



**NOTICE—DELAY BECAUSE OF PRINTERS' STRIKE.**

On account of the pressmen's and feeders' strike, last week's issue of the paper was considerably delayed—in fact, it was possible to get the paper out at all only by heroic effort, at heavy extra outlays, and with the aid of outside help.

The striking journeymen have now returned to work, but conditions have not been fully restored to the normal, and as this week's issue of the paper is accompanied by our "Railway & Industrial" Section, which alone requires the work of 13 presses, out of town subscribers may not unlikely experience some delay the present week, too—a fact of course which we deeply regret. In subsequent weeks we hope things will follow their usual course.

**THE FINANCIAL SITUATION.**

To the discomfiture produced by monetary conditions, there was added as a disturbing influence upon the Stock Exchange the present week the reduction in the dividend on the shares of the United States Steel Corporation. At recent previous quarterly dates the payment on the common stock of the Corporation has been  $1\frac{1}{4}\%$  regular and  $3\%$  extra. Now only  $2\%$  extra has been declared, with  $1\frac{1}{4}\%$  regular. The distribution is still a handsome one, but aggregate profits, as measured by the figures for the September quarter in comparison with the corresponding figures for preceding quarters, also gave evidence of the change under way, showing a material reduction. The whole affair served as a reminder of the fact, especially as peace now is definitely in sight, that the extraordinary profits of the last few years, arising out of war conditions, will soon be a thing of the past.

Perhaps if the speculation for higher prices had not been weakened by last week's action of the Money Committee in re-emphasizing its demand for a rigid curtailment of Stock Exchange loans, this incident of the Steel Corporation might not have had so much of an adverse effect. As it was, it gave the movement for higher prices a sort of black eye. The dividend announcement did not come until after the close of business on Tuesday. Steel common at the opening on Monday sold at 111; the close on Tuesday was at 108. The opening on Wednesday was at  $105\frac{1}{2}$ @ $105\frac{3}{8}$ ; in the afternoon of the same day the price got down to 102. On Thursday there was some recovery, but yesterday the downward impetus was renewed, the final sale for the day being at  $101\frac{5}{8}$ . Many of the other war stocks have also been weak, in particular Bethlehem Steel.

Nevertheless the market has shown much inherent strength and manifests great resiliency. Especially is this true of the railroad stocks. The chief disconcerting factor is the monetary situation and the disposition to limit accommodation to Stock Exchange houses. More has been made of this than of the prospective loss of the huge war profits. There have been all sorts of rumors and reports as to the steps contemplated for reducing loans on the Stock Exchange. The authorities of the Exchange seem themselves to have been most active in giving effect to the edict of the Money Committee. What is of most consequence, however, is not who is undertaking to carry out the plans, but that active restriction is being practiced. As there appears to be no likelihood that the policy in that respect is to be, or can be, modified, that is a factor that has to be

reckoned with. Peace is certainly imminent, and from all appearances immediately so. The general disposition seems to be to think that even though the war stocks are to suffer a reduction of their profits with the termination of the conflict, peace also has its favorable side—indeed that the balance of the advantages lies on that side. That feeling would be reflected in rising prices except for the damper exercised by the loan situation. On the other hand, there can be no doubt that the suddenness with which peace is now to be inaugurated, introduces an entirely new element in the problem. The process of readjustment which it was desirable should be slow and gradual, may, as a consequence, be violent and abrupt and correspondingly more unsettling. This process of readjustment, it is hardly needful to say, is not likely to be an easy one. There is no safe basis of prognostication. It will be necessary to wait patiently for the course of events.

History has been created with great rapidity this week. Turkey has obtained a formal armistice, upon what is understood to be surrender without conditions, and Austria apparently is leaving no stone unturned to secure a similar result. Several new German and Austrian communications reached President Wilson, all having the one burden, namely, the urgent need of an immediate cessation of hostilities. On Monday Austria replied to President Wilson's note of Oct. 19, the document bearing the signature of Count Julius Andrássy, the new Foreign Minister. In brief it informed the President that Austria was ready to enter upon peace negotiations and arrange an armistice and asked President Wilson to begin overtures on the subject. The German note was what may be termed a formal acknowledgment of President Wilson's answer of Oct. 23 and an attempt to emphasize that the changes in the German Government were real. "The President is aware of the far-reaching changes which have been carried out and are being carried out in the German constitutional structure," says Dr. Solf, the German Foreign Minister, "and that peace negotiations are being conducted by a people's Government in whose hands rest both actually and constitutionally the power to make deciding conclusions. The military powers are also subject to it." On this basis, Dr. Solf adds, "the German Government now awaits proposals for an armistice which shall be the first step toward a just peace as the President has described it in his proclamation." The President has referred this note to the American and Allied representatives in France. In fact, it may be accepted that President Wilson has completed his task as intermediary for armistice and peace pleas and has referred all those matters to Versailles. Exchanges between the American and Allied Governments, as well as discussions among the representatives in France, are in progress. The collapse of the Austrian army suggests, however, that there may be capitulation in the field before terms of armistice can be arranged by the Supreme War Council. Secretary Lansing made public on Thursday a note handed to Ambassador Riano of Spain informing him that the Turkish request that he propose an armistice and peace negotiations (delivered by the Ambassador on Oct. 14) had been transmitted by the President to the Governments at war with Turkey. Secretary Lansing also announced that the supplementary Austrian communication containing a similar appeal

with acceptance of the stipulation of complete independence for subject nationalities had been forwarded to America's co-belligerents. Minister Ekengren of Sweden in charge of Austrian interests at Washington was so informed verbally, the President apparently having decided that it was unnecessary to send a written reply.

As to the capitulation of the Turks the terms have not been as yet promulgated in full, though they are regarded in well-informed circles as tantamount to unconditional surrender. They include the free passage of the Dardanelles to the Allied fleet, according to official announcement in the House of Commons by Sir George Cave, British Home Secretary. Another condition is the immediate repatriation of British war prisoners, while other terms comprise the occupation of forts of the Dardanelles and Bosphorus necessary to secure the passage of the Allied warships. It is stated officially that the entire Turkish force which has been opposing the British on the Tigris has been captured, these prisoners numbering approximately 7,000. The opening of the passage to the Black Sea means, of course, that the Allied fleet will attack the German naval forces there. These forces include ships of the Russian Black Sea fleet taken over by the Teutons after the collapse of the Provisional Government in Russia, including one superdreadnought, several battleships of the predreadnought type and a score of fast destroyers. The well-known German battle cruiser Goeben also is in the Black Sea. For several weeks after the United States declared war on Germany, Turkey took no action, but on April 21 1917 she severed diplomatic relations. However, there has never been a declaration of war either by the United States or Turkey against the other. It is of interest to note that General Townshend, the British commander captured at Kut-el-Amara, was liberated several days ago by the Turks to inform the British Admiral in command in the Aegean Sea that the Turkish Government asked that negotiations be opened immediately for an armistice.

As already intimated, it appears to be a race whether Austria will be compelled to concede defeat in the field before negotiations covering terms of armistice can be granted by the military authorities of the Allied countries. For practical purposes the Austrian army has collapsed. Nearly everywhere it is falling back in disorder. The Austrian commander-in-chief on the Italian front on Thursday applied to General Diaz, the Italian commander-in-chief, for an armistice and asked that unnecessary slaughter be ended at once. General Diaz referred the matter to the Supreme War Council at Versailles. Even in the mountains, where stiff resistance has been offered to keep the Allies from entering the back door of Austria, the enemy's front is cracking under the violence of the attack and important strategic positions are being lost. Advices by way of London declare that conditions in the interior of Austria-Hungary virtually preclude a continuance of fighting. The railways necessary for the maintenance of the military forces of the Dual Monarchy have become utterly disorganized. All communication between such important centres as Agram, Fiume, Budapest, and Vienna has been interrupted, and the railway communication between Berlin and Vienna has been cut. A successful revolution has

taken place in Budapest and the Hungarian National Council has taken over the Government. Count Tisza, the former Hungarian Premier, has been assassinated by a soldier. It was Count Tisza as Premier of Austria-Hungary who sent the ultimatum to Serbia that preceded the opening of the war in July 1914 by only a few hours. Count Karolyi, who is head of the Hungarian Independent Party, sent the following message as "President of the National Council" to a Berlin newspaper from Budapest:

"Revolution in Budapest and National Council took over Government. Military and police acknowledge National Council completely. Inhabitants rejoicing."

Count Tisza opposed Count Karolyi in the establishment of a separate Hungarian State. It is reported that the terms of the armistice for Austria as decided upon at Versailles include the occupation of Austrian ports and strategic land strongholds, the relinquishment by the enemy of all her naval weapons, including her battleships and submarines; evacuation of all occupied territory, including Austrian territory whose population is essentially Italian, and the privilege of the use of Austrian railway lines by the Allied command. Later advices state that the new national Government in Austria has assumed full power. It is reported also that the National Council, after consultation with a delegation of thousands of soldiers and officers, decided to establish a provisional Workmen's and Soldiers' Council and to draw up plans for a new monarchical State. Victor Adler has been named Foreign Minister, Herr Leutner War Minister and Herr Renner Minister of Social Affairs. All are Socialists. The revolutionary movement is growing throughout the country. Vienna is said to be without food. Emperor Charles, before leaving Vienna for Godollo, ordered the authorities to yield unresistingly to the new regime, according to advices received here by way of Zurich. The Emperor also wired Archduke Joseph to take similar action. The Archduke, who had previously been designated by Charles to take steps toward greater independence for Hungary, left Budapest after a republic had been proclaimed.

Germany now stands virtually alone against the entire world. It is a question only of time when she must capitulate. Reports reiterate that the Kaiser has abdicated though they still lack official confirmation. The rumors of the Emperor's abdication are at least premature, the Berlin "Vossische Zeitung" says in Thursday's issue. It adds, however, that the abdication question was discussed at the latest meetings of the War Cabinet, and it is stated that former Vice-Chancellor Delbrueck has left for the front on an important mission for Chancellor Maximilian. General Groener has been picked (though by whom is not known) to succeed Gen. Ludendorff as head of the German armies "so as to be employed in connection with the demobilization," the Berliner "Tageblatt" learns on high authority. If the various reports cabled from the other side may be relied upon as approximately accurate, internal affairs throughout Germany are but one remove better than those in Austria-Hungary. The London "Daily News" in its yesterday's issue argues that the effect of the Austrian break-up on the war will be immediate. "It is obvious," that newspaper says, "that the Allies would consent to no armistice which did not pro-

vide, as in the case of Bulgaria, for unhindered passage of their troops and the prosecution on Austrian soil of war against Germany. Even if Austria were disposed to refuse that demand she would be powerless to resist it. Her constituent peoples are in revolt against her and the Czecho-Slovaks and the Jugo-Slavs have been recognized by the Entente Powers as allied belligerents. That is enough in itself to secure to the Allies passage through what has heretofore been enemy territory. The importance of that is not its effect upon Austria, but its effect on Germany. It means that her back door is forced. Bohemia, now passing rapidly into the hands of the Czecho-Slovaks, joins Prussia, Saxony and Bavaria and the eastern frontier of none of these States is organized for defense. Without moving a man from the West, the Allies could draw from their southern and eastern front a force more than sufficient to drive into Saxony or Bavaria—and that without taking into account the support the new independent Slav races might render. Against that fatal encirclement Germany cannot struggle." The Paris "Matin," referring to the importance of the capitulation of Turkey points out that the greater part of the British armies, in Syria, Palestine and Mesopotamia, will be released. "The army of the Orient, which will soon be the army of the Save and the Danube, will be, perhaps, called upon to play a great role for which its reinforcement by seasoned elements will be desirable at an early date. When the Dardanelles are opened the Allied fleet will restore direct communication with Roumania, as it is hardly probable that the Goeben, the Breslau and the Russian fleet sold to Germany by the Bolsheviks will offer resistance. The Allies will then hold the Mediterranean outlets of Ukrania and greater Russia."

As to military operations elsewhere it is obvious that pending the decision on the armistice asked by Germany, which must be a question only of hours, the various Entente commanders are not disposed to needlessly sacrifice men. In the case of Austria the psychological moment had arrived for the supreme drive and Marshal Foch ordered it in full force. On the Western battle front the same conditions do not exist and the lull in the fighting may to that extent be regarded as significant. In Belgium both the British and Belgian troops have made comparatively slight gains, while the French on the southern part of the line in France have advanced their line and taken prisoners. Aside from reciprocal artillery duels and continued aerial raids by the Americans and Germans, the American sectors east and west of the Meuse have been comparatively quiet. This feature, as we have said, may be interpreted as significant of underlying conditions.

The security markets of London have ruled firm, but have displayed no spectacular enthusiasm over the remarkably rapid and favorable developments in the war situation. One reason for this backwardness aside from what may be termed the natural British reserve has undoubtedly been the secrecy attending the negotiations of the Supreme War Council at Versailles. The surrender of Turkey and the collapse of Austria are interpreted as meaning a speedy acceptance of the inevitable by Germany. But the attitude in London financial circles as to

the probable action of Germany in relation to the negotiations for an armistice is that the safer policy is to be prepared for a stubborn prolongation of the war. This reflects what may be termed a desire to be agreeably disappointed. The reaction in the neutral exchanges seemed to coincide with this idea. The war loan which sold ex-dividend of 2½% on Monday, closed at 94½ on Thursday (yesterday, All Saints' Day, being a holiday on the London market), comparing with 96½ a week ago. English Consols finished at 60⅞, against 59¾ last week. It is understood that the New Issues Committee of the Treasury is relaxing somewhat in the opposition it has displayed for some time to flotations of new capital required for industrial purposes of national importance. Several new issues have been sanctioned recently and additional ones may be expected in the near future. A new British insurance company, for instance, is being formed with a capital of £300,000 under the title of the Atlantic Assurance and will undertake all classes of business.

Securities on the English market have been steadily advancing in an unostentatious way since the breakdown of the enemy's spring drive. The monthly figures of the "Bankers' Magazine" of London, received by cable, indicate an advance in value during October of £60,032,000, which is equal to 2.2% in the aggregate value of 387 representative issues listed on the Stock Exchange. In September the increase was £21,774,000, or 0.8%, and in August it was £50,172,000, or 1.9%. On Oct. 20 the market value of these securities was £2,794,542,000. This compares with £3,383,128,000 at the outset of the war (the close of June in 1914). The lowest point reached by this index was in April 1918, just after the German spring drive, which failed to provide the victory expected by Germany, was launched. The total then had declined to £2,571,612,000. Hence the recovery to the current figure of £2,794,542,000 represents a substantial response to the brilliant series of victories which are bringing the war so rapidly and definitely to a close.

