding. Possibly this buying has been exaggerated. Still, it has been there, and it has been a noteworthy factor. The French Commission has also bought to some extent. The American trade has been a steady buyer on declines. The war news and diplomatic exchanges have been variously interpreted. But if anything the opinion of late has been that the developments pointed to a continuation of the war. Peace, in other words, is not considered so near at hand as it was a short time ago. Those who look upon war as a bullish argument have naturally regarded their position as strengthened. Also many of the Southern holders, it is said, are refusing to sell on declines in futures. Of late there have been some predictions of frost in Oklahoma and the Panhandle of Texas. Exports are small, but more or less cotton is steadily going on. And the recent German note stated that passenger ships would not be attacked in

the future by U-boats. Passenger ship sare supposed to carry more or less freight, though of course not cotton. But as to that very many doubt whether the U-boat warfare against even freighters will be conducted with the same vigor as heretofore. If an armistice is declared, it is inferred that the U-boat fleet and bases will be taken by the Allies. That would of course mean that our exports would go upon the seas undisturbed by submarines, and subject only to the supply of mercantile tonnage available. And Chairman Baruch of the War Industries Board announced the other day that it did not look as though price-fixing would be necessary. This is only a reiteration of what was said a good many weeks ago. All the same, it has comforted a good many of the trade. The fact, too, that the market is stabilizing itself is considered by many as reason enough why the commodity itself should be let alone. Certainly since Sept. 3 the price has fallen over 7 cents per pound. The natural laws of trade are working out in an orderly manner. In other words, it is a case of supply and demand. As to the future, many think that peace will be a bullish argument. Already there is a movement on foot looking to a quick resumption of business at the mills in northern France and in Belgium on the cessation of hostilities. Of course, that could not be done at once. But the work will be pushed with all possible vigor. Many believe, too, that American trade will benefit by peace. The civilian demand will, it is argued, increase, as mills have the opportunity to increase their output with an increase in the supply of labor. Munitions mills would be less busy, and cotton mills more busy. And as regards the military demand, that, it is inferred, would have to continue for some little time. Demobilizing the army could not be done overnight. A big force might have to be left in France, Belgium and no doubt on the borders of Germany for some time. And cotton goods are essential in modern warfare in more ways than one, of course. In short, there are those who believe that it is a great mistake to regard peace as a bearish factor. They think it is the other way about, just as everybody thought six months and even a year ago. But on the other hand, speculation for a rise has been paralyzed, partly by the fear in the past of price-fixing, and the growing notion in many quarters that the falling off in the war demand on the declaration of an armistice, to say nothing of the declaration of peace, would result in a sharp drop in prices. However that may be, it is certain that the carry-over from last season is large, that the present American stocks are heavy, and steadily increasing, that the ginning is unusually large for this time of the year, and that of late the domestic consumption has been decreasing, partly owing to the epidemic of influenza. The general scarcity of labor is one of the prime factors, however. It is predicted that the October mill consumption will turn out to be the smallest for many months past, simply because of the scarcity of mill hands. Thousands of mill operatives have been incapacitated for work by influenza. Meanwhile the weather at the South as a rule has been favorable. The crop is steadily increasing. The National Ginners' Association was credited with estimating the ginning up to Oct. 17 at 7,060,000 bales, against 5,578,660 bales last year, 7,303,183 in 1916, 5,708,730 in 1915. It turned out to be 6,790,003 bales. Some have looked to see a ginning for the period from Sept. 25 to Oct. 18 the largest since 1914, when it was 4,226,000 bales. It proved to be 3,071,088 bales, against 3,072,243 in the same time last year and 3,221,194 in 1916. To-day prices advanced, owing to stronger cables and smaller ginning than expected, heavy rains in Georgia and Alabama and a sharp falling off in the Liverpool selling, as well as a good deal of covering in a somewhat oversold market by local Wall Street and Western shorts. Moreover, the exports approximated 67,000 bales. Spot cotton ended at 31.70c. for middling uplands, showing a decline for the week of 115 points.

The following averages of the differences between grades, as figured from the Oct. 24 quotations of the eleven markets, designated by the Secretary of Agriculture, are the differences from middling established for deliveries in the New York market on Oct. 31:

Middling fair.....	1.63 on	Strict middling "yellow" tinged.....	1.09 off
Strict good middling.....	1.31 on	Middling "yellow" tinged.....	1.80 off
Good middling.....	0.86 on	Strict low mid. "yellow" tinged.....	2.93 off
Strict middling.....	0.44 on	Low middling "yellow" tinged.....	4.85 off
Strict low middling.....	1.10 off	Good middling "yellow" stained.....	2.05 off
Low middling.....	3.16 off	Strict middling "yellow" stained.....	2.86 off
Strict good ordinary.....	5.06 off	Middling "yellow" stained.....	3.98 off
Good ordinary.....	6.71 off	Good middling "blue" stained.....	2.78 off
Strict good mid. "yellow" tinged.....	0.07 off	Strict middling "blue" stained.....	3.81 off
Good middling "yellow" tinged.....	0.55 off	Middling "blue" stained.....	4.95 off

The official quotation for middling upland cotton in the New York market each day for the past week has been:

Oct. 19 to Oct. 25—	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling uplands.....	32.85	32.50	32.00	31.45	31.55	31.70

NEW YORK QUOTATIONS FOR 32 YEARS.

The quotations for middling upland at New York on Oct. 25 for each of the past 32 years have been as follows:

1918. c.....	31.70	1910. c.....	14.60	1902. c.....	8.70	1894. c.....	5.81
1917.....	20.05	1909.....	14.40	1901.....	8.38	1893.....	8.31
1916.....	19.10	1908.....	9.35	1900.....	9.44	1892.....	8.31
1915.....	12.35	1907.....	10.95	1899.....	7.31	1891.....	8.44
1914.....	12.35	1906.....	10.95	1898.....	5.44	1890.....	10.12
1913.....	14.50	1905.....	10.65	1897.....	6.06	1889.....	10.50
1912.....	11.25	1904.....	10.05	1896.....	8.00	1888.....	9.81
1911.....	9.45	1903.....	10.20	1895.....	8.56	1887.....	9.62

MARKET AND SALES AT NEW YORK.

The total sales of cotton on the spot each day during the week at New York are indicated in the following statement.

For the convenience of the reader we also add columns which show at a glance how the market for spot and futures closed on same days.

	Spot Market Closed.	Futures Market Closed.	SALES.		
			Spot.	Contract	Total.
Saturday	Quiet	Steady	---	---	---
Monday	Quiet, 35 pts. dec.	Barely steady	---	---	---
Tuesday	Quiet, 50 pts. dec.	Barely steady	---	300	300
Wednesday	Quiet, 55 pts. dec.	Barely steady	---	200	200
Thursday	Quiet, 10 pts. adv.	Steady	---	100	100
Friday	Quiet, 15 pts. adv.	Steady	---	---	---
Total				600	600

FUTURES.—The highest, lowest and closing prices at New York for the past week have been as follows:

	Saturday, Oct. 19.	Monday, Oct. 21.	Tuesday, Oct. 22.	Wed. day, Oct. 23.	Thursday, Oct. 24.	Friday, Oct. 25.	Week.
October—							
Range.....	31.85-91	31.45-85	31.00-47	30.47-10	30.40-77	30.78-13	30.40-91
Closing.....	31.85-86	31.50-53	31.00	30.47	30.55-60	---	---
November—							
Range.....	30.99	30.51	29.93	29.43	29.46	29.81	---
Closing.....	---	---	---	---	---	---	---
December—							
Range.....	30.75-95	30.25-75	29.78-29	29.24-90	29.15-56	29.34-90	29.15-95
Closing.....	30.84-86	30.36-41	29.78-80	29.28-35	29.36-38	29.71-73	---
January—							
Range.....	30.26-45	29.85-20	29.20-80	28.60-22	28.59-94	28.90-30	28.59-45
Closing.....	30.36-38	29.87-90	29.20-22	28.62-67	8.4-79	29.19-21	---
February—							
Range.....	---	---	---	---	---	---	---
Closing.....	30.17	29.67	28.90	28.45	28.56	28.83	---
March—							
Range.....	29.98-22	29.51-92	28.77-42	28.26-80	28.20-58	28.50-92	28.20-22
Closing.....	30.04-05	29.54-56	28.77-82	28.30-32	28.41-46	28.78-79	---
April—							
Range.....	---	---	---	---	---	---	---
Closing.....	29.99	29.44	28.65	28.15	28.30	28.64	---
May—							
Range.....	29.83-05	29.32-80	28.55-18	28.00-50	27.92-35	28.36-68	27.92-05
Closing.....	29.87-89	29.35-38	28.55-57	28.05-12	28.20-22	28.54-56	---
June—							
Range.....	---	29.25-70	28.40-02	27.97-31	27.99-21	28.26-52	27.99-70
Closing.....	29.75	29.20-25	28.38-40	28.00-07	28.07-10	28.40-43	---
July—							
Range.....	---	---	---	---	---	---	---
Closing.....	---	---	---	---	---	---	---
August—							
Range.....	---	29.10-15	28.50	27.40-75	27.82-85	28.05-25	27.82-15
Closing.....	29.10	28.75	27.90	27.50	27.65	28.05-15	---
September—							
Range.....	---	---	28.00-09	26.90	27.45-50	---	26.90-09
Closing.....	---	---	27.50	26.90	27.15	27.55	---

131c. 130c. 129c. 128c.

THE VISIBLE SUPPLY OF COTTON to-night, as made up by cable and telegraph, is as follows. Foreign stocks, as well as the afloat, are this week's returns, and consequently all foreign figures are brought down to Thursday evening. But to make the total the complete figures for to-night (Friday), we add the item of exports from the United States including in it the exports of Friday only.

Oct. 25—	1918.	1917.	1916.	1915.
Stock at Liverpool.....	199,000	359,000	592,000	920,000
Stock at London.....	17,000	21,000	30,000	70,000
Stock at Manchester.....	26,000	25,000	34,000	55,000
Total Great Britain.....	242,000	405,000	656,000	1,045,000
Stock at Hamburg.....	---	---	*1,000	*1,000
Stock at Bremen.....	---	---	*1,000	*2,000
Stock at Havre.....	105,000	124,000	163,000	234,000
Stock at Marseilles.....	1,000	5,000	6,000	2,000
Stock at Barcelona.....	21,000	54,000	46,000	57,000
Stock at Genoa.....	25,000	9,000	179,000	151,000
Stock at Trieste.....	---	---	*1,000	*1,000
Total Continental stocks.....	152,000	192,000	397,000	448,000
Total European stocks.....	394,000	597,000	1,053,000	1,493,000
India cotton afloat for Europe.....	19,000	46,000	46,000	32,000
Amer. cotton afloat for Europe.....	225,000	380,000	637,945	536,059
Egypt, Brazil, &c. afloat for Europe.....	59,000	50,000	47,000	54,000
Stock in Alexandria, Egypt.....	1,000	149,000	112,000	194,000
Stock in Bombay, India.....	*660,000	*620,000	336,000	453,000
Stock in U. S. ports.....	1,144,087	859,649	1,192,414	1,291,889
Stock in U. S. interior towns.....	1,067,367	774,783	1,105,079	994,688
U. S. exports to-day.....	66,790	23,495	11,948	2,374
Total visible supply.....	3,824,244	3,499,927	4,541,386	5,051,010

Of the above, totals of American and other descriptions are as follows

American—				
Liverpool stock.....	bales. 100,000	231,000	445,000	677,000
Manchester stock.....	10,000	18,000	29,000	42,000
Continental stock.....	*133,000	*160,000	*309,000	*350,000
American afloat for Europe.....	225,000	380,000	637,945	536,059
U. S. port stocks.....	1,144,087	858,649	1,192,414	1,291,889
U. S. interior stocks.....	1,066,367	774,783	1,105,079	994,688
U. S. exports to-day.....	66,790	23,495	11,948	2,374
Total American.....	2,745,244	2,446,927	3,730,386	3,894,010
East Indian, Brazil, &c.—				
Liverpool stock.....	99,000	128,000	147,000	243,000
London stock.....	17,000	21,000	30,000	70,000
Manchester stock.....	16,000	7,000	5,000	13,000
Continental stock.....	*19,000	*32,000	*88,000	*98,000
India afloat for Europe.....	19,000	46,000	46,000	32,000
Egypt, Brazil, &c., afloat.....	59,000	50,000	47,000	54,000
Stock in Alexandria, Egypt.....	190,000	149,000	112,000	194,000
Stock in Bombay, India.....	*660,000	*620,000	336,000	453,000
Total East India, &c.....	1,079,000	1,053,000	811,000	1,157,000
Total American.....	2,745,244	2,446,927	3,730,386	3,894,010

Total visible supply.....	3,824,244	3,499,927	4,541,386	5,051,010
Middling upland, Liverpool.....	21.63d.	20.42d.	11.14d.	7.02d.
Middling upland, New York.....	31.70c.	28.95c.	19.00c.	12.30c.
Egypt, good brown, Liverpool.....	33.35d.	32.80d.	17.75d.	10.00d.
Peruvian, rough good, Liverpool.....	33.13d.	27.50d.	14.00d.	10.10d.
Broach, fine, Liverpool.....	23.00d.	20.45d.	10.50d.	6.65d.
Tinnevely, good, Liverpool.....	23.25d.	20.63d.	10.52d.	6.77d.

* Estimated.

Continental imports for past week have been 59,000 bales.

The above figures for 1918 show an increase over last week of 139,904 bales, a gain of 324,317 bales over 1917, a loss of 717,142 bales from 1916 and a decline of 1,226,766 bales from 1915.

AT THE INTERIOR TOWNS the movement—that is, the receipts for the week and since Aug. 1, the shipments for the week and the stocks to-night, and the same items for the corresponding period of the previous year—is set out in detail below.