The recent rumors of a new British shipping merger do not appear to have substantial foundation. Cabled advices quote Lord Furness as explicitly denying the rumors current last week that such a merger was being negotiated or that it was the intention of the Government to take over the shipping industry. The Furness-Withy Co. has no negotiations in either of these directions, said Lord Furness.

The agitation for an increase in the price of gold is becoming still more active at the English centre. The financial section of the London Chamber of Commerce at a special session on Saturday last passed the following resolution, opposing any alteration in the standard:

"Whereas an alteration in the standard price of gold would upset the basis of all existing contracts, such alteration would be contrary to public policy and calculated to produce disastrous results, both commercially and financially, while failing to attain the suggested benefit."

Meanwhile the British Treasury's Currency Committee's first interim report on the gold position has been distributed in the English financial district, where it appears to have received approval. It urges an earnest effort to restore "effectively the gold standard" and recommends a gold reserve of £150,000,000 to be held in the Bank of England.

This recommendation is interpreted as foreshadowing action to accentuate the British Empire's output of the precious metal. A statement urging such action has been completed by the Gold Producers' Committee and will be submitted immediately to the Treasury's Gold Production Committee. Incidentally it may be remarked that a committee of the American gold producers of the West will in the near future present a request for assistance to Secretary McAdoo and to the Senate Committee on Mines and Mining. A decision to this effect was reached early in the week at a meeting of the Executive Committee of the American Gold Conference.

Sales of war bonds in the United Kingdom still are falling below the £25,000,000 per week sought by the Chancellor of the Exchequer. Last week's sales through the banks amounted to £21,468,000, bringing the aggregate to Oct. 26 up to £1,185,071,000. The Post Offices for the week of Oct. 19 report sales amounting to £667,000, making the total under this head £41,237,000. It is believed in London that the obvious trend toward an early peace is mainly responsible for the falling off in the subscriptions. War savings certificates of £1 each disposed of in the week of Oct. 19 totaled £2,325,000, making the aggregate ultimate indebtedness represented by these certificates £249,304,000.

There is no indication of a similar falling off in subscriptions to the French loan. Press accounts just received by cable indicate that in the first fortnight of October subscriptions for national defense bonds amounted to 1,472,000,000 francs. This is the largest amount subscribed in any similar period since this class of bonds was authorized and is 500,000,000 francs greater than the previous maximum reached in 1918.

Meanwhile there is no reason to doubt the recent reports of the complete failure of the German loan. Financial panic seems to have seized every one, even in Berlin, and the ordinary paper currency of the Empire (quoting the British Wireless Service from London) has vanished. The Municipality of Berlin has been compelled to issue emergency currency to the value of about 50,000,000 mks., valid until Feb. 1 next within the confines of Greater Berlin. Tradesmen may refuse to accept this currency or at least decline to change the notes except where compelled to take them in payment for goods already delivered. The big German banks have published flaming appeals to "our fellow citizens" not to withdraw deposits and not to hoard currency notes. But the rush on the banks has grown worse than ever. A dispatch by way of Zurich quotes the "Neueste-Nachrichten" of Munich as saying that the German Reichsbank has issued notes to the amount of 2,000,000,000 mks. in the last four weeks. The newspaper adds that this action was forced by hoarding of bank notes by the people and it points out that if the latter do not give up their present "craze" a financial catastrophe is inevitable.

No change has been noted in official discount rates at leading European centres from 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 continues to be quoted at 3 17-32% for sixty days and ninety days. Call money in

London is still reported at 3%. So far as can be learned, no reports have been received by cable of open market rates at other European centres.

The Bank of England in its weekly statement announced another substantial increase in its gold item, amounting to £539,370, although the total reserve again declined—£267,000—as a result of an increase of £807,000 in note circulation. In sharp contrast with the heavy reductions of the previous week, deposits showed a large expansion and the proportion of reserve to liabilities declined to 17.23%, against 18.70% last week and 19¼% a year ago. Public deposits decreased £2,410,000, but other deposits expanded £13,847,000, while Government securities increased £11,761,000. Loans (other securities) registered a contraction of £25,000. Threadneedle Street's holdings of gold aggregate £73,948,330, which compares with £56,025,691 a week ago and £56,363,340 in 1916. Reserves total £28,185,000, as against £32,074,351 in 1917 and £37,589,045 the year before. Loans now stand at £95,355,000. Last year the total was £92,813,358 and in 1916 £105,714,121. Clearings through the London banks for the week amounted to £424,470,000, comparing with £416,660,000 last week and £377,150,000 a year ago. 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:

BANK OF ENGLAND'S COMPARATIVE STATEMENT.

	1918. Oct. 30.	1917. Oct. 31.	1916. Nov. 1.	1915. Nov. 3.	1914. Nov. 4.
Circulation.....	64,203,000	42,401,240	37,224,295	33,433,230	25,530,500
Public deposits.....	29,633,000	43,843,946	51,107,437	45,537,438	16,450,904
Other deposits.....	133,978,000	122,366,439	116,622,055	95,774,304	140,293,123
Government securas.	57,751,000	59,043,870	42,188,153	18,895,968	17,304,087
Other securities.....	95,355,000	92,813,358	105,714,121	98,540,391	104,904,925
Reserve notes & coin	28,184,000	32,074,351	37,589,045	41,672,488	52,394,119
Coin and bullion.....	73,948,330	56,025,691	56,363,340	56,655,718	69,474,113
Proportion of reserve to liabilities.....	17.20%	19.30%	22.41%	20.49%	33.42%
Bank rate.....	5%	5%	6%	5%	5%

The Bank of France, in its weekly statement, shows an additional gain in the gold item, the increase for the week being 1,427,000 francs. The Bank's gold holdings now total 5,443,297,675 francs, comparing with 5,327,485,957 francs at this time last year (2,037,108,484 francs being held abroad in each of the respective years). In 1916 the gold holdings amounted to 4,992,020,245 francs, of which 876,212,957 francs were held abroad. During the week silver gained 299,000 francs, bills discounted increased 52,346,000 francs, advances rose 5,487,000 francs, and Treasury deposits were augmented by 140,696,000 francs. General deposits, on the other hand, fell off 32,968,000 francs. Note circulation was expanded to the extent of 60,992,000 francs, bringing the total outstanding up to 30,782,946,000 francs. This compares with 22,018,320,785 francs in 1917 and 16,128,286,280 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.	Oct. 31 1918.	Statement of Nov. 1 1917.	Nov. 2 1916.
Gold Holdings—				
In France.....	Inc. 1,427,000	3,406,189,191	3,290,377,460	4,115,807,288
Abroad.....	No change	2,037,108,484	2,037,108,484	876,212,957
Total.....	Inc. 1,427,000	5,443,297,675	5,327,485,957	4,992,020,245
Silver.....	Inc. 299,000	320,328,819	253,480,655	326,094,127
Bills discounted.....	Inc. 52,346,000	876,989,000	798,358,401	576,255,828
Advances.....	Inc. 5,487,000	837,022,590	1,137,894,608	1,393,174,274
Note circulation.....	Inc. 60,992,000	30,782,946,000	22,018,320,785	16,128,286,280
Treasury deposits.....	Inc. 140,696,000	175,898,000	39,255,927	180,888,046
General deposits.....	Dec. 32,968,000	2,876,163,000	2,679,066,833	1,843,294,465

Last week's statement of New York Associated banks and trust companies, issued on Saturday, showed some striking changes in its principal items, chief among which may be mentioned an increase of over \$104,000,000 in surplus. This, of course, reflects the accumulation of Liberty Loan funds in the banks. There was also an expansion of more than \$100,000,000 in the loan item, the result of financing coincidental to the distribution of the loan. In round numbers the loan item was increased \$104,436,000. Net demand deposits were reduced \$40,380,000, to \$3,796,383,000 (Government deposits of \$474,381,000 deducted). Net time deposits increased \$3,531,000. Cash in vaults (members of the Federal Reserve Bank) gained \$2,123,000, to \$106,537,000 (not counted as reserve). Reserves in the Federal Reserve Bank of member banks registered the large increase of \$97,983,000, to \$617,098,000. The reserve in own vaults (State banks and trust companies) expanded \$95,000, to \$10,212,000, and reserves in other depositories were increased \$759,000, to \$8,652,000. Circulation is now \$36,048,000, an increase of \$140,000. Aggregate reserves showed a gain of \$98,837,000, bringing the total to \$635,962,000, as compared with \$542,477,000 at the corresponding date in 1917. Reserve requirements were reduced as a result of the curtailment in deposits, the amount being \$5,297,550. The expansion in surplus totaled \$104,134,550, which carried the total of excess reserves up to \$133,777,710 (not including \$106,537,000 cash in vault), the largest total in quite some time. Last year surplus on hand was \$55,553,670. The above totals of surplus reserves are on the basis in both cases of 13% reserves for member banks of the Federal Reserve system but not counting cash in vaults held by these banks. The bank statement in fuller detail is given in a subsequent section of the "Chronicle."

Following the recommendation of the Money Committee last week that banks insist on a 30% margin on their Stock Exchange loans, the Governors of the New York Stock Exchange have this week taken action even more severe in order to check speculation and prevent the credit situation thus becoming unwieldy. We have explained in recent issues of the "Chronicle" how a number of the large Stock Exchange commission houses have been under suspicion of increasing their loans during the time when the Treasury officials as well as the Governors of the Stock Exchange have been urging the utmost conservatism in Stock Exchange dealings. Several weeks ago Exchange authorities in order to place a check upon over-speculation requested all members to file each day a complete list of their call and time loans. These reports were designed for the information of the Money Committee, but strange to say they appear to have been regarded as more or less of a formality. However, it has developed that about a dozen of the large commission houses whose loans have thus been advancing were this week summoned before the Exchange authorities and instructed to reduce their loans by Nov. 4 to the levels occupied before the war loan campaign was inaugurated. This is an influence which has very naturally led to active liquidation in Stock Exchange circles during the week. Not only has it prevented anything like a continuance of the recent response to the remarkable news from the war zone and from diplo-

matic conferences, but has, in fact, resulted in severe net declines in the usually active list of securities.

A rather freer offering of time money has been observed, and for the first time in several months call loans were yesterday arranged below 6%, some commitments being reported at 4%, though 6% still remained the renewal basis. It may not yet be said, however, that there has been any important degree of easing up in the money position as a whole. Some bank officers are expecting a moderation of the current stringent conditions in the course of the next fortnight or so.

It is, however, rather difficult to recognize any tangible basis for such a belief unless this should be consequent upon a slowing down of industrial and trade activities engendered by an early termination of hostilities. Already there are signs of a spirit of caution in business and manufacturing circles. But the ramifications of a "peace readjustment" following the current nation-wide control of all our activities are so numerous and varied that it would be difficult to arrive at any satisfying conclusion of what might take place in the early stages of this readjustment. The main point, however, in the money outlook is the fact that while the Fourth Liberty Loan has been successfully distributed it has by no means as yet been paid for. Periodic demands will be made for funds during the installment periods which do not end until the close of January. Thus, they will overlap the regular New Year dividend and interest disbursements. Still another factor which should not be overlooked is that we must expect the Treasury Department in the not distant future to resume its issues of Treasury certificates of indebtedness in anticipation of the Fifth Liberty Loan, for there appears no reason to doubt that such a loan must be arranged regardless of whether in the meantime an armistice preliminary to a final peace has actually been reached with Germany.

Dealing with specific rates for money, call loans this week were not changed until Friday from the fixed rate of 6%, this being the high and low and renewal basis on each day for mixed collateral loans, with "all-industrials" quoted at 6½%. On Friday 6% continued the renewal basis but some transactions were arranged for as low as 4%. For fixed maturities the situation remains about the same. The feature of the week has been a renewal of offerings of thirty-day funds at 6%. Transactions, however, were only for moderate amounts, and for the longer periods the market remains practically nominal. Six per cent is still quoted for sixty days to six months, but no new business was recorded. Last year sixty-day loans were quoted at 5¼@5½%, ninety days and four months at 5½% and five and six months at 5@5¾%.

Commercial paper rates continue to be quoted at 6% for sixty and ninety days' endorsed bills receivable and six months' names of choice character, and also for names less well known, without discrimination. A fair degree of activity was reported, with large institutions showing more inclination to enter into new commitments than for some time.

Banks' and bankers' acceptances were in good demand with rates a shade firmer. Brokers are now looking for a broader market in the not distant future. Demand loans for bankers' acceptances remain at 4¼%. Detailed quotations follow:

	Spot Delivery			Delivery within 30 Days
	Ninety Days	Sixty Days	Thirty Days	
Eligible bills of member banks	4 3/4 @ 4 1/2	4 3/4 @ 4 1/2	4 1/2 @ 4 1/4	4 1/2 bid
Eligible bills of non-member banks	4 1/2 @ 4 1/4	4 1/2 @ 4 1/4	4 1/2 @ 4 1/4	4 1/2 bid
Ineligible bills	5 1/2 @ 5	5 1/2 @ 5	5 1/2 @ 5	6 bid

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	Boston	New York	Philadelphia	Cleveland	Richmond	Atlanta	Chicago	St. Louis	Memphis	Kansas City	Dallas	San Francisco
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
18 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 3/4	4 3/4	4 3/4	4 3/4	4 3/4	4 3/4	4 3/4	4 3/4	4 3/4	4 3/4	4 3/4	4 3/4
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 1/2	4 1/2	4	4	4	4 1/2	4 1/2	4 1/2	4 1/2
16 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
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 3/4	4 3/4	4 3/4	4 3/4	4 3/4	4 3/4	4 3/4	4 3/4	4 3/4	4 3/4	4 3/4	4 3/4

\* Rate of 3 to 4 1/4% for 1-day discounts in connection with the loan operations of the Government. On Oct. 1 the following special rediscout rates for bankers' acceptances were established: Maturities up to 15 days, 4%; 16 to 60 days, 4 1/4%; 61 to 90 days, 4 3/4%.

† 15 days and under, 4 1/4%.

‡ Rate for trade acceptances maturing within 15 days, 4 1/4%.

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 rates have hardly moved. There are no new features to note so far as market operations are concerned. In fact an announcement by Mr. Fred I. Kent, U. S. Director of the Division of Foreign Exchange seems to place still further restrictions upon trading. "Until otherwise instructed dealers in foreign exchange" quoting Mr. Kent's statement, "as described in the executive order of the President of Jan. 26 1918, are prohibited from transferring funds to foreign countries for the purpose of purchasing securities or making investments of any nature whatsoever, for their own account or that of other 'persons,' as described in the executive order referred to, except the building up of deposit accounts in connection with their regular foreign exchange business, without first obtaining the approval of the Division of Foreign Exchange of the Federal Reserve Board. In connection with this order, attention is called to the fact that no 'person' in the United States can under the law, carry out any such transactions unless he is a 'dealer' or, if the transactions in themselves do not require that he be a 'dealer' that they be carried out through a regularly registered 'dealer'."

Referring to quotations in detail, sterling exchange on Saturday was not changed from 4 7545@4 75 7-16 for demand, 4 7655@4 76 9-16 for cable transfers and 4 73@4 73 1/8 for sixty days. Monday's market failed to respond to the favorable war news and reports that Austria was suing for a separate peace; the tone was firm, but actual rates for demand remained at 4 7545@4 75 7-16, cable transfers at 4 7655@4 76 9-16 and sixty days at 4 73@4 73 1/8. Trading was dull and featureless on Tuesday and rates ruled at the levels of the previous day. On Wednesday no increase in activity was noted; firmness was still in evidence, but quotations continued unaltered. Sterling rates were maintained without quotable change on Thursday, notwithstanding the

announcement that Turkey had surrendered unconditionally to the Allies; dealings were exceptionally light in volume. On Friday the market ruled steady, but as dull as ever and still without noteworthy change. Closing quotations were 4 73@4 73 1/8 for sixty days, 4 7547 1/2@4 757 1/2 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) at 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 finished at 4 75 1/8@4 75 3/8. No gold movement was reported during the week.

Dealings in the Continental exchanges this week were marked by a sharp rise in French exchange, which moved up to 5 45 for cables, or 2 1/8 points for the week. This is attributed primarily to an improvement in the demand incidental to payments for account of American troops in France, several large international institutions having come into the market as buyers. The highly favorable character of the war news, coupled with the ever-increasing evidences of the rapid crumbling of the enemy's powers of resistance, were of course the main factors in the general strength. Aside from the movement in francs, no increase in activity was noted and rates at other Entente centres remained pegged. This method of pegging or "fixing" rates which in reality means an arrangement whereby quotations are arbitrarily decided upon and maintained between Governments in order to facilitate international financial transactions and avoid losses, is essentially a war measure and can only be kept up until at the conclusion of peace a return to normal business conditions becomes possible. Lire exchange continues to be quoted at the official levels previously arranged. Rubles still are deadlocked, with no business being transacted. The last transaction recorded in exchange on Petrograd was on Dec. 28 last, the cable rate at that time being 13.25. The official London check rate on Paris finished at 26.06 1/2, against 26.08 last week. In New York sight bills on the French centre closed at 5 47 1/8, against 5 47 7/8; cables at 5 46 1/8, against 5 46 7/8; commercial sight at 5 47 1/8, against 5 48 5/8, and commercial sixty days at 5 52 5/8, against 5 53 1/8 a week ago. Lire finished without change from 6 37 for bankers' sight bills and 6 35 for cables. Rubles continue to be quoted at 14 for checks and 15 for cables. Greek exchange remains as heretofore at 5 16 3/4 for checks and 5 12 1/2 for cables.

The neutral exchanges continue to reflect developments in the war situation. Cabled advices intimating that Austria was pleading for a separate peace were followed by severe declines in Swiss francs, which touched a new low point of 5 05, for the current downward movement, against the previous record of 5.08. Dutch guilders and Copenhagen, Stockholm and Christiania remittances shared in the general weakness. Spanish exchange was heavy. Some idea of the erratic course of pesetas exchange may be derived from the fact that the quotation declined to as low as 18.58 in June of 1915, while in April of this year a high point of 31.00 was reached. At that date the discount upon the American dollar in Spain had reached 35.11%. Now, however, almost all of this has virtually disappeared. Bankers' sight on Amsterdam finished at 41 1/8, against 42 1/8; cables at 42 1/8, against 42 3/8; commercial sight at 41 11-16, against 42 1-16, and commercial

sixty days at 41 5-16, against 41 13-16 on Friday of the preceding week. Swiss exchange closed at 5 02 for bankers' sight bills and 5 00 for cables. This compares with 4 98 and 4 96 last week. Copenhagen checks finished at 26.80 and cables at 27.10, against 27.10 and 27.40. Checks on Sweden closed at 28.10 and cables 28.40, against 29.10 and 29.40, while checks on Norway finished at 27.20 and 27.50, against 27.50 and 27.80 a week ago. Spanish pesetas closed at 20.35 for checks and 20.45 for cables. Last week the close was 20.90 and 21.00.

As to South American quotations, the rate for checks on Argentina is now 45 1/8, compared with 45.15, and cables 45 1/4, against 45.12. For Brazil the check rate was advanced to 24.85, but closed at 24.60, against 24.50, with cables at 24.75, against 24.65. Chilean exchange remains at 137 3/4 d., and Peru has not been changed from 50c.

Far Eastern rates are as follows: Hong Kong, 80@80.10, against 80@80.15; Shanghai, 124@124 1/2, against 125@125 1/2; Yokohama, 54 3/4@55 (unchanged); Manila, 50 1/2@50 3/4 (unchanged); Singapore, 56@56 1/4 (unchanged); Bombay, 37@37 1/4 (unchanged), and Calcutta (cables) at 37 1/4@37 1/2 (unchanged).

The New York Clearing House banks, in their operations with interior banking institutions, have gained \$4,261,000 net in cash as a result of the currency movements for the week ending Nov. 1. Their receipts from the interior have aggregated \$7,829,000, while the shipments have reached \$3,568,000. Adding the Sub-Treasury and Federal Reserve operations, which together occasioned a loss of \$125,000,000, 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 \$120,739,000, as follows:

Week ending Nov. 1.	Into Banks.	Out of Banks.	Net Change in Bank Holdings.
Banks' interior movement.....	\$7,829,000	\$3,568,000	Gain \$4,261,000
Sub-Treasury and Fed. Res'v' op'r.	41,583,000	166,585,000	Loss 125,000,000
Total.....	\$49,412,000	\$170,151,000	Loss \$120,739,000

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

Banks of	Oct. 31 1918.			Nov. 1 1917.		
	Gold.	Silver.	Total.	Gold.	Silver.	Total.
England..	£ 73,948,330	£	£ 73,948,330	£ 56,025,691	£	£ 56,025,691
France..	135,247,500	12,775,000	149,022,500	131,615,109	10,420,000	141,735,109
Germany..	127,464,150	5,682,400	133,146,550	120,183,700	5,748,350	125,932,050
Russia *..	129,350,000	12,375,000	141,725,000	129,320,000	12,091,000	141,411,000
Aus-Hung c.	11,008,000	2,289,000	13,297,000	12,078,000	2,600,000	14,678,000
Spain....	88,247,000	25,817,000	114,064,000	77,963,000	26,921,000	104,884,000
Italy....	32,729,000	3,070,000	35,799,000	40,218,000	2,400,000	42,618,000
Netherl'ds	58,960,000	600,000	59,560,000	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
Switz'land	15,266,000	-----	15,266,000	14,049,000	-----	14,049,000
Sweden..	14,679,000	-----	14,679,000	11,919,000	-----	11,919,000
Denmark..	10,325,000	130,000	10,455,000	10,584,000	153,000	10,737,000
Norway..	6,748,000	-----	6,748,000	6,753,000	-----	6,753,000
Tot. week.	720,651,950	63,338,400	783,990,350	683,363,491	62,219,350	745,582,841
Prev. week	720,135,910	63,315,450	783,451,360	683,351,865	63,574,350	746,926,215

\* 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 ARMISTICE AND ITS TERMS.

Cable dispatches a day or two ago, suggesting that the terms for armistice with Germany had already been formulated by General Foch, may have been premature. But in view of the rapidity with which events have been moving in these final stages of the war, there is little reason to anticipate long delay. The Allies are clearly in a position to dictate terms. It is pretty well understood, both at Paris and in Germany, what the general nature of those

terms must be; also that, although applying to military rather than political considerations, they are likely to be severe.

But the communications received from both Berlin and Vienna, especially since the direct exchange of views with our own Government was closed and the whole negotiation referred to the conference at Versailles, have indicated the desperate wish of both the German and Austrian Governments to learn what it is to which their armies must submit, in order that they may terminate the active fighting. Naturally, there has existed less urgent a motive on the part of the Entente Allies to bring about suspension of hostilities. One still encounters, even in the ordinary exchange of opinion on the street and in business offices, a somewhat prevalent undertone of regret that any armistice, even conditional, should be allowed until Germany itself should have been invaded. There are, however, other considerations in the matter than the mere question of military prestige or dramatic retaliation.

If these were to be the governing motives on every such occasion, we should never have heard of an armistice in any war, except when both antagonists were equally anxious for peace, or when suspension of hostilities was granted only during the time when final peace terms, already formally agreed upon after prolonged discussion, were being carried into effect. But the argument for an armistice arrangement under conditions such as now exist is the argument of humanity. It is based on the view, accepted during many centuries, that when one belligerent has yielded to the terms of a victorious enemy, or has shown that he is about to yield, continuance of the fighting would mean useless waste of life. It is quite true that no armistice was agreed on in numerous older conflicts—such as our war with Spain, the Russo-Japanese war, the Boer war, the second Balkan war, and our war of 1848 with Mexico—until the larger terms of peace had been finally settled. Yet even in these instances (with the possible exception of the Manchurian war) the fighting died down as soon as it had become apparent that the adversaries were about to reach terms. There was no armistice at the end of our Civil War in 1865, and it was nearly two months after General Lee's surrender that the last of the Confederate armies laid down its arms. But although no formal suspension of hostilities existed as between the Union armies and those commanded by the Confederate generals Johnston, Taylor and Kirby Smith, a truce in actual aggressive operations none the less prevailed.

There are still some signs of that suspicion of Germany's good faith which was so markedly in evidence when the first note from Berlin was received, on October 6. It is, indeed, only fair to say that this skepticism has been based, not alone on well-earned distrust of German military practice but on bewilderment, among the American people especially, at the spectacle of an arrogant military power insisting on surrender when its armies were not yet crushed and when its generals still held important sections of the enemy's territory. That feeling of amazement was natural; it has by no means disappeared, even now. But the recent and urgent notes of the German Government, no less than the personal direct appeal of the Austrian Foreign Office, for our Government to help arrange even a separate peace for Austria, have disposed of



any reasonable contention that Germany is engaging in a political or military trick. Vienna has consented in terms to a proposition for virtual dismemberment of the Empire. Official Berlin has anxiously reminded us that it awaits the terms of armistice, though it must by that time have known the exacting and humiliating character which those terms were certain to bear.

In the armistices of past wars, it has been usual to make little or no provision except for suspension of direct hostilities on certain proscribed sections of the front. In the present case, however, the German Government's own consent, transmitted to Washington, that the terms shall be arranged by the military leaders of the Allies and shall provide against any change in the relative military advantages of the opposing armies, meant much more than similar concessions could have meant in any former war. In most cases of the past, a truce between the active armies in the field, with those armies restricted to a prescribed position, would in the nature of the case insure maintenance of the military position. In this war, however, numerous other and historically novel considerations existed.

The Teutonic armies were on the soil of the Entente Allies. Retirement to their own territory under the terms of an armistice might have gained for them great strategic advantages of position, while preserving all of the war material which would have had to be abandoned, if the fighting had continued. Even more important in a war of this one's exceptional character, the calling up and drilling of new recruits, the resting and training of existing armies, the restoring of shattered battalions, and, not least of all, the accumulating of fresh supplies of guns and ammunition from the factories, would have changed the situation radically, and would have done so in the very point of weakness on the German side, of which Foch has been availing himself for his continuous victories. Hence the unanimous conclusion that the terms of the armistice for which the Teutonic Powers alone were asking, and asking with quite unexampled urgency, must be such as to provide against any recourse of the kind referred to.

The question will still remain, whether the German people will yield to armistice terms of unprecedented severity and humiliation, or whether they will insist on fighting longer—as the French people did in 1871, even with Paris doomed. Beyond even that, the question arises as to why this absolutely unparalleled collapse of military pride and prestige should have occurred. The answer to the first question is that the German Government has already gone too far to recede, even in the face of the severest terms of armistice, and that the German people, notably the parliamentary opposition, are the very element in Germany which now admits complete defeat and wants peace at any price. As to the reason for this attitude (for which, when all the circumstances are considered, we know of no precedent in history) a controversy may be in its beginning which will never end while history is written. Some facts, however, stand out unquestioned. One is that the German army, though not yet crushed, is, in the opinion of all military experts, doomed in case of a campaign continued into 1919, when the full American reinforcement will be at hand.

Another is that the Teutonic Alliance has so completely gone to pieces, with the separate sur-

render of Bulgaria and Turkey and the offer of a separate surrender by Austria, that the German Empire stands alone, and is now threatened on all sides. How far the possibility of actual political disintegration in Germany itself is a factor in the attitude of Prince Max's Government, it is impossible, with our meagre knowledge of conditions at home in Germany, to say. It is conceivable that the statesmen at Berlin, though not immediately threatened by revolution of the Russian description, have come to believe that a few months more of unsuccessful and disastrous war might inflict even on Germany the terrors of a Bolshevik uprising.

#### PUBLIC MORALS TO-DAY AND AFTER THE WAR.

All thoughts are centred upon a guaranteed peace. We cannot face the possibility of the ultimate loss of what has cost so much blood and sacrifice. Whatever the shape in which it is framed all possible legal and physical protection must be secured for the peace that is to follow the war.

But this guaranty, however elaborate and promising, cannot avail unless there is in the great nations, and indeed in the civilized world, a public opinion, behind these arrangements, that has both convictions and ideals. In these lies the only adequate restraining force. These alone have aggressive and constructive power; for only when possessed of these are men ready for the contest which debates no sacrifice and accepts no compromise. Oliver Cromwell said of his Ironsides: "I have raised up a body of men who make a conscience of what they do, and who have never been defeated; which is a matter of no small moment to the State."

We have convincing evidence of the strength of the American ideal to-day, and of the readiness to defend it. This is due to two things: the price that has been paid for it, and the world vision it has grown into, the result of our hundred and fifty years of democracy. The Revolutionary War was won and the nation founded by a free people because, as the elder Adams said, of the ideals that were existent in the minds of the New England farmers, ideals which had only to shape themselves in the minds of the leaders of the nation. The Civil War in turn was won by the convictions the North had as to slavery and the Union. The South was able to make its prolonged and bitter contest because it also had convictions that all accepted, though the ideals upon which they rested were narrowed to apply only to the States.

To-day convictions can only prevail when they are held by men who have vision, and are the expression of ideals that are world-wide. Such ideals to-day require no advocacy. The war is the world's war, and peace when it is won is to be peace for the world. So far at least the Brotherhood of Man has passed out of the realm of sentiment and become a reality.