Towns.	Movement to Oct. 25 1918.				Movement to Oct. 26 1917.			
	Receipts.		Shipments.	Stocks.	Receipts.		Shipments.	Stocks.
	Week.	Season.			Week.	Season.		
Ala., Eufaula...	250	2,898	200	1,943	267	2,682	---	2,421
Montgomery...	2,214	39,500	2,057	19,793	3,589	27,995	2,917	17,469
Selma...	2,219	31,905	1,963	14,697	2,281	20,399	1,950	4,825
Ark., Helena...	1,523	9,054	942	3,351	4,903	13,271	493	12,931
Little Rock...	7,003	37,578	3,604	22,111	14,942	44,180	7,932	28,679
Pine Bluff...	4,500	19,765	2,000	23,500	7,500	32,783	2,036	25,000
Ga., Albany...	400	6,984	300	3,437	395	9,868	650	2,284
Athens...	9,338	40,648	5,443	33,282	6,592	33,798	3,806	18,209
Atlanta...	6,518	50,898	8,426	25,046	16,384	65,286	10,476	30,289
Augusta...	19,830	157,442	11,924	114,534	27,316	208,905	25,171	105,092
Columbus...	3,000	25,500	3,250	15,000	2,000	17,152	1,000	12,782
Macon...	13,216	61,160	9,278	28,957	6,413	59,206	4,816	15,553
Rome...	4,000	18,536	3,000	12,028	2,469	10,752	1,694	4,944
La., Shreveport...	6,363	48,462	1,625	33,570	11,691	73,595	7,658	34,905
Miss., Columbus...	964	8,928	987	3,594	438	2,770	148	1,983
Clarkdale...	4,919	40,360	3,465	35,885	11,701	42,307	3,484	35,618
Greenwood...	4,700	45,035	1,906	35,414	6,000	32,604	4,000	22,000
Meridian...	1,200	13,755	900	7,634	953	11,215	921	8,943
Natches...	2,188	18,779	860	9,960	2,021	23,169	2,719	9,977
Vicksburg...	1,488	8,079	407	6,609	221	5,164	---	4,632
Yazoo City...	1,800	11,858	1,000	14,078	2,500	15,166	1,000	10,674
Mo., St. Louis...	14,971	56,165	12,978	14,203	33,329	179,376	32,939	2,664
N.C., Gr'nboro...	1,100	7,127	1,100	5,069	1,557	7,811	1,198	1,733
Raleigh...	398	2,386	325	206	614	2,127	550	281
O., Cincinnati...	4,000	18,850	3,700	14,025	3,150	32,845	6,317	18,914
Okla., Ardmore...	---	---	---	---	2,800	12,050	1,400	8,900
Chickasha...	2,000	12,368	1,600	9,208	2,218	12,720	2,386	8,652
Hugo...	3,082	13,210	1,581	5,665	1,656	11,734	1,534	5,410
Oklahoma...	1,500	9,295	800	3,500	2,877	8,815	2,101	5,691
S.C., Greenville...	3,528	13,630	488	17,000	5,500	25,996	2,300	14,000
Greenwood...	784	5,173	761	4,108	877	3,736	625	2,176
Tenn., Memphis...	23,650	153,807	22,992	231,109	53,184	160,184	22,694	110,365
Nashville...	---	---	---	284	452	1,044	60	796
Tex., Abilene...	499	3,881	543	828	1,734	11,249	3,928	1,659
Brenham...	400	14,722	400	5,063	800	14,232	600	3,050
Clarksdale...	2,230	13,572	1,998	5,747	3,408	18,938	2,838	6,183
Dallas...	2,558	29,843	2,932	11,536	9,073	53,500	8,949	14,288
Honey Grove...	1,179	12,032	2,285	4,703	3,172	32,682	3,207	5,920
Houston...	62,518	629,063	48,227	258,530	85,191	783,869	66,461	148,744
Paris...	3,285	33,324	4,129	8,725	4,843	21,065	3,793	7,041
San Antonio...	451	18,731	1,133	2,435	1,138	16,069	610	1,116
Total, 41 towns	226,266	1,744,303	171,509	1,066,367	348,150	2,152,309	247,361	774,783

The above totals show that the interior stocks have increased during the week 54,757 bales and are to-night 291,584 bales more than at the same time last year. The receipts at all town have been 121,884 bales less than the same week last year.

OVERLAND MOVEMENT FOR THE WEEK AND SINCE AUG. 1.—We give below a statement showing the overland movement for the week and since Aug. 1, as made up from telegraphic reports Friday night. The results for the week and since Aug. 1 in the last two years are as follows:

Oct. 25.	1918		1917	
	Shipped—	Since Aug. 1.	Week.	Since Aug. 1.
Via St. Louis	12,978	55,657	32,939	186,065
Via Mounds, &c.	13,156	71,638	12,675	66,689
Via Rock Island	590	2,410	130	495
Via Louisville	4,384	30,036	2,335	13,651
Via Cincinnati	3,640	15,409	1,971	13,054
Via Virginia points	10,268	42,894	16,408	90,066
Via other routes, &c.	10,981	106,273	12,394	132,275
Total gross overland	55,997	324,317	78,852	502,295
Deduct Shipments—				
Overland to N. Y., Boston, &c.	1,627	16,656	27,333	128,604
Between interior towns	1,523	15,077	1,318	21,340
Inland, &c., from South	4,524	68,817	11,988	92,096
Total to be deducted	7,674	100,550	40,639	242,040
Leaving total net overland*	48,323	223,767	38,213	260,255

* Including movement by rail to Canada a Revised.

The foregoing shows the week's net overland movement has been 48,323 bales, against 38,213 bales for the week last year, and that for the season to date the aggregate net overland exhibits a decrease from a year ago of 36,488 bales.

In Sight and Spinners' Takings.	1918		1917	
	Week.	Since Aug. 1.	Week.	Since Aug. 1.
Receipts at ports to Oct 25	169,230	1,356,983	251,964	1,798,288
Net overland to Oct 25	48,323	223,767	38,213	260,255
Southern consumption to Oct 25 ^a	82,000	1,037,000	82,000	1,093,000
Total marketed	299,553	2,617,750	372,177	3,151,543
Interior stocks in excess	54,757	369,751	100,789	419,841
Came into sight during week	354,310	---	472,966	---
Total in sight Oct 25	2,987,501	---	3,571,384	---
Nor spinners' takings to Oct 25	43,285	366,492	55,977	420,104

^a These figures are consumption; takings not available.

Movement into sight in previous years:

Week—	Bales	Since Aug 1—	Bales
1916—Oct. 27	521,089	1916—Oct. 27	4,628,067
1915—Oct. 29	437,512	1915—Oct. 29	3,664,032
1914—Oct. 30	502,295	1914—Oct. 30	2,893,081

WEATHER REPORTS BY TELEGRAPH.—Advices to us by telegraph this evening indicate that rain has been general at the South during the week, with the precipitation heavy at a few points and damaging open cotton. Picking continues active where not already completed. Texas reports are to the effect that top crop prospects have improved somewhat.

Galveston, Tex.—Picking and ginning continue and in some places fields are practically clean. Top crop prospects have improved somewhat. We have had rain on two days

during the week, the precipitation reaching sixty-five hundredths of an inch. Average thermometer 74, highest 84, lowest 64.

Abilene, Tex.—There has been rain on two days of the week, to the extent of eighty-three hundredths of an inch. The thermometer has averaged 68, the highest being 82 and the lowest 54.

Brenham, Tex.—There has been rain on three days of the week, to the extent of one inch and thirty-six hundredths. The thermometer has averaged 73, ranging from 59 to 86.

Brownsville, Tex.—There has been rain on one day during the week, to the extent of eighty-eight hundredths of an inch. The thermometer has ranged from 62 to 94, averaging 78.

Cuero, Tex.—The week's rainfall has been one inch and sixty-one hundredths, on two days. Average thermometer 74, highest 89, lowest 58.

Dallas, Tex.—We have had rain on three days the past week, the rainfall being three inches and seventy-three hundredths. The thermometer has averaged 74, the highest being 89 and the lowest 58.

Nacogdoches, Tex.—The week's rainfall has been one inch and fifty-three hundredths on two days. Average thermometer 72, highest 87, lowest 57.

Palestine, Tex.—We have had rain on two days the past week, the rainfall being sixty-six hundredths of an inch. The thermometer has averaged 73, the highest being 88 and the lowest 58.

Paris, Tex.—We have had rain on four days of the past week, the rainfall being one inch and thirty-four hundredths. The thermometer has averaged 69, ranging from 52 to 85.

San Antonio, Tex.—There has been rain on two days during the week, to the extent of one inch and seventy-eight hundredths. The thermometer has ranged from 58 to 86, averaging 72.

Weatherford, Tex.—It has rained on two days of the week, the precipitation being forty-two hundredths of an inch. Average thermometer 74, highest 86, lowest 59.

Ardmore, Okla.—There has been rain on two days of the week, to the extent of one inch and forty-five hundredths. The thermometer has averaged 69, the highest being 84 and the lowest 53.

New Orleans, La.—There has been rain on two days of the week, to the extent of seventy-seven hundredths of an inch. The thermometer has averaged 75.

Henrietta, Tex.—There has been rain on one day during the week, the rainfall being two inches and thirty-five hundredths. The thermometer has averaged 69, ranging from 52 to 86.

Huntsville, Tex.—There has been rain on two days during the week, to the extent of one inch and ninety-five hundredths. The thermometer has ranged from 50 to 88, averaging 69.

Kerrville, Tex.—The week's rainfall has been one inch and fifty hundredths, on one day. Average thermometer 69, highest 82, lowest 52.

Lampasas, Tex.—We have had rain on three days the past week, the rainfall being two inches and thirty-two hundredths. The thermometer has averaged 69, the highest being 86 and the lowest 52.

Longview, Tex.—We have had rain on two days of the past week, the rainfall being eighty hundredths of an inch. The thermometer has averaged 72, ranging from 58 to 85.

Luling, Tex.—There has been rain on two days during the week, to the extent of one inch and sixty-eight hundredths. The thermometer has ranged from 58 to 85, averaging 72.

Muskogee, Okla.—We have had rain on two days of the past week, the rainfall being one inch and twenty-five hundredths. The thermometer has averaged 67, ranging from 53 to 81.

Brinkley, Ark.—There has been rain on four days during the week, to the extent of one inch and eleven hundredths. The thermometer has ranged from 47 to 79, averaging 63.

Eldorado, Ark.—We have had rain on three days during the week, the precipitation reaching fifty-eight hundredths of an inch. Average thermometer 70, highest 84, lowest 57.

Shreveport, La.—There has been rain on two days of the week, to the extent of one inch and twenty-two hundredths. The thermometer has averaged 72, the highest being 84 and the lowest 60.

Greenwood, Miss.—We have had rain on four days of the past week, the rainfall being two inches and eighty-three hundredths. The thermometer has averaged 68, ranging from 50 to 85.

Vicksburg, Miss.—There has been rain on four days during the week, the rainfall being one inch and nineteen hundredths. The thermometer has ranged from 59 to 82, averaging 69.

Mobile, Ala.—Heavy rain latter part of week in the interior, with some damage to open cotton. The week's rainfall has been two inches and five hundredths, on five days. Average thermometer 74, highest 85, lowest 64.

Selma, Ala.—We have had rain on six days the past week, the rainfall being five inches and thirty hundredths. The thermometer has averaged 68, the highest being 80 and the lowest 60.

Madison, Fla.—We have had rain on three days of the past week, the rainfall being sixty-three hundredths of an inch. The thermometer has averaged 75, ranging from 64 to 85.

Augusta, Ga.—There has been rain on three days during the week, to the extent of one inch and ninety-seven hundredths. The thermometer has ranged from 52 to 82, averaging 77.

Savannah, Ga.—We have had rain on three days during the week, the precipitation reaching sixty-eight hundredths of an inch. Average thermometer 69, highest 81, lowest 59.

Charleston, S. C.—We have had rain on two days the past week, the rainfall being one inch and twenty-three hundredths. The thermometer has averaged 69, the highest being 82 and the lowest 56.

Spartanburg, S. C.—We have had rain on three days of the past week, the rainfall being two inches and seventy hundredths. The thermometer has averaged 60, ranging from 42 to 78.

Charlotte, N. C.—There has been rain on three days during the week, to the extent of one inch and seventy-two hundredths. The thermometer has ranged from 42 to 80, averaging 61.

Memphis, Tenn.—The week's rainfall has been one inch and fifteen hundredths on five days. Average thermometer 65, highest 76, lowest 44. Rain interfered with picking.

The following statement we have also received by telegraph, showing the height of the rivers at the points named at 8 a. m. of the dates given:

	Oct 25 1918	Oct 26 1917
	Feet	Feet
New Orleans.....	Above zero of gauge. 5 0	4 1
Memphis.....	Above zero of gauge. 2 9	3 2
Nashville.....	Above zero of gauge. 10 4	11 1
Shreveport.....	Below zero of gauge. 8 5	*4 9
Vicksburg.....	Above zero of gauge. 2 8	3 1

QUOTATIONS FOR MIDDLING COTTON AT OTHER MARKETS.—Below are the closing quotations of middling cotton at Southern and other principal cotton markets for each day of the week:

Week ending Oct. 25.	Closing Quotations for Middling Cotton on—					
	Saturday	Monday	Tuesday	Wed. day	Thursd'y.	Friday.
Galveston.....	32.50	32.25	31.75	31.25	31.00	31.35
New Orleans.....	31.00	31.00	31.00	30.50	29.50	29.75
Mobile.....	30.25	30.00	29.75	29.25	28.75	28.75
Savannah.....	30.25	30.00	29.75	29.75	29.75	29.25
Charleston.....	30.50	-----	-----	30.00	30.00	30.00
Wilmington.....	-----	-----	-----	-----	29.00	29.12
Norfolk.....	30.25	30.00	29.75	29.25	29.00	29.00
Baltimore.....	31.50	31.00	31.00	30.75	30.25	30.00
Philadelphia.....	33.10	32.75	32.25	31.70	31.80	31.95
Augusta.....	30.75	30.32	29.87	29.25	29.25	29.63
Memphis.....	31.50	31.50	31.50	31.50	30.50	30.50
Dallas.....	-----	30.90	30.30	29.80	29.85	30.20
Houston.....	32.30	32.00	31.50	31.00	31.10	31.50
Little Rock.....	31.50	31.50	31.25	31.00	31.00	31.00

NEW ORLEANS CONTRACT MARKET.—The closing quotations for leading contracts in the New Orleans cotton market for the past week have been as follows:

	Saturday, Oct. 19.	Monday, Oct. 21.	Tuesday, Oct. 22.	Wed. day, Oct. 23.	Thursd'y, Oct. 24.	Friday, Oct. 25.
October.....	30.20	29.97	29.78-82	29.00	29.54-64	-----
December.....	29.69-73	29.18-21	28.57-59	27.92-96	28.04-10	28.45-52
January.....	29.35-45	28.85-89	28.17-26	27.52-56	27.66-72	28.12-15
March.....	29.25-30	28.75-77	27.96-03	27.32-35	27.40-50	27.90
May.....	29.16-18	28.58-60	27.75	27.12-15	27.25-30	27.73-75
Tone.....	Steady	Steady	Steady	Quiet	Steady	Steady
Spot.....	Steady	Steady	Steady	Steady	Steady	Steady
Options.....	Steady	Steady	Steady	Steady	Steady	Steady

RECEIPTS FROM THE PLANTATIONS.—The following table indicates the actual movement each week from the plantations. The figures do not include overland receipts nor Southern consumption; they are simply a statement of the weekly movement from the plantations of that part of the crop which finally reaches the market through the outports:

Week end'g.	Receipts at Ports.			Stocks at Interior Towns.			Receipts from Plantations		
	1918.	1917.	1916.	1918.	1917.	1916.	1918.	1917.	1916.
Sept. 6.....	89,652	112,138	187,016	628,183	253,166	325,618	91,190	117,416	248,363
13.....	104,110	142,060	182,381	661,407	261,941	411,183	137,334	150,836	267,946
20.....	139,756	160,421	230,375	736,904	287,143	542,558	215,253	185,622	361,760
27.....	156,587	185,430	285,561	808,094	355,449	693,690	227,777	253,736	436,693
Oct. 4.....	159,431	208,398	324,221	866,570	439,165	830,921	217,907	292,114	461,452
11.....	169,334	207,209	322,759	942,219	544,591	964,982	244,983	312,455	457,820
18.....	163,647	235,539	340,497	1,011,610	673,994	1,053,374	233,038	364,942	428,889
25.....	169,230	251,964	305,928	1,066,369	774,873	1,105,079	223,987	352,753	357,633

The above statement shows: 1.—That the total receipts from the plantations since August 1 1918 are 1,726,734 bales; in 1917 were 2,218,129 bales; and in 1916 were 3,294,125 bales. 2.—That although the receipts at the outports the past week were 169,230 bales, the actual movement from plantations was 233,987 bales, the balance going to increase stocks at interior towns. Last year receipts from the plantations for the week were 352,753 bales and for 1916 they were 357,633 bales.