The only question is, how can the ground be prepared for the convictions which will be necessary to sustain it? The constructive forces that have long been at work in a Christian civilization may be counted upon to continue. But we have seen how effectually these may, for a time at least, be thwarted by individuals and nations who have lost true ideals and cast aside moral standards, and have equipped themselves for achieving their own selfish purposes by adopting the methods of primitive barbarism.

Their policy has not proved successful, and the world once more is delivered from accepting the doctrine and the rule of the sufficiency of force.

The attack has had to be met by force. We are waging war against war. As the hoped-for victory rises on the horizon we must ask, What has the war as war done to undermine moral convictions in the individual; for the ultimate power is there. How has it affected the higher ideals? Its influence extends everywhere. It forces itself into the homes. But among the soldiers—not that their standards are lower or that its influence with them is necessarily greater—it may be most easily traced.

Thinking of ourselves, then, and looking at the army, we can discern certain powerful influences, which will not appear at the peace table, but which will demand no little attention if the proposed peace is to be insured.

One of those influences lies in this, that the inevitable effect of a long and bitter war is to lead to the holding of moral precepts with blurred outlines. War is fertile of excuses for all engaged in it. Soldiers have passed from under the civil law, and military law has small concern for personal conduct if regulations are not violated. Great praise is due General Pershing for the stand he has taken and the personal conduct he is trying to enforce; and the standard of our army is exceptionally high; but already on the other side of the ocean there is grave anxiety as to what will happen when the war ends, in the months which must elapse while the returning armies wait for transportation home, and, with the excited passions of the war upon them, the soldiers find themselves in restless idleness under relaxed discipline. Only then will the extent of the influence of the war on individual morals be known. France runs the risk of a great shock and a great distress.

War also displaces and confuses the sense of values. Human life is held cheap. Property is wantonly destroyed or ruthlessly appropriated. Patriotism readily becomes hypocrisy, and civilization, among the costliest of human attainments, is trampled under the feet of onrushing battalions. It will be hard for men who have adopted without question the reckless doings and the appraisals of war to set up again for themselves the standards they had learned to honor in their homes. The incredible conduct of the Germans must raise the question as to how much is due to the effect of war upon all who engage in it.

War also robs life of the possibility of a goal. Going to war means at once to give up all one's plans for his own life. He must take his chances; the honors he may win do not belong to the life he knows; personally war leads him nowhere; when the war ends he has to begin his life over again; he has played his part; he has made his contribution to the world and to humanity, but he has felt the constant imminence of death; he has surrendered himself to the present task. Beyond that he has not known, and has schooled himself not to care; while life in its ordinary relations summons every man to choose, and then to bend all his energies to attain his chosen goal, and to make progress toward that goal is to him Life. War instantly changes all this, and in so doing creates conditions which upset all this and tend to upheave all moral convictions, than which no reversal is more complete.

Perhaps not less important is the fact that war at once and continually makes little of one's own

worth and one's own place in the plan of existence. The single soldier counts for so little. He is killed, wounded, missing; what difference does it make? The line goes on. The battle is won or lost equally without him. It is the regiment, the division, the army that counts.

It may be that in all this we have a reason why from England we already hear that so many men who went into the war thinking themselves Christians are found coming home without any religion. They were lost in the crowd; they were caught in the whirlpool of battle; they faced life or death as a chance; they could lay hold of nothing sure; no known values were within reach; ideals and visions and convictions and rules of life were lost in a jumble of confusion. They come home wondering most of all at the change wrought in themselves.

There is of course another side, and much to be said of a different set of influences, but these are sufficient to show what the nations now at war will have to face when peace comes. Guaranties for peace will be sought in compacts and tribunals. These will not suffice unless the forces of society are directed to the re-establishing of moral standards, to the quickening of conscience and to laying anew the foundations of purity and truth and honor and the fear of God in the hearts of men. The God whom many a soldier not calling himself a Christian heard in the trenches speaking to his conscience and his soul is still the God in whose hands are the destinies of the nations and whose commands are to be obeyed.

There never was a time when the moral forces of the community deserved greater regard than to-day, when patriotic enthusiasm over the soldiers and outbursting joy at the prospect of approaching peace sweep aside restraint. When the day of their return shall come nothing will mean so much to the victorious troops in assurance of what they have won, or in restoring them to the blessings and joys of the homes from which they went out, as then to find that those they love have been sustained and protected by a public morality which has lost nothing of its sanctions, that the old-fashioned virtues and the fear of God are, despite the war, still taught and practiced, and that a clean and strong manhood has lost nothing of its approbation or of its certainty of honor and opportunity and reward.

#### *THE "CONVERSATIONS" OF DIPLOMATS—TO BE REPLACED BY THE RULE OF LAW.*

Some writer of the past has lamented the fact that conversation is a lost art. How much writing is responsible for the loss of the art of fluent speech, he does not say. Certain it is that we are all writers, and readers; few are "good talkers." Many great fiction writers, who were apt at putting "conversation" into the mouths of their imaginary characters, were not able to converse with others in a company of persons, and could not speak in public. Hawthorne and Thackeray are instances. They were shy, diffident, ill at ease. Naturally, poets have been silent; though Burns astonished the fashionable drawing-rooms of Edinboro by the vigor and ease of his speech. We can deduce no rule, here, save that temperament largely controls. The writer must have words, a vocabulary; yet he has time in which to choose. The conversationalist has no time for choice—yet if he interest or instruct, his flow of talk must be free and unhesitating. It is when we

come to ideas we may differentiate between written and spoken language. The writer must think, though he may ponder; the talker must think, but it must be quickly, continuously, connectedly. By virtue of his art, when he possesses it, the latter is more direct, cogent, powerful.

There are embellishments to all "polite" conversation. It is not a monologue, though some would have it so. Vivacity, wit, repartee, are components. There is statement and reply; sally and retort; question and answer. He who "monopolizes" the conversation is frequently termed a bore. To talk well, one must listen well. Deference, politeness, patience, characterize model conversations. Time, place and character mould the form of the interchange. Old cronies in the tavern taproom are prone to a vulgar hilarity. The stories are ribald, the jests obscene, the banter and boasts profane. Good wives, in parlors of refinement, whisper their "secrets" in few words, softly elegant, sometimes veiled in sarcasm. In the smoking-car, the traveler is likely to be the unconscious hero of his own tales. In the sewing-circle, it is often alleged, other people are the subject of discourse, if not of degradation. In the salon women become politicians, and men reveal the secrets of State, in a disguise that is the pride of superiority, yet too easily pierced by the more acute and intuitive intellect of their supposed inferiors. When, anywhere, two talk together, confidences are likely to ensue. When the conversation is "general," many are given to display of knowledge, and few reveal their true feelings. So the Frenchman deduced that "language was invented to conceal thought."

A true conversation is spoken. Diplomacy alone enjoys the distinction of a written "conversation." When the individual person begins to talk to a man, friend or stranger, he is immediately at a disadvantage. Strange fact, but true. He who speaks first reveals something of himself. Now, it is a peculiar circumstance attending the interchange of "notes" in diplomacy, that though they are supposed to represent the State speaking, they reveal the character of men quite as much as they conceal the real issues at stake. Here again time, place and character control. A State "conversation" once begun is hard to end. It cannot be ended abruptly without the charge of discourtesy. Just as deference is the imperative of private conversation, so it is here, with the added responsibilities of the issues at stake to compel its prolongation. If the opening reveals somewhat of an inner condition of affairs, so does a reply, in kind. When two men are fighting in an arena, any conversation is in the nature of an armistice. The more they talk, the less they fight. It must be so with States. The very objects of diplomatic "conversations" compel concealment, especially in a period of war. A pugilist in the ring would not tell, in a pause in the fighting, that he had broken a bone in his hand, if he wished to induce his opponent to call the contest a draw. Language in diplomacy is for the purpose not only of concealing thought, but for the purpose of obscuring condition and intent.

In war bullets are the only words, and they speak an honest language—they go straight to the mark. The intent is to kill, not to cure. In diplomacy matters are quite the opposite. In peace and for peace, statesmen, for States, may parley, may talk, converse, write "notes." And it is one of the un-

fortunate circumstances attending these "conversations" that while the writers may hide their purposes, they cannot conceal themselves. He who is calm and judicial of mind will deliver a decree; he who is enthused by an ideal is more apt to "write a speech." He who is more conscious of himself than, perhaps, of his people, will choose his phrases for their sonorous quality, his prophetic pictures for the splendor of their grandeur and good. If he be downright dishonest he will be at once as smooth and as awkward as the conventional liar. To rest the fortunes of mankind on the word-passages of professional diplomats is and always will be a calamity. Yet such has been the custom, and it is to the eternal honor of President Wilson that he has declared in plain language that all such "conversations" shall be "open."

Yet he is himself hedged about by conventionality, and cannot wholly divest himself of his personal characteristics. And at this juncture of world affairs he is subject of criticism that should be violent against a custom and tempered with candor and appreciation as against himself. And it is because of our innate "democracy" we so often forget he speaks through his Secretary of State. Conscious of his duties as Commander-in-Chief of Army and Navy, how can he, though consecrated to the noblest ideal that ever animated a man or a State, how can he be entirely "open" in these preliminaries of peace? More, how can he avoid stating his principles of "justice, liberty and humanity," in the glowing language of his own inner ideal? And if peace, and the eternal end of war, is to come, save by the eternal imposition of armed force and the continuous killing of men, until there are no enemies to kill, how can he, at some point in war, refuse to engage in "conversations," the object of which is to bring full accomplishment without more bloodshed?

When a League of All Nations is actually formed, we may bury "diplomacy" with short obsequies and no eulogiums. Law will take its place—law, which is the common judgment of common men everywhere, under and through liberal States and the consent of the governed. There will be nothing to parley over in international relations, for there will be international law, from which the only appeal is to an international court. And the great gain to be derived cannot be separated from the thought, the truth, that Law will be substituted for Diplomacy—the Judge will take the place of the Diplomat—world statutes, written out of a judicial and legislative interpretation of the conscience and consciousness of mankind, will take the place of, and render impossible the "conversations" of diplomacy. And who can measure this boon to Man?

At this very moment men are killing each other by thousands, while a few word-passages fly by cable from nation to nation, subject to all the weaknesses of separate languages, all the concealments and subtleties of the arts of speech, weighted down with secret designs, unavoidably affected by the ideas, ideals, and temperaments of men, and yet delivering a world to weal or woe. One might desire that the words drive more directly to the mark, drive as truly as do the bullets, but this is not the province or the purpose of words. "Conversations," personal or diplomatic, have the social quality, they tend at least to unite, they should, and to some extent must, bring about "understanding," knowledge, sympathy, unity, and at last peace. As long as men are imper-

fect, and officials are compelled to rely for much on themselves, as long as "brevity" is the soul of speech, these "conversations" can be made more "open" by being made more direct, less subtle, more plain—aye, and more comprehensive of details, the specifications the builders of the temple of peace must follow to the letter. But they cannot be dispensed with, unless a nation professing love of liberty and opposition to war in the abstract shall become wholly militaristic. Where there is no staff there must be a crutch. "Conversations" these notes of nations are rightly named, and they partake of much of the conversations of private life. But language is a means of communication, and expression of opinion and judgment must precede enactment of laws. Until the Law of the League of All Nations is the guide of the world, and its shield, States must approach each other. "Conversations," inefficient as they may be, are more "humane" than guns and shells.

#### ARE WE NEARER THE BUDGET SYSTEM?— AN IMPERATIVE REFORM.

The Sixty-fifth Congress was called into extraordinary session to inaugurate war upon the German Empire. Its work was limited to the consideration of war measures but the reform of executive and legislative methods of financial procedure does not appear to have been considered as belonging in that category. However the appropriation of vast sums of money for war expenditure, and the laying of heavy taxes to meet them soon revived the question of a national budget system such as is commonly in vogue in foreign countries. Our system which had already been recognized as in need of reorganization in the platforms of all political parties in 1916—when our total expenditure was one billion a year—began to be viewed with some alarm when our appropriations suddenly jumped to over twenty billions before we had been in the war a year. If our disjunctive methods of handling the public funds were widely considered to be a source of national weakness prior to 1917, how much more obvious became the need for reform when they were applied to the expenditure of many billions of dollars a year?

Although the House has the primary responsibility under the Constitution in finance it was in the Senate that action was first taken. On April 30 1917 Senator Kenyon introduced a joint resolution to create a commission to report to Congress a plan for putting into effect a national budget system. A summary of the reasons for the introduction of the resolution appears in the preamble thereto. On May 19 1917 Senator Kenyon addressed the Senate in advocacy of the budget system.

In the House Mr. Fitzgerald who had for a long time been Chairman of the Committee on Appropriations resigned his seat in Congress near the opening of the first regular session of the Sixty-fifth Congress in December 1917. For a long time he had been an advocate of a closer co-ordination of Congressional activities in financial legislation but his concrete proposals did not go farther than a resolution which he introduced Sept. 29 1917, advocating the concentration of all appropriating power in the hands of one Committee instead of the fifteen which now have the power to report out bills making demands on the national Treasury. He did not go into the question of the reorganization and co-ordination of the executive agencies which prepare and send to

Congress the estimates for the appropriations, nor did he suggest any strengthening of Congressional control over expenditures by the creation of an independent audit. Mr. Fitzgerald was succeeded as Chairman of the Appropriations Committee by Mr. Sherley of Kentucky, who already was a well-known advocate of a national budget system.

In his regular annual message to Congress on Dec. 4 1917 President Wilson spoke on this matter as follows: "It will be impossible to deal in any but a very wasteful and extravagant fashion with the enormous appropriations of the public moneys which must continue to be made if the war is to be properly sustained, unless the House will consent to return to its former practice of imitating and preparing all appropriation bills through a single committee, in order that responsibility may be centred, expenditures standardized and made uniform and waste and duplication as much as possible avoided." This was in effect the advocacy of the passage of the Fitzgerald resolution. It went no farther than the provision of the Democratic Party platform of 1916 which advocated the one committee idea "as a practicable first step toward a budget system." In fact the President used almost the exact language of the platform and this may account for the fact that he did not go farther and advocate a straight-out budget system. It is well known that he has long favored such a system for our Government. In a letter to the late Senator Tillman Jan. 30 1913 he reiterated his lifelong stand on this question.

On Dec. 14 1917 Mr. Frear, having already introduced Senator Kenyon's budget commission resolution into the House, spoke at length in favor of its adoption. In this speech, which showed patient and accurate study, he reviewed the whole budgetary problem and condemned the present methods in Congress in the strongest terms. On Jan. 9 1918 Senator Kenyon re-introduced his resolution in the Senate with a statement urging its adoption. On Feb. 5 1918 Mr. Dyer spoke in favor of the adoption of a budget system and at the same time had printed in the record a compilation prepared in the Legislative Reference Service of the Library of Congress giving fifty-four extracts from leading publicists, men of affairs, and statesmen advocating the adoption of the budget system as a war measure and as a permanent system through which to deal with our public moneys.

Mr. Sherley, upon becoming Chairman of the powerful Committee on Appropriations in the House, became at the same time the logical exponent of budgetary reform in Congress. His long service on that Committee had given him a clear grasp of the nation's finances and a thorough familiarity with existing methods of procedure. On Feb. 28 1913 he delivered an able address in the House advocating the adoption of the budget system as the means of strengthening our financial system.

Mr. Sherley's first large undertaking after he became Chairman of the Committee on Appropriations was the bringing in of the urgent deficiency bill for war expenditures on Feb. 15 1918. Before discussing the merits of the bill he took the occasion to make it quite clear to the House that he did not acquiesce in the existing methods of appropriating money for Government expenditure, but that he favored the adoption of a budget system. He explained, however, that he was not pressing the matter at this time on account of the other tremendous

problems facing Congress. To press budgetary reform, he said, might endanger the war program itself. He was of the opinion that so great a reform should not be undertaken until it could be sure of meeting with general support in the House.

In this address and in an interview in the New York "Times" of March 17 1918 Mr. Sherley with keen analysis and statesmanlike vision clearly portrays in general outline the kind of budget system which he favors. He thinks the single committee idea does not go far enough. He is not willing to accept Mr. Fitzgerald's and the President's suggestion in this respect unless such a committee were furnished by the Executive with a definite budget statement. He would give the Secretary of the Treasury the authority to revise and co-ordinate the estimates so that Congress could be furnished with a consolidated financial statement of the Government's needs in summary and detail. He is also in favor of a reform in departmental bookkeeping and an independent audit of the departmental accounts.

On June 14 1918 Mr. Sherley again addressed himself to the question of a budget in the House and expressed the opinion that a complete plan could not be worked out on the floor of the House or by any one individual; that on account of the many aspects and relations of the problem it would be necessary for the House to authorize the appointment of a commission to work out the details of the scheme. On Oct. 16 1918 he reiterated his belief in an independent audit under an auditor reporting to Congress on the departmental accounts.

On March 14 1918 Mr. Medill McCormick laid before the House several legislative measures designed to put into effect a complete budget system. These were accompanied by a statement explaining in detail each of the bills and resolutions, which statement was printed as a House document. The purpose of the introduction of these measures was to get something definite and concrete before the House to afford a basis for criticism and discussion. Mr. McCormick's plan provides for a centralized executive control over the estimates by the Treasury; their consideration by a budget committee of the House; the adoption of the budget as a whole by the House; and the control by Congress over the accounting and expenditure of the budget through an Accounts Committee and an Auditor-General. The plan suggested by Mr. McCormick is in general agreement with the principles so clearly enunciated by Mr. Sherley.

On Sept. 9 1918 Senator Kenyon upon motion had the Senate Committee on Appropriations discharged from the consideration of his budget commission resolution and had it placed on the calendar. On Oct. 17 1918 he addressed the Senate at length in advocacy of its adoption.

This in brief is the legislative status of the budget plan at this time. In the meantime stupendous sums of money are being appropriated under the old methods. For the first two fiscal years in the war period—July 1917 to July 1919—Congress has already appropriated in round numbers \$58,800,000 for all purposes, and according to recent estimates the grand total will go above \$61,000,000 before the fiscal year is closed. The British Government, for the entire period of the war from Aug. 1 1914 to Aug. 1 1918 has spent for all purposes only about \$38,500,000,000. Both items include loans to Allies and all other moneys going

out of the Treasury. On the same basis the French Assembly has appropriated for the period Aug. 1 1914 to July 1 1918 about \$27,000,000,000. The total outlay of England and France combined, for all purposes, for the whole period of the war of four years has been approximately \$65,500,000,000. The total outlay of the United States for all purposes for the first two and a quarter years of its war will be more than \$61,000,000,000, almost as much as the combined expenditure of France and Great Britain for four years of the war. During this period Great Britain and France have equipped and put on the various fronts 13,250,000 men, England alone having sent 4,500,000. We are planning to have 4,800,000 at the front in 1919.

Granting that we are carrying out a more difficult and more expensive program, that our rate of pay for all services is high, that much of our appropriations are in the nature of investments and much of them represent outlays for permanent improvements of our economic conditions, is not the setting apart of that sum of money, and other similar vast sums to follow, for any purpose, enough to make us pause and to ask ourselves whether we are using every safeguard to prevent waste, incompetence and extravagance? France and Great Britain have in operation modern methods of centralized control at every stage of their financial procedure from the time the estimates are prepared to the auditing of the accounts. Of course, since the war there has necessarily been some relaxation of parliamentary control over the estimates, but the regular budget auditing has been in effect. France has not made any serious change in her budget procedure except that the estimates are presented every three months. In England both the Committee of Public Accounts and the Select Committee on National Expenditure have been steadily at work with a view of strengthening the control of the House of Commons over public finance.

Our cause to us is sacred. We do not feel like counting the cost and it is with this spirit that we shall win. As Mr. Sherley has said, the financial policy of Congress in this war must be to meet readily with appropriations every need of the war program.

Yet everyone knows that our financial methods are wrong and are more open now to condemnation than when we were spending a billion dollars a year and less. We have profited not at all by the experiences of our allies in finance. Not one positive change has been made in our whole haphazard scheme of handling the public money since the outbreak of the war. "The absolute necessity of a carefully considered and wisely planned budget" and the error of "piece by piece" financial legislation mentioned in President Wilson's letter to Senator Tillman in 1913; "the very wasteful and extravagant" methods in dealing with the enormous war appropriations referred to in his message of December 1917; the necessity for a budget to accomplish any real reform as advocated in the Republican Platform of 1916; the need for centring responsibility, preventing waste and duplication as advocated in the Democratic Platform of 1916; the need for "a responsible budget, proposed by the Executive" as the only means of avoiding waste and administrative inefficiency as demanded by Mr. Hughes in his acceptance speech of July 1916; the impossibility of a business program or of a financial policy as referred to by Senator Kenyon; the need

of a budget "to make sure that every dollar of the people is spent to the best advantage for all of them" as stated by Mr. Sherley; and the hundreds of criticisms and appeals from publicists and business men for budgetary reform—all of these indictments apply with redoubled force to the methods in our war finance of to-day.

No more forcible utterance on this point can be found than that of Senator Overman, himself ranking next to the Chairman of the Senate Appropriations Committee, when the Overman re-organization bill was before the Senate last May. He said, "Within the last twelve months we have appropriated more than \$23,000,000,000 without a financial policy. Estimates for departmental expenditures have literally poured into Congress day by day without any centralized scrutiny, revision or control. The President has no power and no organization to sift them down to the rock-bottom needs of the Government. The estimates for appropriations are being sent into Congress according to old statutory regulations, made to meet the needs of other days when the expense of the Government was less than a billion dollars a year. There has been no readjustment of our methods of finance since we entered the war."

After the war Government expenditures will continue high. The need for business-like financial procedure by the Government will continue to be an imperative need until the budget system is put into effect. Our existing methods produce one inevitable result. They make taxation higher than it should be and the cost of living greater than it should be to the extent of every dollar that is wrongfully and wastefully spent. And in the long run all of this money must come out of the labor of the people, and their burden will be light in proportion to the economy and the efficiency in method of the executive and legislative branches of the Government in appropriating and spending the proceeds of the taxes which the people are called upon to pay.

Congress should act on the pending resolution for a commission to draw up a budget plan without further delay. There is no serious opposition to this step in either party. The proposed reform is, in fact, wholly non-partisan. The commission should be at work before the opening of the next session of Congress in December and should have its report ready before March 1919. Plans for reorganizations of great magnitude have been perfected in recent months within a shorter period than four months.

#### COTTON MANUFACTURERS AND AFTER-WAR LABOR PROBLEMS.

At the Convention of the National Association of Cotton Manufacturers (105th semi-annual gathering), held at Boston, Thursday to Saturday, inclusive, of the current week, the subject of paramount importance in the addresses and the discussions that followed was labor and especially as relating to operations after the war. Mr. W. Frank Shove, the President of the organization, gave it prominence in his address; it was referred to at length by Mr. B. F. Harris, President of the First National Bank of Champaign, Ill., in a paper "Back to First Principles and New Ideals" and was the basis of a pamphlet "Planning for the Labor Factors in Production After the War," by Mr.

Roy W. Kelly, Director of the Bureau of Vocational Guidance of Harvard University. The importance of the subject is readily recognized in view of the fact that now as a result of urgent demand for the products of the mills on a greatly expanded profit margin basis wages of operatives have risen to an abnormally high level. With the return of peace readjustment will be necessary all along the line and the problem is how to effect it with the minimum of disagreement or friction.

Passing any reference to the very comprehensive review of developments since the last session of the association, contained in the President's address, and reference to the whole-hearted manner in which the industry has co-operated with the Government in war work, we note that Mr. Shove characterizes the labor problem, and rightly so, as the most perplexing one facing the manufacturer of to-day. Shortage of labor due to enlistments and army drafts, it is intimated, might be overcome by the relaxation of the present immigration laws and to reduce the high rate of labor turnover the War Labor Policies Board has been requested to undertake the standardizing of wages and occupations in the cotton manufacturing industry as soon as possible. The difficulty at present, however, does not arise merely because of lack of hands; the assertion is also made that labor has not been exerting itself to the limit to keep up production and thus assist the Government in its task of winning the war. On the contrary, the tendency has been to work more leisurely or take time off, the high wages making it unnecessary to labor strenuously for the full weekly hours in order to live comfortably. Much of the trouble is laid at the door of the unions which are accused of exploiting national necessity to extort higher and still higher wages and shorter hours for groups already well paid and well treated. The menace of the unions will have to be met sooner or later, said Mr. Shove, or it will undermine the whole commercial structure. At the present time it is intimated, the majority of the workers in the mills are outside the unions, but enrollment is gradually going on, so that the day will inevitably come when the unions will be able to coerce unwilling labor into membership. Legislation is favored making the forcing of non-union labor into the unions by any means whatsoever, and the calling of strikes on account of the employment of non-union workers, illegal acts. The advisability of educating labor to a broader view of business in order to counteract the work of paid agitators is also advocated by Mr. Shove.

In the paper "Back to First Principles and New Ideals," Mr. Harris makes comparison between the attitude of labor here and in Great Britain during this war period much to the advantage of the latter. He deprecated the failure of Congress to pass the "work or fight" amendment. Characterizing the haste of the Government in rushing into uncalled-for Governmental control as the result of unwillingness of the Administration to chance the alienation of labor he incidentally quoted remarks of Secretary McAdoo at El Paso, Texas, in April: "You are all my boys and I don't intend to let anyone kick you around for I will defend you to the limit when you are right, and you won't go wrong I am sure." Commenting upon various phases of the labor question and at times citing statements of Secretary of Labor Wilson, Mr. Harris concludes that we must work

toward the Australian system where labor controversies are handed over to a special court for adjudication.

### CANADA DEVELOPING HER OCEAN PORTS.

Ottawa, Canada, Oct. 31 1918.

Recognizing the fact that the capacity of a railroad is limited to what its terminals can handle and that more time is wasted by cargo ships at docks and anchorage than in any other part of their voyage, the Canadian Government is not hesitating, even in war time, to spend money freely upon the chief ocean ports. An instance of this is to be found at Halifax where elaborate railway terminals are under construction at a cost of \$30,000,000. Improvement work on the St. Lawrence Ship Channel, which has already cost Canada \$70,000,000, is still prosecuted. Vancouver, Victoria, Prince Rupert and other ports have undergone important development since 1914.

Montreal continues to lead all its rivals in the volume of exports and imports handled, even under the handicap of a closed season of five months. It accounts for approximately 35% of the exports and 25% of the imports for the whole of Canada, and the collection of one-quarter of Canada's customs dues. Two years ago the seagoing tonnage entering the port of Montreal compared with a total of 13,132,944 for the whole of the Dominion.

Not the least of the contributory causes for Montreal's persistent leadership is the complete ownership by the Dominion Government of the whole waterfront of eighteen miles. Within that zone a board of three commissioners expedites traffic with the aid of fifty miles of railway, linking up every railway and dock.

Vancouver and Victoria manage to uphold the record of tonnage for the Dominion and with Prince Rupert possess admirable natural harbors. Saint John and Halifax on the Atlantic coast take up the bulk of the trade lost to Montreal in the winter season. Proposals favoring the establishment of a "free port" in Canada have been given modest attention by the Dominion Government. The latest was put forward in 1916 and had to do with a strip of land opposite Montreal. Very little interest was taken in the scheme probably for natural reasons. Only a minor part of the raw materials of Canadian industry are now dutiable and not for many years to come will Canada occupy the position of an intermediary trader.

## 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. 29.

### FRANCE—UNITED STATES CREDIT.

The London "Economist" of Oct. 5 in a letter from its Paris correspondent, dated Oct. 1, contained the following regarding the placing of the special credit of \$200,000,000 by the United States Treasury at the disposition of the French Government and its transfer to the Bank of France:

Paris, Oct. 1.  
For the first time in the history of the Bank of France its weekly balance sheet now discloses that the Bank is in business relations with the United States Government. The new entry, which appears for the first time in the "Economist" to-day (see second item in the Weekly Return on the creditor side), is explained by the fact that the American Treasury has placed a special credit of \$200,000,000 at the disposition of the French Government, which has transferred this credit to the Bank of France in

liquidation of a portion of the amount advanced by the Bank to the State. As is known, negotiations have been going on for some time between the American and French Governments with a view to arranging for the supply of the necessary funds for the use of the constantly growing American army here. The French Government has up to now advanced the money required to meet American army expenditure in this country, but obviously such a method is open to many objections. Without waiting for the conclusion of these negotiations, however, the American Treasury has opened the credit referred to. This credit has been transferred to the Bank on the basis of the actual metallic parity, and it has been arranged that, as the money is made use of for American army requirements, the French Government will be credited by the Bank with the difference between the parity value in cash and the current rate of exchange. In this way the French Government will receive the benefit of the whole of the difference in exchange. The action of the American Government has enabled the French Treasury to liquidate advances made to it by the Bank of France to the amount of 1,360,000,000 francs.

### NEW CREDITS TO BELGIUM AND FRANCE.

An additional credit of \$3,500,000 was granted to Belgium by the United States on Oct. 31. This brings the total credit placed at the disposal of Belgium up to \$183,520,000. The total credits to the Allies established by the United States since this country's entry into the war on Oct. 31 amounted to \$7,532,976,666, apportioned as follows: Great Britain, \$3,745,000,000; France, \$2,165,000,000; Italy, \$1,060,000,000; Russia, \$325,000,000; Belgium, \$183,520,000; Greece, \$15,790,000; Cuba, \$15,000,000; Serbia, \$12,000,000; Roumania, \$6,666,666; Liberia, \$5,000,000.