EGYPTIAN COTTON CROP.—The Alexandria Cotton Co., Ltd., Boston, has the following by mail from Alexandria under date of Aug. 23:

The unsold balance of the old crop has been bought by the "Cotton Control Commission, which, after pressing it, will offer it for sale. No arrivals of new crop have as yet been advised. Climatic conditions have improved and the humidity has been much less than during the last few weeks, which is a very favorable factor as it favors a good regular growth and maturity of the bolls. The leaf worm has appeared again in many districts; if it develops to a greater extent it may do much harm to the young buds. The pink boll worm attack is developing at least to the same extent as in any previous year. It is impossible at present to make any forecast of the outturn of the new crop; it is, however, certain that it cannot equal the 1917-18 production owing to the decrease of the acreage. The official figure of the land under cotton this year is given as Lower Egypt, 1,023,888 feddans; Upper Egypt, 291,684 feddans; total, 1,315,572 feddans; against last year Upper Egypt, 1,293,789 feddans (adjusted); Upper Egypt, 383,521 feddans (adjusted); total, 1,677,310 feddans (adjusted). Note—A feddan equals 1.04 acres.

Patrick Tracy Jackson, a Boston cotton merchant residing in Cambridge, died at Pride's Crossing, his summer home, on October 12 from heart disease. Mr. Jackson was born in Boston on Dec. 19 1844 and from 1863 until 1865 was in the United States Army in Civil War service, as Second Lieutenant of the First Massachusetts Cavalry, and afterward as First Lieutenant of the Fifth Massachusetts Cavalry. His service was with the Army of the Potomac, the Army of the James and in the defenses around Washington. Later service was under General Sheridan on the Rio Grande River. Following his war service Mr. Jackson returned North and was employed in cotton mills in Holyoke from 1866 until 1869, when he entered the dry goods commission business in Boston, in which he continued for several years, afterward becoming associated, as cotton buyer, with his son, A. L. Jackson, as P. T. Jackson & Co., Congress Street.

CENSUS BUREAU REPORT ON COTTON GINNING TO OCT. 18.—The Census Bureau issued on Oct. 25 its report on the amount of cotton ginned up to Oct. 1 from the growth of 1918, as follows, comparison being made with the returns for the like period of preceding years:

	1918.	1917.	1916.	1915.	1914.
Alabama.....	485,520	225,668	292,808	556,086	810,295
Arizona.....	6,082	1,421	1,390	195	-----
Arkansas.....	447,034	347,149	673,366	283,423	397,251
California.....	10,241	6,119	6,852	4,272	6,156
Florida.....	11,831	27,492	32,167	32,165	43,313
Georgia.....	1,277,736	1,044,480	1,217,903	1,178,045	1,367,916
Louisiana.....	324,888	352,121	319,698	223,063	225,274
Mississippi.....	583,961	375,106	448,504	421,663	474,788
Missouri.....	19,916	10,608	29,426	11,829	-----
North Carolina.....	295,841	151,160	251,764	264,935	301,108
Oklahoma.....	345,392	341,804	490,608	66,255	451,449
South Carolina.....	795,340	582,361	508,635	581,667	693,144
Tennessee.....	131,837	39,596	171,968	79,353	102,177
Texas.....	2,050,555	2,066,004	2,845,705	2,001,416	2,715,772
Virginia.....	2,627	1,368	10,123	3,950	-----
All other States.....	1,203	1,149	2,266	413	30,794
United States.....	6,790,003	5,573,806	7,303,183	5,708,730	7,619,747

* Included in other States. The number of round bales included this year, is 113,335, contrasted with 108,298 bales in 1917 and 136,880 bales in 1916. The number of Sea Island bales included is 9,780, against 43,815 bales in 1917 and 65,040 bales in 1916. The distribution of Sea Island cotton for 1918 by States is: Florida, 4,058 bales; Georgia, 5,006 bales, and South Carolina, 716 bales. The corrected statistics of the quantity of cotton ginned this season prior to Sept. 25 are 3,773,812 bales.

ANNUAL COTTON HANDBOOK FOR DAILY CABLE RECORDS OF CROP, STATISTICS, &c.—The forty-eighth annual issue of the "Hand-Book for Daily Cable Records," issued by Comtelburo, Limited, of London, Liverpool and New York, has reached us this week. The publication, being of a very comprehensive character, is consequently a very valuable book of reference. It contains the usual statistics of the American, East Indian, Egyptian, Russian and Brazilian crops, except so far as official restrictions have required them to be suppressed, the pages being so arranged that the daily and weekly figures for this year as received can be inserted side by side with those for the previous year. It will be found on sale at the office of Comtelburo, Limited, 68 Broad Street, New York.

AMOUNT OF COTTON MARKETED BY STATES IN 1917-18.—In apportioning the amount of the cotton crop for the season of 1917-18, as shown in our Cotton Crop Report among the different States, we follow the plan pursued in the three preceding seasons of using as a basis the Census figures of production. It is true, of course, that our figures of the crop and those of the Census Bureau differ to no great extent in this latest season, but it seems desirable to account for the difference, and only in the way stated can the reason therefor be approximately indicated. Our figures are those of the commercial crop, namely the crop which has come forward to be counted—that is, has reached the Southern outports, or Southern mills, or been shipped overland North. The crop in this way amounted to 11,911,896 bales. On the other hand, the Census in its crop statement under takes to show the actual production (lint and linters) and this it gives as 12,379,239 bales. The difference is due to the fact that notwithstanding the phenomenally high prices ruling some cotton has failed to come upon the market. There was carried over on July 31 1917 at Southern mills and at public warehouses and compresses in the South, 1,255,400

bales of lint, and this total was increased by 738,948 bales at the close of July this year. On the other hand, however, stocks of linters in consuming establishments, public warehouses and compresses and at oil mills were approximately 63,108 bales less on July 31 1918 than on the same date of 1917, though there are no complete details to show how this was distributed among the different States. The difference between these two totals services to account for an amount greater the divergence between the commercial crop of 1917-18 and the actual yield as reported by the Census Bureau, indicating that cotton held over on plantations and in private warehouses had been drawn out by the very high prices prevailing. In the following we attempt a reconciliation between the two sets of figures. The last column, showing the amount distributed out of the product of each State, ought to furnish a very close approach to the commercial crop of the State. In the final result, after allowing in a lump sum for the decrease in the stocks of linters details for these by States being lacking, as already stated), the agreement with out figures of the commercial crop is very close. In fact, the difference is only 208,457 bales and it seems reasonable to assume that this would be accounted for if we could also have the record of the stocks on plantations and in private warehouses.

Crop of 1917-18.	Census Product, including Linters.	Stocks at Southern Mills and in Public Warehouses and Compresses July 31 '17. a	Total Supply, Season 1917-18.	Less Stocks at Public Warehouses, &c., July 31 '18. a	Amount Distributed 1917-18.
	Bales.	Bales.	Bales.	Bales.	Bales.
North Carolina.....	717,843	267,880	985,723	249,888	735,835
South Carolina.....	1,351,665	199,205	1,550,870	257,044	1,293,826
Georgia.....	2,079,776	288,058	2,367,834	405,868	1,961,966
Alabama.....	571,711	116,739	688,450	98,913	589,537
Mississippi.....	1,008,224	41,019	1,049,243	89,888	959,355
Louisiana.....	681,785	70,853	752,638	254,243	498,395
Texas.....	3,337,700	87,468	3,425,168	270,713	3,154,455
Arkansas.....	1,038,372	26,511	1,064,883	47,810	1,017,073
Tennessee.....	310,134	95,934	406,068	197,392	208,676
Oklahoma.....	1,036,071	4,389	1,040,460	23,843	1,016,617
Other States.....	245,958	57,353	303,351	98,755	204,596
Total.....	12,379,239	1,255,409	13,634,688	1,994,357	11,640,331
Plus decrease in linters not apportioned to States*.....					63,108
Total amount marketed.....					11,703,439

a Do not include stocks in private warehouses.
 * This is the decrease in linters in mills, public warehouses and compresses and at cotton seed oil mills on July 31 1918, from the same date in 1917.

WORLD'S SUPPLY AND TAKINGS OF COTTON.—The following brief but comprehensive statements indicate at a glance the world's supply of cotton for the week and since Aug. 1 for the last two seasons, from all sources from which statistics are obtainable; also the takings, or amounts gone out of sight, for the like period.

Cotton Takings. Week and Season.	1918.		1917.	
	Week.	Season.	Week.	Season.
Visible supply Oct 18.....	3,689,340	3,027,450	3,304,978	2,814,776
Visible supply Aug 1.....	354,310	2,987,501	472,966	3,571,384
American in sight to Oct 25.....	615,000	365,000	8,000	178,000
Bombay receipts to Oct 24.....	2,000	2,000	2,000	27,000
Other India shipm'ts to Oct 24.....	530,000	85,000	40,000	148,000
Alexandria receipts to Oct 23.....	66,000	43,000	1,000	29,000
Other supply to Oct 23*.....				
Total supply.....	4,094,650	6,509,951	3,828,944	6,768,160
Deduct.....				
Visible supply Oct 25.....	3,824,244	3,824,244	3,499,927	3,499,927
Total takings to Oct 25. a.....	270,406	2,685,707	329,017	3,268,233
Of which American.....	215,406	2,191,707	292,017	2,644,233
Of which other.....	55,000	494,000	37,000	624,000

* Embraces receipts in Europe from Brazil, Smyrna, West Indies, &c.
 a This embraces the total estimated consumption by Southern mills, 1,037,000 bales in 1918 and 1,093,000 bales in 1917—takings not being available—and the aggregate amounts taken by Northern and foreign spinners, 1,648,707 bales in 1918 and 2,175,233 bales in 1917, of which 1,154,707 bales and 1,551,233 bales American. b Estimated.

MANCHESTER MARKET.—Our report received by cable to-night from Manchester states that American yarns are easier but cloth strong. The market is stagnant as a slump in prices is feared. We give prices for to-day below and leave those for previous weeks of this and last year for comparison:

	1918.			1917.		
	32s Coy Twist.	8 1/4 lbs. Shirts to finest.	Cot'n Mid. Up's	32s Coy Twist.	8 1/4 lbs. Shirts to finest.	Cot'n Mid. Up's
Aug. 30	53 1/2 @ 55 1/2	30 0 @ 38 7 1/2	25.10 25 1/2	14 0 @ 18 6	13 9 @ 17 10 1/2	17.30
Sept 6	54 1/2 @ 56 1/2	30 3 @ 38 10 1/2	24.58 24	13 6 @ 17 9	13 6 @ 17 9	16.95
13	54 1/2 @ 56 1/2	30 3 @ 38 10 1/2	25.10 23 1/2	13 6 @ 17 9	13 6 @ 17 9	16.95
20	55 1/2 @ 57 1/2	30 3 @ 38 10 1/2	23.34 24	13 7 1/2 @ 17 10 1/2	13 7 1/2 @ 17 10 1/2	17.52
27	55 1/2 @ 57 1/2	30 3 @ 38 10 1/2	23.23 25 1/2	14 0 @ 18 0 1/2	14 0 @ 18 0 1/2	18.63
Oct. 4	55 1/2 @ 57 1/2	30 3 @ 38 10 1/2	23.43 26 1/2	14 3 @ 18 6	14 3 @ 18 6	19.37
11	55 @ 57	30 0 @ 38 6	22.02 27	14 6 @ 18 10 1/2	14 6 @ 18 10 1/2	20.07
18	54 1/2 @ 56	30 0 @ 38 6	22.10 27	15 0 @ 19 0	15 0 @ 19 0	20.52
25	54 @ 55 1/2	30 0 @ 38 6	21.63 28 1/2	15 0 @ 19 1 1/2	15 0 @ 19 1 1/2	20.42

SHIPPING NEWS.—In harmony with the desire of the Government to observe secrecy as to the destination of cotton leaving United States ports, our usual details of shipments are suspended until further notice.