Yesterday (Nov. 1) an additional credit of \$200,000,000 was extended to France, making a total of \$2,365,000,000 advanced to that country, and increasing the total credits to the Allies \$7,732,976,666.

### BRITISH TREASURY LESS STRINGENT AS TO NEW CAPITAL ISSUES.

It is learned through a special cable to the "Journal of Commerce" from London Oct. 27 that the new Issues Committee of the Treasury is now less stringent regarding new capital required for industrial purposes of national consequence. Several new issues have been sanctioned recently and more are expected in the near future.

### LONDON CHAMBER OF COMMERCE OPPOSED TO RAISING PRICE OF GOLD.

A special cable to the "Journal of Commerce" and "Commercial Bulletin" from London Oct. 27 contained the following:

The financial section of the London Chamber of Commerce, at a session held yesterday, passed the following resolution:

"Whereas an alteration in the standard price of gold would upset the basis of all existing contracts such alteration would be contrary to public policy and calculated to produce disastrous results, both commercially and financially, while failing to attain the suggested benefit."

This refers to proposals to raise the price of gold in order to stimulate the output of the metal.

### WESTERN GOLD PRODUCERS TO PRESENT PETITION TO SECRETARY McADOO.

The intention of a Committee from the American Gold Conference to leave soon for Washington to present the request of the gold producers of the West to Secretary of the Treasury and the Senate Committee on Mines and Mining was made known in Reno dispatches of Oct. 31. The decision, it is said, was reached at a meeting that day of the executive committee of the organization and Senator Charles B. Henderson of Nevada, Chairman of the Committee on Mines and Mining, and Director of the Mint, Raymond T. Baker. Senator Henderson is said to have told the mine operators that he would call a special meeting of the Committee on Mines and Mining the minute the gold producers were ready to present their cases. The producers would not give out any statement, it is reported, concerning what request they may make of the Government. The question of asking a bonus on gold was taken up at the first conference at Reno last July, but whether they intend to ask for a bonus or not members of the executive committee are said to have declined to state.

### NEW RESTRICTIONS AFFECTING TRANSFER OF FUNDS TO FOREIGN COUNTRIES.

A new ruling governing the transfer of funds to foreign countries was issued as follows on Oct. 30 by Fred I. Kent, Director of the Division of Foreign Exchange of the Federal Reserve Board:

Until otherwise instructed "Dealers" in foreign exchange, as described in the Executive Order of the President of Jan. 26 1918, are prohibited from transferring funds to foreign countries for the purpose of purchasing securities, or making investments of any nature whatsoever, for their own account or that of a other "persons," as described in the Executive Order

referred to, except the building up of deposit accounts in connection with their regular foreign exchange business, without first obtaining the approval of the Division of Foreign Exchange of the Federal Reserve Board.

In connection with this Order attention is called to the fact that no "person" in the United States can, under the law, carry out any such transactions unless he is a "dealer," or, if the transactions in themselves do not require that he be a "dealer," that they be carried out through a regularly registered "dealer."

The following bearing on the order is taken from the New York "Times" of Oct. 31:

Mr. Kent, in view of the many and different constructions of the order, was asked for an official interpretation. He said that one thing the order didn't mean was "war after the war." It did mean, however, that the United States intends to keep a firm control on all investments sought in foreign countries by residents of this country. American capital may be invested in the new Canadian loan or in the French loan or in an Italian or a British loan. But American capital, or the capital of the citizen of any other country, handled by dealers in foreign exchange in this country may not be invested in Central Powers countries without first consulting the Division of Foreign Exchange of the Federal Reserve Board.

This, in a very general way, Mr. Kent said, was the meaning of the order, but the explanation of it must not be taken by anybody as permission to interpret the character of his contemplated foreign investment for himself. Each case must be determined on its own merits and it will be quite unsafe for foreign exchange dealers to attempt to transfer money to foreign countries for the purpose of purchasing securities, or making investment, without the approval of the Foreign Exchange Division of the Federal Reserve Board.

#### INTEREST ON FEDERAL FARM LOAN BONDS TO BE REDUCED FROM 5 TO 4½%.

Interest on Federal farm loan bonds will in the future, it was announced on Oct. 29 be 4½% instead of 5%, the rate carried by the last block of bonds disposed of last May. It is further stated that since these bonds, to be issued soon, will be absorbed by the Treasury, the reduction will have little practical effect on the market.

#### ACTION ON BILL IN AUSTRALIA FOR COMPULSORY SUBSCRIPTIONS TO WAR LOANS POSTPONED.

In our issue of Oct. 19, page 1517, we referred to the Australian bill making war loan subscriptions compulsory, the second reading of the bill having been reported as moved in the House of Representatives at Melbourne on Oct. 14. Cable advices from Melbourne (via Montreal) to the daily press on Oct. 30 said:

Compulsory subscription to the Australian War Loan would not be introduced at present, in view of the highly satisfactory response to the campaign now in progress, Acting Premier Watt announced to-day. Up to the present 212,000 subscribers have purchased \$206,252,000 worth of bonds.

The bill legalizing compulsory subscriptions to State loans, however, Mr. Watt said, would be passed for use in future campaign loans if necessary.

#### GERMAN REICHBANK'S ISSUANCE OF PAPER MONEY.

The following cable advices came to the daily press from Amsterdam on Oct. 31:

The President of the German Reichsbank, addressing a meeting of the committee, referred to what he described as unfounded rumors of a moratorium and of the inability of the savings banks to meet their liabilities, which led to public hoarding of money.

As a result of this, he added, the Reichsbank had been obliged since July 1 to issue nearly 5,500,000,000 marks in new paper currency.

The Reichsbank, he declared, would by drastic measures get the better of this difficult situation.

#### J. P. MORGAN & CO. REDUCES RATE FOR CALL MONEY ON ACCEPTANCES.

It was announced on Oct. 25 that J. P. Morgan & Co. had reduced its rate on call loans secured by acceptances from 4½ to 4¼%. The "Journal of Commerce" on Oct. 26 printed the following comment on the action of the firm made by Maurice L. Farrell of F. S. Smithes & Co.

The action of J. P. Morgan & Co. in reducing their loaning rate on acceptances to 4¼% is a further step in the right direction toward broadening the discount market in this country. Mr. Morgan's original announcement made several weeks ago that he would loan money on eligible bills at 4½% and his subsequent action in lending very freely to the discount houses and dealers at that rate, has been of inestimable benefit to the discount market. Since then several other institutions have fallen into line and pursued the same policy, though none, I believe, on such a large scale as Messrs. Morgan & Co.

Had it not been for these preferential rates granted on loans secured by prime acceptances, it would have been very difficult for the discount houses and dealers to have continued to operate with any degree of success for the past months when the demand upon banks, trust companies and other usual buyers, for bills has been limited. Notwithstanding this the discount rates in the meantime have been maintained at a steady level simply because the dealers were in a position to take the bills offered and hold them pending a resumption of a wider demand for acceptances.

That demand has developed within the last few days on quite a broad scale. The discount dealers had accumulated large portfolios of bills and have accordingly been in a position to supply the requirements of buyers during the last few days. These requirements in the aggregate have been of very substantial proportions.

Had not the discount dealers been able to finance their operations during the past few weeks with 4½% money they could not have afforded to stand in the breach and take all offerings, as they have done. Obviously they could not, in deference to their own interests, buy bills around 4½ or 4¼% if they had to pay 6% for money with which to carry them, knowing that the chances were that they would have to carry them for

some time before being able to resell them. The result probably would have been that discount rates instead of continuing to rule around the former level would have advanced to 5 or 5½%.

With a discount market at that level we could not hope to compete on anything like even terms with the London market in financing foreign trade. Moreover, it would have meant that domestic trade would have had to pay just that much higher prices for its financing. I do not think it is too much to say that the preferential rate for loans on acceptances recently established has saved the discount market from demoralization. Too much credit cannot be given to Messrs. J. P. Morgan & Co., the Guaranty Trust Co., and a few other banking institutions which are doing their utmost to encourage the development of a broader discount market in this country and who recognize the absolute necessity of such an institution if we hope to retain the commanding financial position which we have gained since the outbreak of the war.

#### MEETING OF MONEY COMMITTEE AND REPORTS AS TO FURTHER ACTION.

Following a meeting of the so-called Money Committee on Thursday of this week (Oct. 31) it was reported in the New York "Sun" yesterday that the Committee had under consideration the appointment of a joint committee made up of representatives of bankers and partners in important Stock Exchange houses. The "Sun" said:

At the conclusion of the meeting the Money Committee declined to issue a statement, but elsewhere it was learned that it had received an important communication from a partner in an important Stock Exchange firm, acting either individually or as a member of the Stock Exchange Partners Association, describing the whole situation with relation to credit for Stock Exchange purposes as a "mess" and urging a joint committee of bankers and Stock Exchange partners not only to thresh out the present situation and to find a way to meet the orders of the Treasury Department at Washington without crippling the business in the New York Stock Exchange, but to deal with future readjustments that may be required by the surrender of Turkey and the reported dismemberment of Austria.

The action that will be taken by the Money Committee no one was willing to predict, but the consensus of opinion was that some such step will have to be taken if the business in stocks and bonds is to be kept in its present form and if the house with small capital and resources and its customers are not to be penalized at the expense of the stronger competitor.

The Money Committee has received another suggestion, which it is expected will receive little consideration. This is that the abrupt jump in margin requirements to 30% be rescinded and that a gradual increase of 2% a month be imposed. If this were done the requirement for November would be 22%, for December 24%, for January 26% and so on until the evil of credit expansion for Stock Exchange purposes is wiped out.

As to reports that the Money Committee had on Oct. 29 promulgated a ruling to the effect that hereafter persons from other localities trading in New York while temporarily here would be obliged to secure their credit from their home town, the "Financial America" of Oct. 31 said:

It was stated yesterday afternoon by authorities that no regulation or orders as rumored had been given relative to the restriction of financing loans to the respective localities. Reports have been current that such an order had been issued and that Chicago borrowers would have to depend upon Chicago institutions and other cities would be similarly restricted. No responsible authorities to this effect could be secured in high banking quarters yesterday.

It is stated by authorities that the position of the money pool has not yet been changed in any respect nor has it given any instructions in addition to the announcement made a week ago. The money pool takes the position that there is no credit available for speculation either in securities or commodities. The pool has not given any instructions regarding the reduction of loans to correspond to the situation existing Sept. 26.

The money pool did not desire and gave no instructions to have the total of loans then existing reduced. Its desire was simply to avoid any further expansion.

Yesterday call loans dropped to 4%, after having been maintained at the 6% level for months past. In view of the efforts of the Money Committee to restrict the expansion of loans on the Stock Exchange, the decline very naturally attracted a great deal of attention. Last night's New York "Evening Post" said the decline in the rate was explained in banking circles as being due to the fact that stock brokers are strictly "rationed" as to the amount they may borrow, adding:

A limit is fixed in the case of each Stock Exchange firm, and when that limit is reached no more loans are forthcoming from the banks. Thus, a majority of brokerage firms having reached their limit, an offering of additional funds by the banks was naturally made at lower rate.

According to reports, the easier money situation was partly due to the fact that payments of the first 10% installment last week on the Liberty Loan eased the position of the banks, by placing them in possession of Government deposits, against which no reserve is required to be kept at the Reserve Bank. Hence, the banks found their lending power enlarged. It was said, however, that there was no general offering at the lower interest rate. One or two banks or individuals were reported to have offered loans at 5 and 4%.

Bankers emphasized the statement that there had been no change in the requirements of the Money Committee, which has ruled that brokers must keep a margin of 30% against their bank loans, instead of 20% as formerly. This ruling goes into effect on Monday, and Stock Exchange houses this week have been calling upon their customers to deposit the additional margin, or to sell out a part of their accounts. As a result there has been slackening of activity on the Stock Exchange, and a reduced demand for loans at the banks.

#### STOCK EXCHANGE INVESTIGATION INTO MEXICAN PETROLEUM—STOCK EXCHANGE HOUSES CALLED ON TO REDUCE LOANS.

Following the action taken last week by the so-called "Money Committee" to check credit expansion, the New York Stock Exchange is said to have served notice this week



on eleven member houses to materially reduce their loans. At the same time it was made known that the Committee on Business Conduct of the Exchange had begun an investigation into transactions in Mexican Petroleum. As to the latter the following letter issued by Secretary Ely of the Exchange was made public:

New York, October 28 1918.

Gentlemen—I am instructed by the Committee on Business Conduct to ask you to report to it a full list (omitting odd lots) of purchases and sales of Mexican Petroleum made or cleared by your firm between Aug. 1 and Oct. 28. Please give the date of the transactions, the prices at which they were made, the name of the firm with whom they were made and the name of the customer for whom the orders were executed, or the name of the individual or firm for whom they were cleared.

Please send this information in a sealed envelope to the Committee on Business Conduct, Secretary's Office, not later than Nov. 4 1918.

Respectfully,

GEORGE W. ELY, Secretary.

**INSURANCE COMMISSIONERS ADOPT MEASURES TO STABILIZE SECURITIES—LIBERTY BONDS TO BE CARRIED AT PAR.**

At the meeting in this city on Oct. 30 of the Committee on Valuation of Securities of the National Convention of Insurance Commissioners, of which Jesse S. Phillips, Superintendent of the New York State Insurance Department, is Chairman, a resolution, which, it is stated, will have the effect of stabilizing the value of all securities held by insurance and fraternal organizations, was adopted. The resolution also provides that Liberty bonds be carried at not less than par. The resolution sets out:

Add to the value set forth in the last publication of the National Convention of Insurance Commissioners the actual market value as of Nov. 30 1918, and divide the sum so obtained by two, provided, however, that in no case shall the value be fixed at less than the actual market value of Dec. 31 1918, and provided further that the United States Liberty Loan bonds be carried at not less than par.

Reference was made in our issue of Oct. 19 (page 1524) to the intention of the New York Insurance Department in auditing statements of insurance companies to value at par Liberty bonds held by such companies doing business in New York, provided the bonds were purchased at par.

**ALBERT STRAUSS VICE-GOVERNOR OF FEDERAL RESERVE BOARD—WAR FINANCE CORPORATION ESTABLISHING LOAN FACILITIES IN WEST.**

Albert Strauss, whose nomination as a member of the Federal Reserve Board was confirmed by the Senate on Oct. 24, as indicated in these columns last week, page 1615, took the oath of office on Oct. 26. Mr. Strauss, it is stated, will be designated Vice-Governor of the Board. With the installation of Mr. Strauss an announcement was issued as follows:

Mr. W. P. G. Harding, Managing Director of the War Finance Corporation and Governor of the Federal Reserve Board, left Washington Saturday for Salt Lake City, Utah, for the purpose of establishing the necessary facilities in that city for making loans under the War Finance Corporation Act to individuals, firms and corporations whose principal business is the raising of live stock, including cattle, sheep and hogs, in that part of the West. Mr. Harding will also visit Denver and Kansas City in the same connection.