LIVERPOOL.—By cable from Liverpool we have the following statement of the week's sales, stocks, &c., at that port:

	Oct 4	Oct 11	Oct 18	Oct 25
Sales of the week.....	13,000	14,000	9,000	9,000
Of which speculators took.....	-----	-----	-----	-----
Of which exporters took.....	-----	-----	-----	-----
Sales, American.....	4,000	8,000	4,000	4,000
Actual export.....	39,000	52,000	70,000	75,000
Forwarded.....	150,000	184,000	207,000	199,000
Total stock.....	50,000	89,000	104,000	100,000
Of which American.....	41,000	110,000	66,000	43,000
Total imports of the week.....	27,000	99,000	54,000	40,000
Of which American.....	231,000	194,000	177,000	-----
Amount afloat.....	165,000	126,000	114,000	-----
Of which American.....	-----	-----	-----	-----

The tone of the Liverpool market for spots and futures each day of the past week and the daily closing prices of spot cotton have been as follows:

Spot.	Saturday.	Monday.	Tuesday.	Wednesday.	Thursday.	Friday.
Market, 12:15 P. M.		Quiet.	Quiet.	Quiet.	Quiet.	Quiet.
Mld. Upl'ds		22.28	22.14	21.96	21.68	21.63
Good Mld. Uplands	HOLIDAY.	22.91	22.77	22.59	22.31	22.26
Sales.....		2,000	2,000	2,000	2,000	2,000
Futures. Market opened		Steady, 4@9 pts. decline.	Steady, unchanged to 7 pts. dec.	Steady, 12@17 pts. decline.	Quiet, 13@19 pts. decline.	Quiet, 1@6 pts. advance.
Market, 4 P. M.		Quiet, 1@6 pts. decline.	Steady, 4@13 pts. advance.	Steady, 2@14 pts. advance.	Quiet, 31@36 pts. decline.	Quiet, 6@11 pts. advance.

The prices of futures at Liverpool for each day are given below.

Oct. 19 to Oct. 25.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
	12 1/2 p. m.	12 1/2 p. m.	12 1/2 p. m.	12 1/2 p. m.	12 1/2 p. m.	12 1/2 p. m.
New Contracts.	d.	d.	d.	d.	d.	d.
October.....	22.52	22.37	22.30	22.33	22.35	22.10
November.....	21.84	21.70	21.58	21.73	21.59	21.76
December.....	21.18	21.07	20.94	21.16	21.05	21.25
January.....	20.68	20.57	20.48	20.70	20.59	20.79
February.....	20.24	20.13	20.04	20.24	20.16	20.38

BREADSTUFFS

Friday Night, Oct. 25 1918.

Flour has been quiet, and more or less depressed. Very little new business has been done. Renewed discussion has arisen of the store-door delivery question. There are rumors that it will become effective in November. And certainly they cause uneasiness. And enforcement of this innovation would cause radical changes in the flour trade. It would, no doubt, save time, transportation and money, but its effects in other directions would be far reaching and little desired by many members of the trade. Meanwhile mills are offering more freely. It does them little good for the demand in any case is light. Also trade in substitutes is slow. This is certainly curious. A large quantity of flour is being consumed. Why are substitutes which are supposed to go with it, in so little demand? Even allowing for a smaller percentage of substitutes required, many think it is inexplicable that the trade should hang fire as it does. Corn flour is the best liked of any of them. But even this is far from being as active as was expected. Arrivals of foreign wheat at Liverpool are on a satisfactory scale, and mills are receiving ample supplies. Optimism prevails there as to the general supply situation. A firm of flour dealers, members of the New York Produce Exchange, has been suspended by the Federal Food Board for transaction business for 30 days for "failing to regard the ruling of the United States Food Administration that any margin of profit on flour above 75 cents a barrel would be considered an unreasonable transaction." The firm is alleged to have taken "an average difference between cost and selling price of \$1 04 per barrel." The Board refused to accept the firm's plea of ignorance.

Wheat is without very striking new features. But an effort is being made by farmers to have the price raised to \$2 46 a bushel. It remains to be seen whether it will be successful. The visible supply in the United States increased last week 2,849,000 bushels, against an increase in the same week last year of only 116,000 bushels. The total visible supply is now 107,343,000 bushels, against 9,712,000 last year. The Canadian visible supply is 7,432,000 bushels, against 14,572,000 a year ago. Bradstreet's statement of the visible supply in the United States and Canada

showed an increase of 10,251,000 bushels and is now 148,182,000 bushels, as against 55,890,000 a year ago. In Argentina the weather has been unsettled, with showers in some parts. The new crop is progressing well almost everywhere. The export demand for Argentine wheat is less active. English crops, it is said, have suffered from excessive rains in parts of the country where they were still uncut. In France, despite bad weather, threshing has been active in the northern regions and in many parts it is finished. The results are good and the quality is excellent. In Spain farmers are still threatening to reduce their acreage, owing to dissatisfaction with the Government's method of handling the 1918 wheat crop. Supplies are small there and the lack of a steady stream of imports from Argentina is felt. In Sweden severe frosts have had a rather bad effect. Winter sowings are slow. The crops from the recent harvests are expected to show average yields. In Italy estimates are confirmed of approximately 160,000,000 bushels of wheat. Food Administrator Hoover has taken steps to feed 9,750,000 French and Belgians, who are expected to be released from areas evacuated by the retreating Germans. It is estimated that 1,560,000 French civilians and 800,000 Belgians have already been freed. The Cincinnati "Price Current" reports indicate that the soil condition for fall plowing in the surplus grain States is almost entirely favorable in Ohio and Indiana, but too dry in considerable portions of Illinois, Missouri, Iowa, Minnesota, the Dakotas, Nebraska and Kansas. Fortunately the greater part of the fall plowing has been finished. The winter wheat acreage is reported larger than last year in all the States except Nebraska, Illinois, Missouri and Kansas. Growth conditions are reported very largely favorable with good germination. The directors of the Chicago Board of Trade adopted an amendment to the rules to increase the commission rate on "grain to arrive" from 3/4 to 1% charged on straight consignment. This amendment will be submitted to the members at once for ballot.

DAILY CLOSING PRICES OF WHEAT IN NEW YORK.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
No. 2 red.....cts.	237 1/2	237 1/2	237 1/2	237 1/2	236 1/2	236 1/2
No. 1 spring.....	240 1/2	240 1/2	240 1/2	240 1/2	239 1/2	239 1/2

Indian corn advanced on covering of shorts on what was taken to be less peaceful outlook in Europe. Members of the trade call the German note unsatisfactory. They thought it might lead to a prolonging of the war. Also, country offerings and consignments have latterly been rather small. The recent decline, it is contended, moreover, fully discounted any possible bearish conditions in the near future. According to the usual visible supply statement, it decreased 54,000 bushels, though this would leave it 5,556,000 bushels, against 1,626,000 a year ago. Bradstreet's figures noted an increase, however, of 215,000 bushels, making the total 7,047,000 bushels, against 2,045,000 a year ago. Moreover, there is a growing impression in the trade that the Food Administration aims in a general way at least at a stabilizing of prices. This causes hesitation in short selling. The Food Administration is quoted as expressing the belief that peace will mean a big demand for all kinds of American foodstuffs. On the other hand, conflicting interpretations have been put upon the political news. Some have considered it bearish. Therefore they have sold. After all the available stocks are far larger than those of a year ago. Omaha has received a car of new No. 3 yellow from northern Nebraska. The indications are that the quality this year will be very good. Peoria received 3 cars which graded. Some think, too, that if the Government is to stabilize prices, bull speculation may be hit as well as short selling. At one time an impression that Germany would accept the American peace terms caused a sharp break in prices. As regards purchases by the Food Administration for November-December shipment, they have thus far been very small. And the present shipping conditions do not encourage the hope of any great increase in the immediate future. To-day prices declined at one time but rallied later. The weather is less favorable, and country offerings light. Prices are higher for the week.

DAILY CLOSING PRICES OF CORN IN NEW YORK.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
No. 3 yellow.....cts.	158 1/2	154	154	158	161 1/2	160

DAILY CLOSING PRICES OF CORN FUTURES IN CHICAGO.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Nov. del. in elev. (new cont't).....cts.	122 1/2	120 1/2	123 1/2	127 1/2	125 1/2	127 1/2
Dec. del. in elev. (new contract).....	118 1/2	116 1/2	120 1/2	124	121 1/2	122 1/2

Oats advanced with firm cash markets, an apparent renewal of Government buying and the fact that, though receipts are liberal, the demand keeps pace with them. The regular visible supply statement in fact showed a decrease of 1,651,000 bushels, as contrasted with an increase in the same week last year of 1,014,000 bushels. There were reports of the demand from Government sources. The export demand would no doubt have been larger, but for the shortage of vessels. Large elevator interests were at one time buying November. Meanwhile receipts have latterly been light. Country offerings are scanty. This and reports of good sales to the Government for use at the cantonments undoubtedly had a bracing effect. Stocks are not burdensome and the Government, it is stated, is not issuing new permits for shipments from the interior. On the other hand, later in the week the shipping demand fell off. A report of the total available stock in this country was that they had increased 27,000 bushels, making the total 34,159,000 bushels, against 23,087,000 bushels last year. In other words, the supply, after all, is large and in the opinion of not a few, peace is not far off. Moreover, not a few regard peace as a bearish factor, whatever may be said to the contrary. The inability to get shipping permits hurts export business seriously. Latterly, too, the receipts have been quite liberal. This, with the lack of export business, excited adverse comment on the general position. Outside buying has fallen off sharply, owing to the absence of export business. To-day prices, though slightly lower at one time, rallied and closed higher in sympathy with corn, though the shipping demand was light. They are higher for the week.

DAILY CLOSING PRICES OF OATS IN NEW YORK.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Standards.....cts.	79	78-78 1/2	78-78 1/2	78 1/2	78 1/2-79	79
No. 2 white.....	79	78 1/2	78 1/2	79	79 1/2	79 1/2

DAILY CLOSING PRICES OF OATS FUTURES IN CHICAGO.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Nov. del. in elev. (new cont't).....cts.	67	66 1/2	68 1/2	69 1/2	68 1/2	71 1/2
Dec. del. in elev. (new contract).....	66 1/2	65 1/2	67 1/2	69 1/2	68 1/2	70 1/2

The following are closing quotations:

FLOUR.

Spring.....	\$10 60 @ \$11 00	Barley flour (to arrive).....	\$8 50 @ 8 75
Winter.....	10 35 @ 10 50	Tapioca flour.....	nom.
Kansas.....	10 60 @ 11 00	Hominy.....	\$4 60
Rye flour.....	8 50 @ 9 50	Yellow granulated.....	4 17 1/2
Corn goods, all sacks 100 lbs.		Barley goods—Portage barley:	
White.....	\$4 40 @	No. 1.....	6 00
Bolton.....	4 10 @	Nos. 2, 3 and 4.....	5 25
Corn flour.....	4 25 @	Nos. 2-0 and 3-0.....	6 00 @ 6 15
Rice flour, spot and to arrive.....	per lb. nom.	No. 4-0.....	6 25
		Oats goods—Carload, spot delivery.....	10 00

GRAIN.

Wheat—		Oats—	
No. 2 red.....	\$2 37 1/2	Standard.....	78 1/2 @ 79
No. 1 spring.....	2 39 1/2	No. 2 white.....	79 1/2
		No. 3 white.....	78 1/2
Corn—		No. 4 white.....	78
No. 2 mixed.....	1 71 1/2	Barley—	
No. 2 yellow.....	1 74 1/2	Feeding.....	1 07
No. 3 yellow.....	1 60	Malting.....	1 11
No. 4 yellow.....	1 49	Rye—	
Argentine.....		No. 2.....	1 77

The statements of the movement of breadstuffs to market indicated below are prepared by us from figures collected by the New York Produce Exchange. The receipts at Western lake and river ports for the week ending last Saturday and since Aug. 1 for each of the last three years have been:

Receipts at—	Flour.	Wheat.	Corn.	Oats.	Barley.	Rye.
	bbls. 196 lbs.	bush. 60 lbs.	bush. 56 lbs.	bush. 32 lbs.	bush. 48 lbs.	bush. 56 lbs.
Chicago.....	255,000	1,191,000	3,172,000	2,970,000	922,000	67,000
Minneapolis.....	7,711,000	154,000	867,000	647,000	176,000	176,000
Duluth.....	5,987,000	216,000	118,000	971,000	75,000	75,000
Milwaukee.....	29,000	491,000	154,000	1,709,000	387,000	75,000
Toledo.....	128,000	23,000	149,000	104,000	1,000	2,000
Detroit.....	43,000	159,000	104,000	1,000	1,000	2,000
Cleveland.....	195,000	40,000	35,000	105,000	1,000	2,000
St. Louis.....	47,000	654,000	439,000	400,000	19,000	2,000
Peoria.....	65,000	20,000	658,000	155,000	55,000	4,000
Kansas City.....	1,319,000	314,000	240,000	240,000	55,000	4,000
Omaha.....	187,000	520,000	650,000	488,000	384,000	791,000
Indianapolis.....	69,000	488,000	384,000			
Total wk. '18.....	591,000	17,840,000	6,116,000	5,276,000	1,949,000	1,295,000
Same wk. '17.....	371,000	6,539,000	1,813,000	7,431,000	2,560,000	847,000
Same wk. '16.....	441,000	9,917,000	2,234,000	8,561,000	3,292,000	791,000
Since Aug. 1.....						
1918.....	4,362,000	206,490,000	56,787,000	96,236,000	16,227,000	8,928,000
1917.....	3,657,000	64,413,000	28,731,000	97,890,000	29,113,000	8,965,000
1916.....	4,455,000	134,974,000	41,991,000	94,873,000	30,322,000	8,452,000

Total receipts of flour and grain at the seaboard ports for the week ended Oct. 19 1918 follow:

Receipts at—	Flour.	Wheat.	Corn.	Oats.	Barley.	Rye.
	Barrels.	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.
New York.....	143,000	1,673,000	17,000	780,000	7,000	553,000
Philadelphia.....	29,000	863,000	17,000	79,000	1,000	22,000
Baltimore.....	62,000	1,075,000	43,000	181,000	-----	33,000
N'port News.....	40,000	57,000	-----	82,000	-----	-----
New Orleans*.....	73,000	105,000	45,000	66,000	-----	-----
Montreal.....	16,000	692,000	-----	412,000	7,000	-----
Boston.....	39,000	165,000	-----	179,000	-----	-----
Total wk. '18.....	402,000	4,630,000	122,000	1,779,000	15,000	608,000
Since Jan. 1 '18.....	13,631,000	58,702,000	18,471,000	82,648,000	8,095,000	4,588,000
Week 1917.....	440,000	3,696,000	192,000	2,697,000	310,000	710,000
Since Jan. 1 '17.....	17,361,000	166,029,000	46,434,000	123,574,000	15,179,000	10,412,000

* Receipts do not include grain passing through New Orleans for foreign ports on through bills of lading.

The exports from the several seaboard ports for the week ending Oct. 19 are shown in the annexed statement:

	Wheat.	Corn.	Flour.	Oats.	Rye.	Barley.	Peas.
	Bushels.	Bushels.	Barrels.	Bushels.	Bushels.	Bushels.	Bushels.
New York.....	988,315	---	31,429	180,884	102,671	---	20,134
Baltimore.....	1,379,477	---	---	25,743	---	---	---
Newport News.....	57,000	---	40,000	82,000	---	---	---
Total week.....	2,424,792	---	71,429	288,627	102,671	---	20,134
Week 1917.....	889,765	30,871	141,356	1,687,348	415,617	184,764	---

The destination of these exports for the week and since July 1 1918 is as below:

Exports for Week, and Since July 1 to—	Flour.		Wheat.		Corn.	
	Week Oct. 19.	Since July 1	Week Oct. 19.	Since July 1	Week Oct. 19.	Since July 1
United Kingdom.....	Barrels. 29,784	Barrels. 290,910	Bushels. 524,518	Bushels. 7,137,109	Bushels. ---	Bushels. 1,591,499
Continent.....	41,645	730,375	1,900,274	15,272,974	---	578,696
So. & Cent. Amer.....	---	7,154	---	---	---	3,220
West Indies.....	---	40,182	---	---	---	15,464
Brit.No.Am.Cols.....	---	---	---	---	---	---
Other countries.....	---	22,946	---	---	---	2,190
Total.....	71,429	1,091,567	2,424,792	22,410,083	---	2,191,069
Total 1917.....	141,356	1,841,968	889,765	23,732,398	30,871	5,880,410

The world's shipments of wheat and corn for the week ending Oct. 19 1918 and since July 1 1918 and 1917 are shown in the following:

	Wheat.			Corn.		
	1918.		a1917.	1918.		a1917.
	Week Oct. 19.	Since July 1.	Since July 1.	Week Oct. 19.	Since July 1.	Since July 1.
North Amer*.....	Bushels. 4,968,000	Bushels. 62,333,000	Bushels. 94,297,000	Bushels. 102,000	Bushels. 4,976,000	Bushels. 10,640,000
Russia.....	---	---	---	---	---	---
Danube.....	---	---	---	---	---	---
Argentina.....	1,100,000	49,912,000	3,672,000	598,000	6,756,000	4,799,000
Australia.....	640,000	11,710,000	20,342,000	---	---	---
India.....	214,000	3,924,000	7,926,000	---	---	---
Oth. countr's.....	76,000	796,000	696,000	40,000	906,000	1,323,000
Total.....	6,998,000	128,675,000	126,933,000	740,000	12,638,000	16,762,000

* North America.—The Canadian Government has officially prohibited the issuance of both manifests and exports until after ten days. This is effective during the continuance of the war. a Revised.

The quantity of wheat and corn afloat for Europe on dates mentioned was as follows:

	Wheat.			Corn.		
	United Kingdom.	Continent.	Total.	United Kingdom.	Continent.	Total.
Oct. 19 1918.....	Bushels. Not available	Bushels. Not available	Bushels. Not available	Bushels. Not available	Bushels. Not available	Bushels. Not available
Oct. 12 1918.....	Not available	Not available	---	---	---	---
Oct. 20 1917.....	Not available	Not available	---	---	---	---
Oct. 21 1916.....	---	---	41,296,000	---	---	21,095,000

The visible supply of grain, comprising the stocks in granary at principal points of accumulation at lake and seaboard ports Oct. 19 1918 was as follows:

	GRAIN STOCKS.				
	Wheat. bush.	Corn. bush.	Oats. bush.	Rye. bush.	Barley. bush.
United States—					
New York.....	2,285,000	24,000	1,172,000	583,000	4,000
Boston.....	501,000	3,000	258,000	---	---
Philadelphia.....	2,152,000	26,000	350,000	79,000	1,000
Baltimore.....	1,386,000	40,000	918,000	122,000	3,000
Newport News.....	---	---	509,000	---	---
New Orleans.....	5,480,000	75,000	1,044,000	---	---
Galveston.....	2,058,000	---	---	---	---
Buffalo.....	11,492,000	195,000	849,000	467,000	212,000
Toledo.....	1,183,000	54,000	1,173,000	8,000	57,000
Detroit.....	23,000	105,000	285,000	51,000	---
Chicago.....	18,316,000	2,667,000	6,647,000	398,000	742,000
" afloat.....	---	---	---	25,000	---
Milwaukee.....	3,283,000	95,000	924,000	55,000	362,000
Duluth.....	19,518,000	---	285,000	653,000	290,000
Minneapolis.....	15,390,000	104,000	2,635,000	1,693,000	966,000
St. Louis.....	3,182,000	184,000	101,000	22,000	---
Kansas City.....	13,745,000	453,000	2,718,000	53,000	---
Peoria.....	17,000	186,000	649,000	---	---
Indianapolis.....	257,000	476,000	240,000	1,000	---
Omaha.....	4,860,000	669,000	1,240,000	39,000	148,000
On Lakes.....	1,785,000	200,000	266,000	475,000	756,000
On Canal and River.....	450,000	---	---	---	---
Total Oct. 19 1918.....	107,343,000	5,556,000	22,263,000	4,724,000	3,541,000
Total Oct. 12 1918.....	104,494,000	5,610,000	23,914,000	4,041,000	2,690,000
Total Oct. 20 1917.....	9,712,000	1,626,000	16,204,000	3,417,000	3,824,000
Total Oct. 21 1916.....	60,178,000	3,870,000	43,180,000	1,797,000	2,397,000
Note.—Bonded grain not included above: Oats, Duluth, 3,000 bushels; total, 3,000, against 200,000 bushels in 1917; and barley, Duluth, 51,000 bushels; total, 51,000, against 346,000 in 1917.					
Canadian—					
Montreal.....	406,000	115,000	4,681,000	---	182,000
Ft. William & Port Arthur.....	7,026,000	---	1,952,000	---	---
Other Canadian.....	2,263,000	---	613,000	---	---
Total Oct. 19 1918.....	9,695,000	115,000	7,246,000	---	182,000
Total Oct. 12 1918.....	8,836,000	106,000	6,542,000	---	181,000
Total Oct. 20 1917.....	14,572,000	29,000	3,496,000	1,000	323,000
Total Oct. 21 1916.....	16,814,000	826,000	12,862,000	124,000	802,000
Summary—					
American.....	107,343,000	5,556,000	22,263,000	4,724,000	3,541,000
Canadian.....	9,695,000	115,000	7,246,000	---	182,000
Total Oct. 19 1918.....	117,038,000	5,671,000	29,509,000	4,724,000	3,723,000
Total Oct. 12 1918.....	113,330,000	5,716,000	30,456,000	4,041,000	2,871,000
Total Oct. 20 1917.....	24,284,000	1,655,000	19,700,000	3,418,000	4,147,000
Total Oct. 21 1916.....	76,992,000	4,696,000	56,042,000	1,921,000	3,200,000

THE DRY GOODS TRADE

New York, Friday Night, Oct. 25 1918.

Indications of a more conservative attitude on the part of buyers in the dry goods trade are becoming more pronounced. The conservatism which has been noted for the past month or so is steadily increasing, and merchants no longer show any

anxiety about making purchases, there being a general hesitancy everywhere about entering into large commitments for future delivery. While the recent peace talk has been largely responsible for the falling off in trade, there have been other reasons to which the cautious policy of buyers is attributed. Although very little has been said about it, there have been marked indications of more stringent economy on the part of the consuming public, which is being enforced in all directions by the high cost of food products. Consequently merchants are looking for a further falling off in demand from retail centres. Coincident with the almost indifferent attitude of buyers, mills are reported as showing more willingness to accept new business. It is true they have not been pressing goods for sale, but only in a few cases have buyers encountered difficulty in placing orders for fabrics. A short while ago it was a difficult matter to interest mills in new business, but during the past week they have been offering forward deliveries on a much larger scale. There is a decided belief in many quarters that prices are too high to warrant buyers placing large orders for deferred delivery. With the possibilities growing more favorable for an early ending of the war, merchants do not desire to be stocked up with goods during the readjustment period. The continued downward tendency of raw material markets has also encouraged them to hold off. If prices are revised the middle of November, as contemplated, it is the opinion of many that the revision will be downward. The only argument for higher prices at present is found in the increased wages manufacturers are obliged to pay for operatives. Manufacturers are still busily occupied and well booked ahead with Government business. Labor conditions at mill centres, as a result of the influenza epidemic, show no improvement, but there are less complaints of backward deliveries. There continues to be considerable unsettlement as regards prices in the export division of the market. While this is restricting business to a large extent, a fair amount is passing. Merchants engaged in export trade held a meeting during the early part of the week and voted unanimously in favor of the Government's fixed prices being applied to export business. They also appointed a committee to confer on the question with the manufacturers' committee representing the War Service Committee of the Cotton Goods Trade. A permanent organization of exporters has likewise been recommended. According to reports, many exporters have recently received a number of cables from Brazil requesting cancellation of orders for cotton piece goods not already shipped, and in some quarters these are looked upon as a form of German propaganda to injure American export trade with South America.

DOMESTIC COTTON GOODS.—Less activity has been noted in the markets for staple cottons during the past week. This does not infer that business is at a standstill, as there is a moderate amount of trade going on. The buying which is taking place nevertheless is of a very conservative character and confined largely to current needs. Heavy goods are wanted by many interests and such fabrics are difficult to procure. Generally speaking, mills are more willing to sell than they were heretofore. More colored fabrics are now obtainable for delivery late this season and early next year, while bleached goods are likewise being offered more freely. Drills, however, are reported to be very scarce. Second hands have been selling certain staples on a larger scale, and in most cases concessions in prices have been granted. Business in gray goods has been quiet with mills unable to interest buyers at the fixed Government prices, as the latter feel certain that lower levels will soon prevail.

WOOLEN GOODS.—Nothing of special interest developed in markets for woollens or worsteds during the week, business continuing quiet. Improvement is looked for nevertheless, as indications are that mills will be allotted additional Government orders to keep their working forces intact. No allotment of raw wool has been made for the manufacture of goods for civilian use, and there continues to be considerable uncertainty as to when such a step will be taken. In the dress goods trade business is quiet, as retailers are buying sparingly. Mills, however, have little difficulty in disposing of the small amount of goods they have to offer. The men's wear trade is virtually at a standstill.

FOREIGN DRY GOODS.—Linen markets are featureless. Importers have very little goods to offer for sale, while on the other hand demand is quiet. Retailers are fairly well supplied with goods when taking into consideration the dull inquiry from the consuming trade. Various household fabrics are practically exhausted, but distributors are pushing substitutes with fair success. With peace talk current, however, there does not appear to be a general desire on the part of merchants to stock up with cotton substitutes. They point out that the ending of the war will mean larger supplies of flax, and at least some relief in the acute linen situation. The small amount of business that is passing in pure linens is bringing full prices, but as has been the case for some time past, prices do not figure when goods are obtainable. Advices from abroad report a fair sized flax crop successfully harvested, though there are no indications of any raw material being released for civilian use. Burlaps continue quiet at the Government's fixed prices of 14c. for light weights and 16.50c. for heavy weights.

State and City Department

NEWS ITEMS.

Arkansas (State of).—Proposed Constitutional Amendments.—The following proposed constitutional amendments will be voted on at the coming general election to be held in November:

PROPOSED BY INITIATIVE PETITION.

Proposed Constitutional Amendment No. 13.

Amending Section 1 of Article 16 of the Constitution of the State of Arkansas, 1874, and providing that incorporated towns of one thousand or more population, as shown by the next preceding Federal Census, or by Census taken for that purpose by the municipal authorities of said town, and cities of the first and second class may issue, by and with the consent of a majority of the qualified electors of said municipality voting on the question at an election held for that purpose, bonds or other interest-bearing evidences of indebtedness, and providing the means and manner of payment of said bonds.

PROPOSED LEGISLATIVE AMENDMENT.

Proposed Constitutional Amendment No. 14.

Amending Sections 2 and 3 of Article 7 of the Constitution of the State of Arkansas; providing that the Supreme Court of the State shall be composed of seven Judges, one Chief Justice and six Associate Justices; providing the Judges may sit in two divisions, and otherwise providing the manner in which the court shall sit and shall render its decisions.

Providing for the selection and election of the two additional Judges.

PROPOSED LEGISLATIVE AMENDMENT.

Proposed Constitutional Amendment No. 15.

Providing credit of State may be loaned and indebtedness incurred to an amount not exceeding 2% of the assessed valuation of property in State for the purpose of providing funds to be loaned upon the security of farm lands within the State or making farm loans; providing Governor, Secretary of State and State Land Commissioner shall constitute State Land Board having authority to sell bonds in name of State, place money in State Treasury and loan money to bona fide purchasers of farm lands in Arkansas, and prescribing manner in which such loans shall be made and repaid; delegating to the Legislature the authority to provide for carrying out, administering and safeguarding the provisions of this amendment; providing all provisions of the Constitution of Arkansas in conflict with this amendment are repealed.

Colorado (State of).—Proposed Constitutional Amendments.—At the general election to be held Nov. 5 the people will vote on (1) a proposed law of the State (initiated by petition) to make the State of Colorado "Bone Dry," (2) an amendment to the constitution (initiated by petition) to apply the Merit System to appointments in the Civil Service (3) an act (initiated by petition) to create a commission for the relief of the blind (4) an amendment to Article XXIII concerning publication of legal advertising, and (5) an amendment to Sec. 19 of Article 5 as follows:

Section 19. No act of the General Assembly shall take effect until ninety days after its passage unless in case of emergency (which shall be expressed in the Act) the General Assembly shall, by vote of two-thirds of all members elected to each house, otherwise direct. No bill except the general appropriation bill for the expenses of the Government only, introduced in either house of the General Assembly after the first fifteen days of the session shall become law.

Michigan (State of).—Proposed Constitutional Amendments.—At the general election to be held Nov. 5 an amendment to Section 3 of Article XVII of the Constitution relative to the printing of all proposed amendments to the Constitution on the ballot instead of on separate ballots as now required, and an amendment to Section 1 of Article III of the Constitution, relative to the right of women to vote at any and all elections in the State will be voted upon.