While in the West Mr. Harding will visit the Federal Reserve Bank of San Francisco. Mr. Harding's Western trip has been in contemplation for several weeks and is made possible now by the filling of the vacancy on the Federal Reserve Board.

Last Saturday's "Stock Exchange Bulletin" announced that Mr. Strauss had retired from the firm of J. & W. Seligman. His appointment as a member of the Federal Reserve Board will also be followed by the severance of his connection with other organizations with which he has been identified.

**CHANGES IN RESERVE REQUIREMENTS IN NEW YORK FEDERAL RESERVE DISTRICT.**

A letter to member banks in reserve and central reserve cities in the New York Federal Reserve District regarding the reserve requirements under the amendment to the Federal Reserve Act which became a law on Sept. 26, was sent out under date of Oct. 30 by Pierre Jay, of the Reserve Bank. The new law was published in our issue of Oct. 5, page 1323. Mr. Jay points out that no change is made as to the reserve requirements for banks in Albany and Buffalo. Banks located in the Borough of Manhattan or having branches in that borough will be required to maintain the same reserve heretofore held, namely, 13% of aggregate demand deposits and 3% of time deposits. Member banks in the boroughs of Brooklyn and the Bronx will be required to maintain a 10% reserve of demand and 3% reserve of time deposits, while in the case of banks in Richmond and Queens the same reserve prevailing as to country banks is called for, viz., 7% of demand deposits and 3% of time deposits. The following is Mr. Jay's letter:

Circular No. 123.

FEDERAL RESERVE BANK OF NEW YORK.

October 30 1918.

To Member Banks in Reserve and Central Reserve Cities in District 2:

Dear Sirs:

**Certain Changes in Reserve Requirements.**

The Federal Reserve Board, pursuant to the provisions of Section 19 of the Federal Reserve Act as amended by the Act of Sept. 26 1918, has approved a recommendation with respect to outlying districts of central reserve and reserve cities in this district and the reserves to be carried by banks located therein, as follows:

**Reserve Cities.**

Albany, N. Y., and Buffalo, N. Y.—No change is to be made in the status of Albany and Buffalo as reserve cities, and all member banks located therein will be subject to the reserve requirement of paragraph "b" of Section 19 of the Federal Reserve Act, namely, ten per centum of aggregate demand deposits and three per centum of time deposits.

**Central Reserve City.**

New York City.—Member banks located in the Borough of Manhattan or located in other boroughs and having branch offices in Manhattan will be subject to the reserve requirement of paragraph "c" of Section 19 of the Federal Reserve Act, namely, thirteen per centum of aggregate demand deposits and three per centum of time deposits.

Member banks located in the Boroughs of Brooklyn and Bronx will be subject to the reserve requirement of paragraph "b" of Section 19 of the Federal Reserve Act, namely, ten per centum of aggregate demand deposits and three per centum of time deposits.

Member banks located in the Boroughs of Richmond and Queens will be subject to the reserve requirement of paragraph "a" of Section 19 of the Federal Reserve Act, namely, seven per centum of aggregate demand deposits and three per centum of time deposits.

Very truly yours,

PIERRE JAY, Chairman.

**NEW YORK STATE BANKERS' ASSOCIATION ON ELECTION OF NEW FEDERAL RESERVE DIRECTORS.**

A circular with regard to the election of Class A and Class B directors of the Federal Reserve Bank of New York to succeed those whose terms expire Dec. 31, was issued on Oct. 29 by a special committee, composed of representatives of the New York State Bankers, the Connecticut Bankers' Association and the New Jersey Bankers' Association. The circular says:

The resolution of the National Bank Section of New York State Bankers' Association providing for the appointment of the undersigned committee instructed that the committee, in conference with the undersigned representatives of the Connecticut and New Jersey banks, should

- (a) make recommendations to member banks of at least three names for each directorship, and
- (b) inform member banks of the qualifications of all nominees.

The instruction to the committee to recommend at least three names for each office to be filled was doubtless for the purpose of preserving the non-partisan status of the committee, and to furnish the member banks with several names each of whom, in the judgment of the committee, is fully qualified to discharge the duties of the office.

The directors to be elected this year will be chosen by the member banks of Group 3 as recently classified by the Federal Reserve Board, i. e., those having a combined capital and surplus of less than \$201,000.

The committee in its deliberations has had in mind the supreme importance, to the community and to the nation, of the Federal Reserve Bank of New York, and the responsibility resting upon its directors, to whom questions of great moment are submitted for determination.

The committee has given consideration to the geographical aspects of the Second Federal Reserve District, and finds it desirable to present for nomination for the Class A directorship three men who are officers of Group 3 banks located in the State of New York, and for nomination for the Class B directorship two business men of the State of New York, one of whom, Mr. Leslie R. Palmer, has rendered faithful service during his two terms as a director, and one business man of the New Jersey Section (which Section has not yet been represented on the board of the Federal Reserve Bank by a director elected by the member banks.) Mr. Franklin D. Locke, retiring Class A director, had expressed his desire not to be renominated, previous to the legislation enacted this fall, making a new classification, under which he is ineligible for election by Group 3 banks.

The committee presents the following for nomination for Class A director: William S. Gavitt, Lyons, N. Y.; Robert J. Gross, Dunkirk, N. Y.; Charles Smith, Oneonta, N. Y.

For Class B, director, George Alfred Cluett, Troy, N. Y.; Manton B. Metcalf, Orange, N. J.; Leslie R. Palmer, Croton-on-Hudson, N. Y.

The committee is composed of Frank E. Howe, Chairman, J. S. Alexander, B. E. Smythe, Delmer Runkle, and G. T. Townsend, representing the New York State Bankers' Association; Chas. G. Sanford, representing Connecticut Bankers' Association; and J. D. Everitt, representing New Jersey Bankers' Association. Edward J. Gallien is Secretary to the committee.

**NEW ASSISTANT CASHIERS OF FEDERAL RESERVE BANK OF CHICAGO.**

At a regular meeting of the board of directors of the Federal Reserve Bank of Chicago, F. R. Hanrahan, O. J. Netterstrom and F. A. Lindsten were elected assistant cashiers.

**COMPTROLLER WILLIAMS TAKES EXCEPTION TO CRITICISM CONCERNING HIS STATEMENT OF BANK FAILURES.**

Copies of correspondence passing between Comptroller of the Currency John Skelton Williams and Charles H. Sabin, President of the Guaranty Trust Company, anent criticism made by the latter to Comptroller Williams' statement relative to the failures of national banks as compared

with those of State institutions were made public last week by the Comptroller. Following the action of Comptroller Williams in taking Mr. Sabin to task for repeating what he (the Comptroller) terms a "misstatement to which his attention was called," Mr. Sabin has made public a letter asserting that the Comptroller has attempted "to raise false issues in which the real facts in the case are obscured." Incidentally Mr. Sabin calls attention to a resolution passed by the State Bank Section of the American Bankers Association deprecating the statement made by the Comptroller, contrasting the absence of national bank failures with failures of State banks. The following is the statement made in the matter by the Comptroller of the Currency along with the presentation of the correspondence:

*Correction of a Trust Company Official's "Typographical Error."*

Mr. C. H. Sabin, the President of the Guaranty Trust Co. of New York, in an address in Chicago, Sept. 25 quoted and criticised an official announcement of the Comptroller of the Currency that the first seven months of the current year had passed without the failure of a single national bank in any one of our forty-eight States, while in the same period there had been State bank and trust company failures in fourteen of the forty-eight States. In contradicting the Comptroller's statement, Mr. Sabin had declared that there were "Forty-four States at least," in which there had been no State bank or trust company failure during the period mentioned.

This unwarranted denial of the Comptroller's statement having been given wide publicity in the press, the Comptroller wrote to Mr. Sabin on Sept. 28 asking whether he had made the statement attributed to him. Mr. Sabin replied by letter, Oct. 2, that the words "forty-four" States were an obvious typographical error; but he continued after receipt of the Comptroller's letter, as the Comptroller is advised, to send out, under the heading of the "Guaranty Trust Co.," a pamphlet copy of his address repeating the misstatement to which his attention had been called. Thereupon the Comptroller, on Oct. 9, wrote Mr. Sabin the following letter:

Washington, Oct. 9 1918.

Dear Sir.—In my letter to you of Sept. 28, I asked your attention to an error in an address delivered by you before the State Bank Section of the American Bankers Association at Chicago on the 25th ult., as reported in the newspapers. You were represented as saying that "forty-four States at least" reported no failures of State banks or trust companies for the first seven months of 1918. This was a public contradiction of an official statement from me from the records in this office, which statement you had quoted in the same speech, and therefore required my attention and was of importance. It can be readily understood that the value of official statements is in their accuracy and that if the public is left to understand that a statement from this office on an important subject is grossly inaccurate its confidence in future statements will be impaired.

I had stated that the records showed failures of State banks and trust companies in the period alluded to in fourteen States. You were reported as saying that such failures had occurred in but four States—that in "forty-four States at least" of the forty-eight States "there have been no State bank failures." In a letter of Oct. 2, in reply to me, you say this statement attributed to you was an obvious typographical error. Yet in the printed copy of your address, evidently intended for general distribution and under the heading of your bank, received here Oct. 3, this error is repeated distinctly, the words "forty-four," as applied to the number of States in which there have been no failures of State banks or trust companies, being spelled out.

You enclose a typewritten page purporting to be your "exact statement in regard to this matter," but this typewritten page, in which you have typewritten the words "thirty-four," differs from the former printed copy of your speech as sent out under the heading of the Guaranty Trust Co., and also, apparently, as furnished by you to the press. Will you inform me how many printed copies of your address containing the misstatement to which your attention was called were sent out?

You seem to regard your own responsibility for a direct misstatement on an important matter and for a baseless attack on the accuracy of reports from this office as too trivial for your consideration. You not only made no effort to correct the allegation attributed to you in the newspapers, so far as I am informed, but after your attention had been directed to the matter allowed the same assertion to be sent out from your office in print and supported by whatever weight your name and official position might give it.

I think it is necessary and proper for me to enter, as a matter of record, a protest against your misstatement of figures and consequent departure from facts and the inference you appear to attempt to base upon them, that I was endeavoring to discredit or wrong State and private banking institutions not in the national banking system.

The truth is, in the statement you criticised, I was illustrating the efficiency to which the regulation and management of the national banks have been developed. There was no purpose to destroy well-deserved public faith in other institutions, which were mentioned incidentally, merely to show that, while there had been bank failures in the country, the national banks had been so fortunate as to avoid such troubles.

The great body of State and private banks and trust companies in the country have, and deserve to have, the full confidence of the public and the Government. They perform functions of tremendous and vital value, and any attempt to injure them, directly or indirectly, would be a crime. Their membership in the Federal Reserve System is invited and welcome. While the system and administration of inspection and regulation in some States is perhaps faulty in some respects and justly subject to criticism, the vast majority of the bankers are men whose sagacity and honesty make them invaluable to their respective communities and to the country.

Any inference or suggestion that the attitude of this office towards these institutions is controlled by any other opinion or feeling is unwarranted and unjust to them and to me. I deny the truth of that inference clearly presented in your address alluded to and resent and denounce it as strongly as I do your uncorrected direct assertion that the formal and official statement referred to, sent from this office, was incorrect.

Yours truly,

(Signed) JOHN SKELTON WILLIAMS.

To this letter Mr. Sabin replied, in a letter under date of Oct. 15, in which he admits that "the error was discovered at the time the address was made" (Sept. 25), and asserts that "no further incorrect copies were sent out thereafter, all subsequent copies distributed being in the corrected form as per copy attached."

He also declares "there was never any intention of attacking the accuracy" of the Comptroller's statement of Aug. 12; and claims not to have circulated the misstatement to which attention had been called after the error had been

discovered. Against his denial, there is evidence that his circulars were still being distributed through the mails more than a week after he admits discovery of the "error."

The Comptroller of the Currency has written Mr. Sabin, in reply to his letter of Oct. 15, the following:

Washington, Oct. 23 1918.

Dear Sir—Your letter of 15th inst., in reply to mine of 9th, regarding your address at Chicago on the 25th ultimo, has been received and noted. Your statement demanded notice from this office because it was made before an important body and was published conspicuously, presumably from copies given out by you days in advance, in many newspapers at a critical moment and a tremendously important period, and apparently intended to contradict official statements given to the press from this office, and to give those statements the aspect of malicious purpose. Whatever may have been your intention, the obvious tendency of what you said was to cause distrust and hostility and to stir strife between the Government and the State banks of the country.

At a time when cordial harmony and mutual confidence between the Administration and all our financial interests were vitally necessary and the canvass for the Fourth Liberty Loan was but fairly started, you proceeded to induce the false impression that a Department of the Administration was attempting to weaken and injure the State banking system. Your propensity to cause mischief by the promulgation of misinformation or misstatements had been demonstrated in 1916, when, at another critical time, misleading statements given out by you, with dramatic setting, as to the certainty of early peace, led to sensational fluctuations in the markets.

The accusations, direct and implied, against this office and the Administration of which it is part, attributed to you, were based on a very brief incidental and illustrative reference to State banks occurring in an official statement given out by this office on Aug. 12. I consider that your statement gave reason for the supposition that you were actuated by desire to injure or impulse to be spectacular regardless of results to the country or to those whom you misrepresented. Therefore, in my letter to you of Sept. 28 I directed your attention to the inaccuracies of your statement at Chicago as reported in the newspapers. So far as I am informed, you made no effort for adequate correction. You replied to me, under date of Oct. 2, that the inaccuracy or misstatement was caused by a "typographical error." Yet on Oct. 3 your address in printed form sent out from your office in New York, containing this same misstatement, was still being delivered through the mails and evidently posted at least five days after your admitted discovery of the "typographical error," and several days after my first letter to you was written.

Now, under date of 15th inst., you inclose me another printed copy of your address, evidently newly set up and with the error corrected. I am impelled to say that the dates and intervals of time fail to indicate any burning zeal on your part to undo any damage you may have caused by the untrue utterances and harmful and unjust inferences attributed to you and published, with whatever weight your official position may give, behind them, in the newspapers and distributed in printed form from your office.