Mt. Clemens, Macomb County, Mich.—New Charter to Be Voted On.—At the general election to be held Nov. 5, a new city charter will be voted upon. The city is one of the very few that continues under the fourth rate class. The proposed charter would substitute five commissioners for the present board of nine aldermen, a mayor, board of public works and board of police commissioners—18 men—and is the same as the charter submitted in 1914, when it was defeated by a small margin. If the charter is again defeated, it is declared the defeat will be the fault of lack of publicity and consequent misunderstanding by the public. In 1914 there was well-organized opposition to the charter by saloons and breweries, who feared the small-man board.

New York City.—Budget for 1919 Shows Large Increase.—According to figures made public on Monday last (Oct. 21) by City Comptroller Craig, the budget for 1919 calls for expenditures of \$248,108,487 38, an increase of some \$6,600,000 over the tentative figures announced a week or so ago, making the 1919 total the largest in the history of the city. The final budget figures for the present year were \$238,123,959 20, or \$9,984,728 18 less than those proposed for the coming year.

The largest increase for next year is in the appropriation for the Department of Education, which asks for expenditures of \$45,121,163 26, as against \$42,501,156 04 for 1918. A considerable part of this increase is due, it is said, to advances made in teachers' salaries, while increases in other departments are represented by wage increases for employees. An increase is shown in the expenditures of practically every department in the city.

The appropriation for the Mayor's office calls for \$68,320, an increase of \$1,970. Part of this is due to the restoration of the salary of the Mayor's Secretary from \$5,000 to \$6,500. The Mayor also asks for a chauffeur at \$1,680 a year, to be a permanent attache of his office.

The appropriation for debt service amounts to \$77,931,938, an increase of \$2,341,478 08. The direct State tax also accounts for \$8,522,629 61, a slight increase over last year's tax. County appropriations amount to \$7,537,876 56.

Some of the large increases are shown in the following table, 1918 figures being given for comparison:

Department—	1919 Budget Total.	1918 Budget Total.	Inc. 1919 Over 1918.
Police Department.....	\$20,671,579	\$19,394,613	\$1,276,966
Fire Department.....	10,814,665	10,251,145	563,520
Department of Health.....	3,932,292	3,711,376	220,916
Department of Public Charities.....	5,794,963	5,111,440	683,523
Board of Child Welfare.....	1,664,120	1,552,170	111,950
Bellevue and Allied Hospitals.....	2,415,233	2,089,625	325,608
Department of Street Cleaning.....	11,240,668	9,033,349	2,207,319
Payments to charitable institutions.....	6,949,800	6,485,510	464,290
Department of Correction.....	2,042,074	1,814,954	227,120
Department of Plant and Structures.....	2,785,440	754,632	2,030,808
Debt Service.....	77,931,938	75,590,460	2,341,478
Board of Elections.....	1,726,095	1,242,177	483,918
Department of Education.....	45,121,163	42,501,156	2,620,007
Water Department.....	6,894,792	6,809,418	85,374
Borough Presidents.....	10,540,791	9,686,454	854,337

Comptroller Craig, in a statement issued in connection with the Department of Education's appropriation, said:

For the first time in the history of the present City of New York the appropriations for educational purposes have been the subject of joint conferences and discussions between the members of the Board of Education and the Board of Estimate and Apportionment. On Thursday, the 17th, these two bodies were in continuous joint session from 11 o'clock in the morning until midnight. Never before has a Board of Education sat down with the Board of Estimate and Apportionment to discuss budget requirements.

The appropriations for the 1919 budget were the result of this harmonious co-operation. Substantial reductions were made in the amounts originally requested by the Board of Education; but in every instance this was done by the voluntary and spontaneous action of the members of the Board of Education.

The appropriation provided in the proposed budget for the Board of Education is \$45,121,163 26. This is \$3,025,000 in excess of 4.9 mills on taxable values required by law.

Numerous attempts have been made to create the impression that this appropriation barely exceeds that of 1918. Such attempts are founded upon sheer manipulation of the figures involved and careful avoidance of the facts.

Last year the Board of Education requested appropriations of \$49,599,834 79. This was cut by the former Board of Estimate and Apportionment to \$43,330,363 02 in the proposed budget. An examination of the newspaper files of last year will disclose that no one of the mischief-makers now active uttered one word of protest against this reduction of more than six and one-quarter millions. The amount thus allowed for 1918 was \$329,206 98 in excess of the 4.9 mills required by law.

The appropriation proposed by the present Board of Estimate and Apportionment for 1919 is \$3,025,000 in excess of that mandatorily required, and is \$2,620,007 22 above the appropriation for 1918.

The Comptroller, who said, when the tentative budget was announced, that it was unlikely the tax rate for 1919 would be increased, admitted on Monday that the rate may be raised because of the Board of Education's increased appropriation.

"This," he said, "is a very serious matter, for the slightest increase in taxes has invariably been seized upon by landlords to raise rents throughout the city to an oppressive degree. Whether rents are increased next year depends very largely upon the requirements of the Board of Education."

Although the Board of Estimate may make decreases up to Oct. 31, when that body must finally pass on the budget and the Board of Aldermen then has twenty days in which to make decreases, it is probable, it is said, that there will be little change from the above figures.

BOND CALLS AND REDEMPTIONS.

Versailles, Morgan County, Mo.—Bond Call.—An issue of \$1,000 5% electric-light-plant bonds, dated April 2 1906, was called for payment Oct. 2 1918.

BOND PROPOSALS AND NEGOTIATIONS

this week have been as follows:

ALLIANCE, Stark County, Ohio.—BONDS AUTHORIZED.—On Oct. 7 an ordinance was passed by the City Council authorizing the issuance of \$2,000 5% coupon hospital impt. bonds. Denom. \$1,000. Date Nov. 1 1918. Int. semi-ann. payable at the office of the Sinking Fund, Trustees. Due Nov. 1 1923.

BEND, Deschutes County, Ore.—DESCRIPTION OF BONDS.—The \$20,000 (not \$209,000 as first reported) 6% fire equipment bonds, recently awarded to Morris Bros., Inc., of Portland—V. 107, p. 1399—are in denom. \$1,000 and are dated Sept. 1 1918. Prin. and semi-annual interest (M. & S.) payable at the office of the City Treasurer. Due yearly on Sept. 1 as follows: \$1,000 1923 to 1926 incl., \$2,000 1927 to 1931 incl., and \$3,000 1932 and 1933.

Financial Statement.
 True value of property (estimated)..... \$3,250,000
 Assessed valuation 1917..... 992,546
 Total bonded indebtedness (including this issue)..... 132,500
 Population 1918 (estimated) 6,500.

BOONE, Boone County, Iowa.—BOND SALE.—On July 15 \$30,000 5% funding bonds were awarded to Geo. M. Bechtel & Co., of Davenport, for \$30,127, equal to 100.423. Denom. \$1,000. Date July 1 1918. Int. J. & J. Due July 1 1926.

BOONE COUNTY (P. O. Lebanon), Ind.—BOND OFFERING.—Proposals will be received until 10 a. m. Oct. 29 by J. L. Thomas, County Treasurer, for \$18,500 4½% highway-improvement bonds. Denom. \$925. Date Aug. 16 1918. Int. M. & N. Due \$925 each six months from May 1 1919 to Nov. 1 1928.

BROWN COUNTY (P. O. Brownwood), Tex.—BOND ELECTION PROPOSED.—Reports state that an election will be held in the near future to vote on a proposition to issue \$300,000 Road District No. 1 bonds.

BUTTE, Silver Bow County, Mont.—DESCRIPTION OF BONDS.—The \$40,000 (not \$75,000, as first reported) 6% repaving bonds awarded on July 28 to the Union Trust Co. of Spokane at 97.50 (V. 107, p. 1022), are described as follows: Denom. \$500. Date July 19 1918. Int. J. & J. Due in 8 years, subject to call one-eighth yearly.

CALIFORNIA (State of).—BOND SALE.—Newspapers state that the \$400,000 State highway bonds recently approved by the Capital Issues Committee (V. 107, p. 1592), have been sold.

CARROLL COUNTY (P. O. Delphi), Ind.—BOND OFFERING.—D. L. Musselman, County Treasurer, will receive bids until 3 p. m. Oct. 30 for the following two issues of 4½% road bonds, aggregating \$10,400: \$8,000 John E. Johnson et al road bonds of Deer Creek Twp. Denom. \$400. 2,400 Matthew Sterling et al road bonds of Deer Creek Twp. Denom. \$120. Date Oct. 8 1918. Int. semi-annual.

CHICAGO SANITARY DISTRICT (P. O. Chicago), Ill.—TEMPORARY LOAN.—Mr. McGillen of the Sanitary District of Chicago advises us that this district has arranged with Mr. Geo. M. Reynolds, President of the Continental & Commercial National Bank to borrow \$3,000,000 until July 15 1919 at 5% interest, in anticipation of the 1918 tax revenue. Except for the present bond conditions and the Federal Government's restrictions on such issues, bonds to run 20 years would have been issued.

CHILLICOTHE, Ross County, Ohio.—BOND SALE.—On Sept. 1 \$4,000 5½% street-improvement bonds were purchased at par by the City Sinking Fund Trustees. Denom. \$500. Date Sept. 1 1918. Int. M. & S. Due yearly beginning Sept. 1 1919.

CLAY COUNTY (P. O. West Point), La.—BOND OFFERING.—Newspapers state that sealed bids will be received until 2 p. m. Nov. 6 by L. J. Howard, Clerk Board of County Supervisors, for \$15,000 6% 1-15-year serial road bonds.

CRAWFORD COUNTY LEVEE DISTRICT (P. O. Van Buren), Ark.—BOND SALE.—The Wm. R. Compton Co. of St. Louis has been awarded an issue of \$25,000 bonds.

FAYETTE, Howard County, Mo.—BOND SALE.—On Sept. 17 \$10,000 5 1/2% 10-20-year (opt.) water-works bonds were awarded to Powell, Garard & Co., of Chicago, at 100.50 and interest. Denom. \$1,000. Date Oct. 1 1918. Int. A. & O.

FAYETTE COUNTY (P. O. Schulenburg), Tex.—BIDS REJECTED.—All bids received for the \$100,000 5% road bonds, offered on Oct. 15 (V. 107, p. 1208) were rejected.

FORT MORGAN COUNTY SCHOOL DISTRICT NO. 3 (P. O. Fort Morgan), Morgan County, Colo.—BOND SALE.—On April 29 \$20,000 5% building bonds were awarded to the Oswald F. Benwell & Co. of Denver, at par. Denom. \$500. Date June 1 1918. Int. J. & D. Due June 1 1948, subject to call on or after June 1 1933.

FORT WAYNE, Allen County, Ind.—BOND OFFERING.—Sealed bids will be received until 2 p. m. Nov. 4 by Henry J. Doell, City Controller, for \$90,000 4 1/2% tax-free coupon (with privilege of registration) land purchase bonds. Denoms. two-thirds for \$1,000 and one-third for \$500. Date Nov. 4 1918. Int. M. & N. Due Nov. 4 1948. Certified check for 10% of bid, payable to the above Controller, required. Bonded debt (including this issue), \$626,000. Sinking fund, \$20,000. Assessed value 1918 (estimated), \$44,000,000. Total tax rate (per \$1,000) 1918, \$36.80.

GREENVILLE, Darke County, Ohio.—BONDS AUTHORIZED.—Reports state that a resolution was passed under a suspension of the rules to issue \$1,094 paving impt. bonds.

GROSSE POINTE, Wayne County, Mich.—BOND SALE.—On Oct. 1 an issue of \$50,000 6% sewer bonds, was awarded to the Security Trust Co., of Detroit, at par and interest. Denom. \$1,000. Date Sept. 1 1918. Int. M. & S. Due on Sept. 1 as follows: \$12,000 1919, \$12,000 1920, \$12,000 1921, and \$14,000 1922.

HACKENSACK, Cass County, Minn.—NO BIDS RECEIVED.—No bids were received for the \$3,000 5 1/2% 20-year refunding bonds offered on Oct. 21.—V. 107, p. 1304.

HARRIMAN, Roane County, Tenn.—BOND SALE.—The \$13,000 6% 5-17-year serial gold funding bonds, dated Sept. 1 1918, offered on Sept. 20 (V. 107, p. 1117), were awarded on that day to Seasongood & Mayer of Cincinnati at 100.53.

JACKSON, Butts County, Ga.—BOND ELECTION.—On Nov. 5 the voters will be asked to pass upon a proposition to issue \$50,000 refunding sewer bonds, it is reported. F. M. Trussell is City Clerk.

JEROME, Yavapai County, Ariz.—BOND OFFERING.—Sealed bids will be received until Nov. 15 by A. E. Weidman, Town Clerk and Treas., for \$100,000 5 1/2% coupon fire and municipal improvement bonds. Int. J. & J. Due 1938.

KANSAS.—BONDS PURCHASED BY STATE.—The following bonds were purchased by the State of Kansas at par during the months of August and September.

Bonds Purchased During August, Aggregating \$109,300.

Table with columns: Amt., Int., Place Issuing Bonds, Purpose, Date, Due. Lists various bond purchases for Anderson Co., Butler Co., Chase Co., Cheyenne Co., Comanche Co., Crawford Co., Doniphan Co., Ellis Co., Geary Co., Gove Co., Greenwood Co., Jackson Co., Labette Co., Morton Co., Osborne Co., Phillip Co., Rawlins Co., Rooks Co., Russell Co., Sedgewick Co., Stafford Co., Stanton Co., Thomas Co., Trego Co., and Wilson Co.

Bonds Purchased During September, Aggregating \$34,643.

Table with columns: Amt., Int., Place Issuing Bonds, Purpose, Date, Due. Lists various bond purchases for Brown Co., Cherokee Co., Elk Co., Finney Co., Franklin Co., Greenwood Co., Haskell Co., Lyon Co., Mulberry Co., Smith Co., Trego Co., and Woodson Co.

KELSEYVILLE GRAMMAR SCHOOL DISTRICT, Lake County, Calif.—BOND SALE.—Recently F. M. Brown & Co., of San Francisco, were awarded, according to reports, \$14,000 6% bonds for \$14,411, equal to 102.935. Denom. \$1,000. Due yearly from 1922 to 1935, inclusive.

LADYSMITH, Rusk County, Wisc.—BOND SALE.—An issue of \$6,000 water-works bonds, authorized during July, were sold some time ago, we are advised.

LEETONIA, Columbiana County, Ohio.—BOND SALE.—On Sept. 16 the \$2,000 6% fire-truck and equipment bonds (V. 107, p. 920) were awarded to W. L. Slayton & Co., of Toledo. Denom. \$100. Date Aug. 1 1918. Due Aug. 1 1928.

LE ROY, McLean County, Ill.—BOND SALE.—On Sept. 12 the \$15,000 5% 1-15-year serial water-works bonds, voted at the election held Aug. 10 (V. 107, p. 823) were awarded to John Nuveen & Co., of Chicago, at par and interest. Date Sept. 1 1918.

LONG BEACH, Nassau County, N. Y.—BOND OFFERING.—Proposals will be received until 7:30 p. m. Nov. 5 by Agnes Bracken, Village Clerk, for \$27,500 sewer bonds. Denom. \$1,375. Due \$1,375 yearly on Oct. 15 from 1923 to 1942, inclusive. Certified check for 2% of amount of bid required.

LYME TOWNSHIP (P. O. Norwalk), Huron County, Ohio.—BOND ELECTION.—On Nov. 5 the voters will pass on a proposition to issue \$85,000 school bonds, it is reported.

MACOMB COUNTY SCHOOL DISTRICT NO. 1, Mich.—BOND SALE.—On April 2 the Security Trust Co. of Detroit was awarded \$50,000 5% school bonds at 100.25. Denom. \$1,000. Date Mar. 15 1918. Int. M. & S. Due \$5,000 yearly on Mar. 15 from 1921 to 1930 incl.

MAGNOLIA PARK, Harris County, Tex.—WARRANT SALE.—Recently J. L. Arlitt of Austin purchased \$20,000 7% warrants. Due yearly from 1919 to 1943 incl. Assessed valuation \$3,399,000. Population 1918 (est.) 4,000.

MANCHESTER, Hillsborough County, N. H.—BOND OFFERING.—Proposals will be received by the City Treasurer, it is stated, until Oct. 28 for the whole or any part of \$95,000 4 1/2% coupon bonds. Date Nov. 1 1918. Due \$4,750 yearly from 1919 to 1938, inclusive.

MEDFORD, Middlesex County, Mass.—LOAN OFFERING.—Proposals will be received until 9 a. m. Oct. 29 by the City Treas. for a temporary loan of \$12,000 issued in anticipation of revenue, dated Oct. 29 1918, and maturing April 8 1919.

MEDFORD IRRIGATION DISTRICT (P. O. Medford), Jackson County, Ore.—DESCRIPTION OF BONDS.—The \$1,500,000 irrigation impt. bonds recently voted are in denoms. of not less than \$100 and not more than \$1,000, with interest at not exceeding 6%. Payable, amortized in 35 years from 1923. Maturity approximately as follows:

Table with columns: Year, Amount. Lists maturity schedule from 1924 to 1950 with amounts ranging from \$13,600 to \$38,800.

Date of sale not yet determined. Established Sept. 15 1917. Bonded debt, none. Assessed valuation 1918, \$2,500,000. The official circular states that there is no pending litigation affecting the establishment or assessment of the district.

MINNEAPOLIS, Minn.—BIDS.—The other bids received for the \$25,000 4% 5-year workhouse bonds awarded on Oct. 16 to Hakey, Stuart & Co. of Chicago at 95.55—V. 107, p. 1593—were: R. M. Grant & Co., Chicago—For an average maturity of 4 1/2 years or less, \$23,783, or 95.11.

Harris Trust & Savings Bank, Chicago—To mature Oct. 1 1923, \$23,780, or 95.12. Kallman, Mattison & Wood, Minneapolis—to mature Oct. 1 1923, \$23,775, or 95.10.

Edmunds Brothers, Boston—to mature Oct. 1 1924, \$23,762 50, or 95.048. National City Co., Chicago—To mature Oct. 1 1924, \$23,761 50, or 95.046. Ames, Emerich & Co., Chicago—To mature Oct. 1 1922 to Oct. 1 1926 in annual installments of \$5,000 each, \$23,761, or 95.04.

Seasongood & Mayer, Cincinnati—To mature Oct. 1 1928, \$22,850, or 91.04. S. N. Bond & Co., New York—To mature Oct. 1 1919, \$24,500, or 98.

MONROE COUNTY (P. O. Monroeville), Ala.—BOND ELECTION.—The question of issuing \$195,000 5% 30-year road and bridge bonds will be submitted to the voters on Nov. 5, it is stated.

MONROE COUNTY (P. O. Bloomington), Ind.—NO BIDS RECEIVED.—No bids were received for the \$4,800 4 1/2% highway bonds, offered on Oct. 21. V. 107, p. 1593.

MONTAGUE, Siskiyou County, Calif.—DESCRIPTION OF BONDS.—The \$9,000 6% water-works bonds recently voted—V. 107, p. 1209—are described as follows: Denom. \$500. Int. J. & D. Due yearly from 1918 to 1936 incl. John S. Musgrave is Town Clerk.

MT. PLEASANT, Isabella County, Mich.—BONDS PROPOSED.—The Council, it is stated, will submit to the voters a proposition to issue \$24,000 bonds, the purchase price of the Commercial Bank Building to be converted into a municipal building.

NASSAU COUNTY (P. O. Mineola), N. Y.—CERTIFICATE OFFERING.—Sealed bids will be received until 12 m. Nov. 7 by E. J. Bennett, County Controller, for \$75,000 5% tuberculosis hospital certificates. Denom. \$1,000. Date Nov. 1 1918. Prin. and semi-annual int. (M. & N.) payable at the office of the County Treasurer. Due \$25,000 yearly on Nov. 1 from 1920 to 1922, inclusive. Certified check for 2% of amount bid, payable to the County Treasurer, required. The certificates will be prepared by the Nassau County Trust Co., of Mineola, which will certify as to the genuineness of the signatures of the county officials, and the seal impressed thereon. The legality of the certificates will be approved by H. Stewart McKnight, County Attorney.

NELSONVILLE, Athens County, Ohio.—BOND SALE.—The \$2,500 6% electric-light-plant-impt. bonds offered on Aug. 10—V. 107, p. 311—were awarded on that day to W. L. Slayton & Co. of Toledo. Denom. \$500. Date March 18 1918.

NEW ORLEANS, La.—BOND OFFERING.—Further details are at hand relative to the offering on Nov. 7 of the \$600,000 5% tax-free Public Belt RR. bonds—V. 107, p. 1496. Sealed bids will be received for these bonds until 12 m. on that day by A. G. Ricks, Commissioner of Public Finances. Denoms. \$1,000, \$500 and \$100. Date Jan. 1 1909. Prin. and semi-ann. int. (J. & J.) payable at the office of the City Treas. Due on July 1 as follows: \$50,000 1945, \$25,000 1945, \$25,000 1945, 50,000 1946, 25,000 1946, 25,000 1946, \$50,000 1947, \$25,000 1947, \$25,000 1947, \$50,000 1948, \$25,000 1948, \$25,000 1948, \$50,000 1949, \$50,000 1950, \$50,000 1950, subject to call July 1 1939 or on any interest date thereafter at par and int. on thirty days' notice. Bonds may be registered as to principal in the name of the owner. Official circular states that the principal and interest of all previous issues of bonds have been promptly paid and previous issues of bonds have never been contested, and that there is not any litigation or controversy pending or threatening the validity of bonds, the boundaries of the municipality or the titles of the officials to their respective offices. Such bank domiciled and doing business in the "City of New Orleans" as may be the successful bidder for the whole of said bonds shall be elected as depository of the proceeds if such bidder should so demand, deposits to bear interest on daily balances at the rate of 2 1/4% per annum. The final opinion of Wood & Oakley of Chicago as to the legality of this issue will be furnished to the successful bidder if so desired. The bonds have been approved by the Capital Issues Committee.

Table with columns: Description, Amount. Statistics for city taxes for 1918: Assessed valuation \$332,183,016 00; Bonded debt (including this issue) 41,512,142 00; Floating debt 5,264,946 32; Total debt \$46,777,088 32; Water bonds (included in above) \$20,000,000 00; Population: Census 1910, 339,075; present (estimated) 385,000.

*Consists of amounts retained on contracts pending completion, public improvement certificates authorized by Act 56 of 1908 and sundry accounts. This debt is reduced yearly by payments out of appropriations provided in various budgets of the city of New Orleans.

Amount of sinking fund.—No sinking fund. Interest and principal of bonds are paid from proceeds of special taxes, authorized by the Constitution of the State of Louisiana, the proceeds from which are more than ample to defray the debt. Tax rate per \$100: City, \$2 20; State, \$0.90; total, \$3 10.

NEWTON, Jasper County, Iowa.—BOND SALE.—On Jan. 7 the Central Trust Co. of Des Moines was awarded \$21,100 6% sewer bonds. Denoms. 42 for \$500 and 1 for \$100. Date Mar. 7 1918. Int. M. & N. Due yearly on April 7 from 1919 to 1924, incl., subject to call any time.

BOND SALE.—On July 22 the above trust company was also awarded \$6,000 5 1/2% funding bonds. Denom. \$500. Date July 1 1918. Int. M. & N. Due \$1,000 yearly on May 15 from 1919 to 1925.

NUNDA, Livingston County, N. Y.—BOND SALE.—On Oct. 21 H. A. Kahler & Co. of N. Y. were awarded \$10,000 5% 1-10-yr. serial water-works-purchasing bonds, dated Oct. 15 1918—V. 107, p. 1496—at 100.20 and interest. Other bidders were: Isaac W. Sherrill & Co., Poughkeepsie, \$10,018 50; Geo. B. Gibbons & Co., New York, 10,014 00.

OAK HARBOR, Ottawa County, Ohio.—BOND SALE.—On Oct. 8 the \$8,500 5% 1-5-year serial street-paving bonds dated Sept. 1 1918 (V. 107, p. 1305) were awarded to the Oak Harbor State Bank at par and int. Other bidders were: Ohio National Bank, Columbus, \$8,512 85 & int.; W. L. Slayton & Co., Toledo, 8,509 35 & int.; First National Bank, Oak Harbor, 8,550 00.

Although the bids of the unsuccessful bidders appear higher than that of the purchaser, they are so officially reported to us by the Village Clerk.

O'BRIEN COUNTY (P. O. Primghar), Iowa.—BOND SALE.—On Sept. 17 Geo. M. Bechtel & Co. of Davenport were awarded at par and interest \$13,000 5% funding bonds. Denom. \$1,000. Date Sept. 2 1918. Int. M. & N. Due yearly on Nov. 1 as follows: \$3,000 1926, \$5,000 1927 and \$5,000 1928.

PALO ALTO COUNTY (P. O. Emmetsburg), Iowa.—BOND SALE.—On Sept. 9 the White Company of Davenport was awarded \$32,000 5% funding bonds. Denom. \$1,000. Date Sept. 1 1918. Int. M. & N. Due \$2,000 yearly from 1919 to 1930, incl., and \$1,000 yearly from 1931 to 1938, incl.

PELICAN ROAD DISTRICT NO. 1, Jefferson Davis Parish, La.—BONDS VOTED.—On Sept. 10 a proposition to issue \$150,000 bonds carried, we are advised.

PHILADELPHIA, Pa.—BOND OFFERING.—Sealed bids will be received until 12 m. Nov. 12 by Thomas B. Smith, Mayor, for \$7,000,000 4½% tax-free coupon and registered bonds. Denom. \$100 and multiples thereof. Date Nov. 1 1918. Int. J. & J. Due Nov. 1 1948. Cert. check for 5% of the amount of bonds bid for required. Bids must be on forms furnished by the Mayor.

The official notice of this bond offering will be found among the advertisements on a preceding page.

POTSDAM AND NORFOLK UNION FREE SCHOOL DISTRICT NO. 1 (P. O. Norfolk), St. Lawrence County, N. Y.—BOND SALE.—The \$7,000 5% school bonds offered on Sept. 14—V. 107, p. 1118—have been awarded to W. J. Fletcher of Norfolk at par. Denom. \$500. Date Nov. 1 1918. Interest annual. Due \$1,000 yearly.

RAPIDES PARISH (P. O. Alexandria), La.—BOND OFFERING.—Sealed bids will be received until 12 m. Nov. 18, it is stated, by T. C. Wheadon, President of the Police Jury, for \$75,000 5% gold bonds.

ROCHESTER, N. Y.—NOTE SALE.—On Oct. 24 the following general-improvement notes, payable 4 months from Oct. 28 1918, aggregating \$843,000, were awarded to S. N. Bond & Co. of New York at 4.75% interest plus \$8 premium.

School construction.....	\$100,000	War emergency.....	\$50,000
Highland Park Land purch..	28,000	Water improvement.....	75,000
Garbage disposal.....	135,000	Deepening Genesee River..	150,000
Brown Street subway.....	35,000	Sewage disposal.....	100,000
		Voting machine.....	70,000

Other bidders, all of New York, were:

A. B. Leach & Co.....	Interest.....	Premium.....
Salomon Bros. & Hutzler.....	4.78%	---
Goldman, Sachs & Co.....	4.83%	\$5 00
Central Union Trust Co.....	5.25%	---
	6.00%	---

ROLFE SCHOOL DISTRICT (P. O. Rolfe), Pocahontas County, Iowa.—BOND SALE.—An issue of \$10,000 5% school bonds dated July 1 1918 has been awarded Geo. M. Bechtel & Co. of Davenport at 102. Denom. \$1,000. Int. A. & O. Due 1936.

SALESVILLE SCHOOL DISTRICT (P. O. Salesville), Guernsey County, Ohio.—BOND SALE.—On Oct. 5 the \$3,000 5% coupon school bonds—V. 107, p. 1401—were awarded to the Quaker City National Bank of Quaker City for \$3,005, equal to 100.166. Date Sept. 1918. Due yearly beginning Sept. 1 1928.

SEWICKLEY TOWNSHIP SCHOOL DISTRICT (P. O. Hermime), Westmoreland County, Pa.—BOND OFFERING.—Proposals will be received until 2 p. m. Nov. 2 by B. F. Bungard, Secretary of Board of School Directors, for \$50,000 5% school bonds, it is stated. Interest semi-annual. Certified check for \$1,000 required.

SIoux FALLS, Minnehaha County, So. Dak.—BOND ELECTION.—On Nov. 5 an proposition to issue \$300,000 municipal power plant bonds will, it is stated, be voted upon.

STRAYHORN CONSOLIDATED SCHOOL DISTRICT (P. O. Senatobia), Tate County, Miss.—BOND SALE.—The \$17,000 6% school bonds offered on July 1—V. 106, p. 2777—have been awarded to the Wm. R. Compton Investment Co. of St. Louis. Denom. \$500. Date July 1 1918. Int. J. & J. Due yearly on July 1 from 1919 to 1938, incl.

SUTTER COUNTY RECLAMATION DISTRICT NO. 1001, Calif.—DESCRIPTION OF BONDS.—The \$30,000 6% construction bonds awarded on Aug. 19 to McDonnell & Co. of San Francisco at 101.826—V. 107, p. 1118—are in denom. of \$500 and are dated July 1 1917. Int. J. & J. Due July 1 1935.

SWISSVALE SCHOOL DISTRICT (P. O. Swissvale), Allegheny County, Pa.—BOND OFFERING.—Sealed bids will be received until 8 p. m. Nov. 6 by Geo. L. Pyle, District Secretary, for \$48,000 tax-free coupon school bonds. Bids are requested for bonds bearing 4-6-10 and 5% interest. Denom. \$1,000. Due on Oct. 1 as follows: \$12,000 1925,

\$12,000 1932, \$12,000 1939 and \$12,000 1946. Certified check for \$1,000 required. Purchaser to pay for printing of bonds.

TILLAMOOK COUNTY SCHOOL DISTRICT NO. 89, Ore.—WARRANT SALE.—During July Morris Bros., Inc., of Portland, were awarded \$12,500 6% coupon warrants. Denom. \$500. Date July 1 1918. Prin. and annual interest payable at the fiscal agency of the State of Oregon (National Park Bank), New York. Due \$2,500 yearly on July 1 from 1919 to 1923, incl.

Financial Statement:

True value of property (estimated).....	\$3,000,000
Equalized assessed valuation, 1917.....	1,403,502
Total bonded indebtedness, this issue only.....	12,500
Population (estimated) 1917, 1,200.	

TROY, Miami County, Ohio.—BOND OFFERING.—Reports state that Charles F. Rannels, City Auditor, will receive bids until 12 m. Nov. 1 for \$22,500 5½% water bonds. Int. semi-ann. Certified check for \$500 required.

WAUSEON, Fulton County, Ohio.—BOND SALE.—On Oct. 14 the two issues of 6% 1-10-year serial street-improvement and city-hall-repair bonds, dated Oct. 1 1918 (V. 107, p. 1306) were awarded to the Ohio National Bank of Columbus for \$9,736 90 (102.493) and interest. Other bidders were:

Stacy & Braun, Toledo.....	\$9,605 50	Wm. R. Compton Co., Cin.....	\$9,557 75
W. L. Slayton & Co., Tol.....	9,603 50	John Nuveen & Co., Chic.....	9,551 00
Seasongood & Mayer, Cin.....	9,588 00	Breed, Elliott & Harrison,	
Spitzer, Rorick & Co., Tol.....	9,563 75	Cincinnati.....	9,523 75

WILLARD, Huron County, Ohio.—BOND SALE.—On Sept. 16 the City Sinking Fund Trustee purchased at par and interest \$2,200 5½% refunding bonds. Denoms. 4 for \$500 and 1 for \$200. Date Sept. 15 1918. Int. M. & S. Due yearly from 1919 to 1924, incl.

YAZOO CITY, Yazoo County, Miss.—BOND SALE.—On Oct. 14 the \$23,000 1-20-year serial coupon impt. bonds, dated Oct. 15 1918—V. 107, p. 1306—were awarded to the Wm. R. Compton Investment Co. of St. Louis for \$23,051 (100.221) interest and blank bonds for 5½%.

CANADA, its Provinces and Municipalities.

ARTHUR, Ont.—DEBENTURE SALE.—On Oct. 14 the \$8,000 6% 10-year boat-factory debentures—V. 107, p. 1497—were awarded to local investors at par. Denom. \$604 to \$1,025. Date Oct. 15 1918.

BARTON TOWNSHIP (P. O. Bartonville), Ont.—DEBENTURES NOT SOLD.—No sale was made of the two issues of 5½% 20-year debentures, aggregating \$57,952 69, offered on Oct. 21 (V. 107, p. 1497). Alfred G. E. Bryant, Township Clerk, advises us that brokers had an agreement with the Government not to purchase any bonds during the Victory Loan campaign and therefore refrained from bidding for these debentures.

BRANDON, Man.—DEBENTURE SALE.—An issue of \$28,000 hospital-building debentures has been disposed of, it is reported.

MOOSE JAW, Sask.—DEBENTURE SALE.—The \$10,000 Children's Aid Building improvement debentures, recently authorized (V. 107, p. 1402) were purchased by the City Sinking Fund Trustee.

SASKATCHEWAN (Province of)—DEBENTURES SOLD IN PART.—It is reported that the underwriters will have to take up 40% of the \$650,000 5½% refunding debentures on the market at present.—V. 107, p. 1594.

WESTMOUNT, P. Q.—TENDERS OF DEBENTURES ASKED FOR.—The Sinking Fund Commissioners desire to purchase approximately \$40,000 City of Westmount debentures and will receive tenders of the same until 12 m. Oct. 28 at the offices of the Montreal Trust Co. Bonds to be delivered to the Commissioners Nov. 1 1918; a full description of the debentures offered for sale is essential. Arthur F. Bell is Secretary-Treasurer.

The official notice of this bond offering will be found among the advertisements elsewhere in this Department.

NEW LOANS

\$8,000
Town of Shelby, Montana
WATER BONDS

Notice is hereby given that the Council of the Town of Shelby, Montana, will sell at public auction Water Bonds of the Town for \$8,000 6% Twenty-Year, optional after ten years, interest semi-annually, payable in N. Y. City, on the 6TH DAY OF NOVEMBER, A. D. 1918, at 8 o'clock p. m., at the office of the Town Clerk. Certified check for \$2,000 00 on National Bank as guarantee.

LENA SCHROER, Clerk.

DEBENTURE CALL

CITY OF WESTMOUNT,
CANADA,
Sinking Fund Commission

The Sinking Fund Commissioners of the City of Westmount desire to purchase approximately \$40,000 of the City of Westmount Debentures.

Sealed offers, marked "Sinking Fund Commissioners of Westmount" will be received at the offices of the Montreal Trust Company until NOON ON MONDAY, THE 28TH OF OCTOBER, 1918.

A full description of bonds offered for sale is essential. Delivery of the bonds to the Commissioners must be made on 1st of November, 1918.

ARTHUR F. BELL,
Secretary-Treasurer.

New Jersey
Securities

OUTWATER & WELLS

15 Exchange Place Tel. 20 Montgomery
Jersey City, N. J.

FINANCIAL

Acts as
Executor
Trustee,
Administrator,
Guardian,
Receiver,
Registrar and
Transfer Agent.

Interest allowed
on deposits.

Girard Trust Company

PHILADELPHIA

Chartered 1836

CAPITAL and SURPLUS, \$10,000,000

Member of Federal Reserve System

E. B. Morris, President



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FINANCE public utility developments.

BUY AND SELL securities.

DESIGN steam power stations, hydro-electric developments, transmission lines, city and interurban railways, gas plants, industrial plants and buildings.

CONSTRUCT either from our own designs or from designs of other engineers or architects.

REPORT on public utility properties, proposed extensions or new projects.

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Municipal and Corporation
Issues Underwritten

We specialize in securities of
the Mississippi Valley and the
South

BOND DEPARTMENT

Mississippi Valley Trust Co.

ST. LOUIS

B. W. Strassburger
SOUTHERN INVESTMENT SECURITIES
Montgomery, Ala.

Financial

ATLANTIC MUTUAL INSURANCE COMPANY

New York, January 25th, 1918.
The Trustees, in conformity with the Charter of the Company, submit the following statement of its affairs on the 31st of December, 1917.

The Company's business has been confined to marine and inland transportation insurance.

Premiums on such risks from the 1st January, 1917, to the 31st December, 1917.....	\$11,105,619.46
Premiums on Policies not marked off 1st January, 1917.....	1,135,785.48
Total Premiums.....	\$12,241,404.94
Premiums marked off from 1st January, 1917, to 31st December, 1917.....	\$11,171,853.98
Interest on the investments of the Company received during the year \$404,411.15	
Interest on Deposits in Banks and Trust Companies, etc.....	126,991.53
Rent received less Taxes and Expenses.....	93,474.66
Losses paid during the year.....	\$ 624,877.34
Less: Salvages.....	\$336,896.32
Re-insurances.....	503,857.68
\$ 840,754.00	
\$2,672,899.20	
\$1,913,710.65	
Re-insurance Premiums and Returns of Premiums.....	\$ 857,596.09
Expenses, including compensation of officers and clerks, taxes, stationery, advertisements, etc.....	

A dividend of interest of Six per cent. on the outstanding certificates of profits will be paid to the holders thereof, or their legal representatives, on and after Tuesday the fifth of February next. The outstanding certificates of the issues of 1915 and of 1916 will be redeemed and paid to the holders thereof, or their legal representatives, on and after Tuesday the fifth of February next, from which date all interest thereon will cease. The certificates to be produced at the time of payment and canceled. A dividend of Forty per cent. is declared on the earned premiums of the Company for the year ending 31st December, 1917, which are entitled to participate in dividend, for which, upon application, certificates will be issued on and after Tuesday the seventh of May next.

- By order of the Board, G. STANTON FLOYD-JONES, Secretary.
- TRUSTEES.**
 HERBERT L. GRIGGS, ANTON A. RAVEN,
 SAMUEL T. HUBBARD, JOHN J. RIKER,
 LEWIS CASS LEDYARD, DOUGLAS ROBINSON,
 WILLIAM H. LEFFERTS, JUSTUS RUPERTI,
 CHARLES D. LEFFERTS, WILLIAM JAY SCHIEFFELIN,
 NICHOLAS F. PALMER, SAMUEL SLOAN,
 WALTER WOOD PARSONS, WILLIAM SLOANE,
 CHARLES A. PEABODY, LOUIS STERN,
 WILLIAM R. PETERS, WILLIAM A. STREET,
 JAMES H. POST, GEORGE E. TURNURE,
 CHARLES M. PRATT, GEORGE C. VAN TUYL, Jr.,
 DALLAS B. PRATT, RICHARD H. WILLIAMS.

- A. A. RAVEN, Chairman of the Board.
 CORNELIUS ELDERT, President.
 WALTER WOOD PARSONS, Vice-President.
 CHARLES E. FAY, 2d Vice-President.
 WILLIAM D. WINTER, 3rd Vice-President.

ASSETS.		LIABILITIES.	
United States and State of New York Bonds.....	\$ 1,185,000.00	Estimated Losses and Losses Unsettled in process of Adjustment.....	\$ 4,432,969.00
Stock of the City of New York and Stocks of Trust Companies & Banks.....	1,445,550.00	Premiums on Unterminated Risks.....	1,060,550.98
Stocks and Bonds of Railroads.....	3,287,129.85	Certificates of Profits and Interest Unpaid.....	301,406.75
Other Securities.....	305,410.00	Return Premiums Unpaid.....	121,989.98
Special Deposits in Banks and Trust Companies.....	3,000,000.00	Taxes Unpaid.....	500,000.00
Real Estate cor. Wall Street, William Street and Exchange Place.....	3,900,000.00	Re-insurance Premiums on Terminated Risks.....	265,907.37
Real Estate on Staten Island (held under provisions of Chapter 481, Laws of 1887).....	75,000.00	Claims not Settled, including Compensation, etc.....	188,517.10
Premium Notes.....	1,069,577.74	Certificates of Profits Ordered Redeemed, Withheld for Unpaid Premiums.....	22,789.10
Bills Receivable.....	1,038,460.86	Income Tax Withheld at the Source.....	3,125.56
Note Receivable.....	5,122.26	Certificates of Profits Outstanding.....	5,722,500.00
Cash in hands of European Bankers to pay losses under policies payable in foreign countries.....	598,675.67	Balance.....	5,318,329.55
Cash in Bank and in Office.....	2,187,198.87		
Statutory Deposit with the State of Queensland, Australia.....	4,765.00		
\$18,041,890.25		\$18,041,890.25	
Balance brought down.....	\$5,318,329.55		
Accrued Interest on the 31st day of December, 1917, amounted to.....	75,724.00		
Rents due and accrued on the 31st day of December, 1917, amounted to.....	22,301.50		
Re-insurance due or accrued, in companies authorized in New York, on the 31st day of December, 1917, amounted to.....	500,467.30		
Note: The Insurance Department has estimated the value of the Real Estate on Staten Island in excess of the Book Value given above, at.....	\$ 66,700.00		
The Insurance Department's valuation of Stocks, Bonds and other Securities exceeds the Company's valuation by.....	\$2,300,907.37		
On the basis of the above valuations the balance would be.....	\$2,300,907.37		

MELLON NATIONAL BANK
PITTSBURGH

STATEMENT OF CONDITION AT THE CLOSE OF BUSINESS AUG. 31 1918

RESOURCES		LIABILITIES	
Loans, Bonds and Investment Securities.....	\$97,443,557 82	Capital.....	\$6,000,000 00
Overdrafts.....	67 11	Surplus and Undivided Profits.....	4,398,817 49
Cash.....	3,220,802 10	Reserved for Depreciation, etc.....	2,101,633 81
Due from Banks.....	15,402,057 94	Borrowed from Federal Reserve Bank.....	1,000,000 00
	\$116,066,484 97	Circulating Notes.....	4,378,700 00
		Deposits.....	98,187,333 67
			\$116,066,484 97

Illinois Trust & Savings Bank
CHICAGO

Capital, Surplus and Undivided Profits - - \$16,400,000

Pays Interest on Time Deposits, Current and Reserve Accounts. Deals in Foreign Exchange. Transacts a General Trust Business.

Has on hand at all times a variety of excellent securities. Buys and sells Government, Municipal and Corporation Bonds.

Financial

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of MUNICIPALITIES AND CORPORATIONS

having substantial assets and earning power

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SAN FRANCISCO CHICAGO
PASADENA



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LOS ANGELES

R. H. MOULTON & COMPANY
CALIFORNIA MUNICIPALS

Title Insurance Building, LOS ANGELES

SAN FRANCISCO

F. M. BROWN & CO.

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