In conclusion, let me note that you fail to answer my direct question to you, in letter of 9th, as to how many copies of the printed address, which you concede to be incorrect, were sent out; nor do you explain why, on Oct. 2, a week after your address, you found it necessary, in order to give me a correct excerpt of what you claim to have said at Chicago, to type-write a whole page of matter, if at that time you in truth had on hand and were distributing, as you imply, the corrected printed copies. I am left uninformed, further, whether any attempt was made to send corrected versions to those who had received the untrue copies, and how many of the corrected addresses you and your company have distributed.

Yours truly,

(Signed) JOHN SKELTON WILLIAMS.

Mr. Sabin's reply has been made public as follows:

October 25 1918.

Mr. John Skelton Williams, Comptroller of the Currency,  
Treasury Department, Washington, D. C.

Dear Sir—In reply to your letter of the 23d, which you saw fit to give to the press before it had reached me, I desire simply to state that the manner in which you have handled this matter shows a disregard of the rules of fair play and attempts to raise false issues in which the real facts in the case are obscured. This is not the first attempt you have made to discredit New York bankers by publishing one-sided extracts from correspondence, to the end that, intentionally or otherwise, you create a misleading and false impression.

The vital fact is that in a circular sent out from your office over your name you saw fit to go out of your way to cast reflections upon the credit and standing of the State banks of the country, which aroused the resentment of State bankers generally. This resentment has, to my knowledge, been voiced many times in letters to you, in public addresses by responsible bankers, and in formal resolutions adopted at the A. B. A. Convention. My brief comment on your circular had no purpose but to call attention to this general feeling in the hope that a better attitude and a more harmonious relation might follow.

As a fair expression of the attitude of the State banks in regard to this matter, I call your attention to the following resolution, in which I had no hand and no knowledge, passed unanimously by the State Bank Section at its recent convention:

The State Bank Section regards as unfortunate and greatly deprecates the recent statement given out officially by the Comptroller of the Currency in which the absence of failures of national banks for a stated period was contrasted with the number of failures of banks chartered under State laws. Such statements, either directly or by influence, tend to shake public confidence in State banks and create a false impression as to the condition and stability of State banks. In time of war it is of vital importance that co-operation be encouraged and confidence be stimulated. It is important that State banks and trust companies be given credit for their achievements in supporting the war to the end that they maintain their efforts and be not discouraged by either intentional or unintentional statements which might be interpreted as reducing public confidence in them or their work. It is therefore

Resolved, That the State Bank Section deprecates these recent official statements and calls upon all State chartered institutions to continue their efforts in behalf of the war, the Liberty Loans, the Treasury certificates of indebtedness.

In my previous letters to you I have covered the essential facts in regard to my own statement, its publication and its distribution, which are entirely unimportant in the face of the issue raised from which I refuse to allow you to divert either me or the public. The typographical error out of which you have attempted to build a case was so patent in the context of the paragraph in which it appeared and so unimportant in the conclusion reached that no one could possibly have been misled by it, nor could it have attracted the critical attention of any one other than yourself, in your attempt to defend an untenable position.

As for any peace statement made by me in October 1916, I take full responsibility; for the statement which I made in Chicago I also take full

responsibility. No matter what may be said further, nor how many letters you may write or publish, you in turn cannot dodge the responsibility for the circular issued by your office Aug. 12, in which you attempted to discredit the State banking system of this country.

In conclusion, I may state that your argument that my comment was calculated to injure the Fourth Liberty Loan is disproved by the records of the Treasury Department which at last returns, show that the company of which I have the honor to be President has in this loan, as it did also in the second and third loans, led the entire country in the amount of subscriptions made—its subscription to the Fourth Liberty Loan being more than one hundred and twenty-five million dollars.

Yours very truly,  
(Signed) CHARLES S. SABIN, President.

**FOURTH LIBERTY LOAN SUBSCRIPTION,**  
\$6,866,416,300.

An oversubscription of \$866,416,300 to the Fourth Liberty Loan offering of \$6,000,000,000 was announced last night by Secretary of the Treasury McAdoo. All the Federal Reserve districts oversubscribed their quotas, the Boston district, which subscribed 126% of its quota, leading in the percentage column. The percentages in the other districts are: Richmond, 123%; Philadelphia, 119%; Cleveland, 116%; Minneapolis, 114%; St. Louis, 113%; Atlanta, 112%; Dallas, 111.69%; New York, 111.11%; Chicago, 110%; Kansas City, 109%, and San Francisco, 105%. The results by districts, in the order of the percentage of oversubscription, is as follows:

Districts—	Quota.	Subscription.
Boston	\$500,000,000	\$632,221,850
Richmond	280,000,000	345,000,000
Philadelphia	500,000,000	598,500,000
Cleveland	600,000,000	699,536,000
Minneapolis	210,000,000	239,616,350
St. Louis	260,000,000	295,117,900
Atlanta	192,000,000	215,653,250
Dallas	1,600,000	140,744,600
New York	1,800,000,000	2,000,000,000
Chicago	870,000,000	959,529,250
Kansas City	260,000,000	284,958,350
San Francisco	402,000,000	426,000,000

In addition subscriptions received at the Treasury amounted to \$32,538,750. The men in the army subscribed more than \$75,000,000 and men in the navy more than \$43,500,000. While the figures announced last night are considered substantially complete, it is stated that later re-checked reports may change the totals slightly. In his announcement of last night, Secretary of the Treasury McAdoo said:

The distribution of the loan among investors cannot be stated at the moment, but details will be furnished as soon as final reports are received.

The great success of the loan is new and convincing evidence of the determined spirit of America to carry on the war until the freedom is assured throughout the world. But even with the highest purpose and patriotism on the part of the people, this great result could not have been achieved without intelligent direction and organization.

I wish to thank the Liberty Loan Committees, both men and women the bankers and business men, farmers, wage-earners, railroad officers and employees, and every group of citizens who have so ably and enthusiastically co-operated with the Treasury in conducting the campaign. To the press of the country especial credit is due for emphasizing through their news columns and editorial pages the necessity for making this great loan successful.

A particularly inspiring part of the campaign was the subscription by the men of the army of more than \$75,000,000 and by the men in the navy of more than \$43,500,000. Our soldiers and sailors have shown that they are not only willing to fight but to lend to the limit of their means to back their Government.

In spite of the influenza epidemic, the unenacted Revenue Bill, and other unfavorable factors, the American people have consummated the greatest financial achievement in all history.

**CONSIDERATION OF WAR REVENUE BILL BY SENATE FINANCE COMMITTEE.**

Chairman Simmons of the Senate Finance Committee announced on Oct. 25 that, contrary to the original plans to report the war revenue bill to the Senate before the end of October it would not be submitted to that body until after election. On the 26th B. M. Baruch, Chairman of the War Industries Board, was before the Committee to urge exemptions for those who have invested capital in the potash industry in order that this new industry might be encouraged. He asked that they be treated in the same manner as the oil and gas industry so that production might be stimulated.

On Oct. 27 inheritance tax rates in the bill were agreed upon by the Senate Committee. The new rates differ from those of the House in that the amount of the estates to be taxed is larger in number and the rates generally higher on all estates up to \$4,000,000. The House bill imposed no tax on estates under \$50,000, but the Senate Committee begins to tax estates over \$10,000 and end at estates in estates in excess of \$2,500,000. The House bill taxed the estates and the Senate bill imposes the tax on the beneficiaries. The Senate rates are as follows:

Inheritances between \$10,000 and \$25,000, 1%; between \$25,000 and \$50,000, 2%; between \$50,000 and

\$100,000, 3%; between \$100,000 and \$150,000, 4%; between \$150,000 and \$200,000, 5%; between \$200,000 and \$250,000, 3%; between \$250,000 and \$500,000, 10%; between \$500,000 and \$1,000,000, 15%; between \$1,000,000 and \$2,500,000, 20%; over \$2,500,000, 25%.

Compared to these, the rates agreed upon by the House were as follows: Estates not in excess of \$50,000, 3%; between \$50,000 and \$150,000, 6%; between \$150,000 and \$250,000, 9%; between \$250,000 and \$450,000, 12%; between \$450,000 and \$1,000,000, 15%; between \$1,000,000 and \$2,000,000, 18%; between \$2,000,000 and \$3,000,000, 21%; between \$3,000,000 and \$4,000,000, 24%; between \$4,000,000 and \$5,000,000, 27%; between \$5,000,000 and \$8,000,000, 30%; between \$8,000,000 and \$10,000,000, 35%; over \$10,000,000, 40%.

An amendment is said to have been adopted by the Committee exempting from taxation beneficiaries of soldiers and sailors dying in the service up to a year after the war.

The excess-profits section of the bill was amended by the Committee on Oct. 29 so as to require individuals in business or as partnerships to pay the tax the same as corporations. The tax will not apply to those whose earnings are solely derived from salaries, professional services, and payments of like character. This war excess-profits tax in the case of individuals or partnerships will be credited against the income tax, so that he will pay as income tax only the difference between the entire income tax and the amount of the war-profits tax.

The Committee also adopted a new section of rates on life insurance companies. This will be 12% of the net income of domestic life insurance companies, and in the case of foreign companies 12% of the same proportion of the net income which the reserve fund upon business transacted within the United States is to the total reserve fund upon all business transacted whether within or without the United States.

With regard to the excess profits provisions tentatively agreed on a statement on behalf of the Committee, was issued as follows on Oct. 29:

The discussion of the committee turned on the fact that under the House bill there was a very considerable discrimination against the corporate form of business organization, arising from the fact that corporations were made subject to income and war excess profits taxes, while individuals and partnerships were subject only to income taxes. In order to remove this discrimination, partnerships and individuals engaged in active business with an invested capital were made subject to war excess profits tax. Individuals, partnerships and corporations engaged in rendering personal service were exempt from the war excess profits, but corporations so exempt will be required to pay income tax on the same basis as individuals and partnerships, i. e., they will be required to include in their taxable income full distributive shares of the net income of the corporations for the taxable year, whether actually distributed or not.

In order to put the partnership and individual, so far as possible, upon exactly the same basis, the rate schedule previously adopted was amended by the addition of a fourth bracket applicable only to individuals and partnerships, which adds to the ordinary war excess profits tax a sum equal to 12% of the amount by which the net income exceeds the sum of (a) \$2,000, and (b) the amount of the tax computed under the first, second and third brackets. The excess profits tax of individuals and partnerships will include this sum, which is equivalent to the income tax paid by the corporation; but the war profits tax so computed will, in the case of the individual or partner, be credited against his entire income tax, and the individual or partner will pay, as income tax, only the difference between his income tax and the war excess profits tax.

To illustrate: assume a business with an income of \$100,000 and a war excess profits tax of \$40,000 in the case of a corporation. Under the same circumstances the war excess profits of the partnership would be \$46,960, but this amount, divided among the various partners, would be deductible from the income tax assessed to them.

As stated above, this puts the partnership and the individual upon identically the same basis except for the fact that the dividends of the corporation, if subsequently paid to the stockholders, will be taxable to the latter for the purpose of the surtax.

Salaries, professional fees and earnings will not be subject to excess profits tax under the circumstances, and corporations whose net income consists of this form of receipts may elect to be taxed on the same basis as partnerships, in which case they are also exempt from war excess profits tax.

The above plan has been adopted tentatively by the committee and is subject to revision.

The amended section in the bill affecting life insurance companies provides:

Section IV. Life insurance companies, Section 245. That there shall be levied, collected, and paid for each taxable year upon the net income of every life insurance company, a tax as follows:

(a) In the case of a domestic life insurance company, 12% of its net income.

(b) In the case of a foreign life insurance company, 12% of the same proportion of the net income which the reserve fund upon business transacted within the United States is of the total reserve fund upon all business transacted, whether within or without the United States.

Section 246. That in the case of a life insurance company, the term "net income" means the gross income less—

1. An amount equal to 4% of the mean of the reserve fund required by law and held during the taxable year, but not less than the amount of interest received during the taxable year which under paragraph 4 of Subdivision (B) of Section 213 is exempt from taxation under this title.

2. Investment expenses paid during the taxable year, not exceeding 1/4 of 1% of the mean invested assets.

3. Taxes and other expenses paid during the taxable year exclusively in connection with real estate owned by the company, not including taxes assessed against local benefits or any amount paid out for new buildings or for permanent improvements or betterments made to increase the value of any property.

4. In the case of a domestic life insurance company, \$2,000.

Section 247. That in the case of a life insurance company the term "gross income" means the gross income received during the taxable year from interest, dividends and rents.

On Oct. 30 the proposal to tax insurance companies 12% of net revenues in lieu of war excess, capital stock and premium taxes, was formally approved. A proposal to allow refunds of premium taxes accumulating this year was rejected.

The Committee on that date struck out the business license tax of \$10 on all persons engaged in trade, business, or profession, whose gross earnings or receipts are \$2,500. This provision of the House bill, estimated to raise \$10,000,000, Chairman Simmons explained, was eliminated because the Committee had adopted a plan of extending the war excess profits taxes to individuals and partnerships engaged in trade or business.

The matter of taxation for railroads during Government control was before the Committee during its session on Oct. 31. Judge Payne, of the Railroad Administration, argued that Congress should decide what increase should be paid by the Government and what proportion should be paid by the railroads. He said the Government is willing to pay the 2% tax now carried in existing law. He did not think this should be advanced without further consideration by Congress. In any event, he said, the Government should not be required to pay all of whatever increase is fixed. A. P. Thom, on behalf of the railroads, expressed the opinion that the Government should be required to pay all of the increased taxation, leaving no portion of the advance for payment by the transportation companies.

Those selling or leasing moving picture films must pay an excise tax of 10% on the rental or purchase price received during the preceding month. Those who display the films are not liable under this tax. The Committee on Oct. 31 changed the basis of taxation on films as carried in the revenue bill when passed by the House. It was determined to make the seller responsible and base the levy on the collections received. This tax will not become operative until 30 days after the measure becomes a law.

It was stated on the 30th that the revision of the bill by the Committee would be suspended Friday, Nov. 1, over the elections, and that during the recess a print of the bill, as thus far amended, would be made, with a view to reporting the bill on Nov. 12.

#### PRESIDENT WILSON'S AIM IN URGING THE REMOVAL OF ECONOMIC BARRIERS IN TRADE.

Bitter recriminations and charges of partisanship marked the debate in the Senate growing out of President Wilson's appeal to the country for the return of a Democratic Congress at the coming elections. Peace negotiations and the foreign policy of the Government were also involved in the debate owing to the different interpretations placed upon one of the fourteen peace principles enumerated by the President on Jan. 8, which the Republican leaders insinuated, represented an attempt by President Wilson to fasten free trade upon the United States as a permanent policy by embodying it in the forthcoming peace treaty. The subject was first brought up in the Senate on Oct. 24, when Senator Thomas of Colorado (Democrat) criticized certain Republican campaign literature, which charged that under the terms of Paragraph III of the fourteen peace principles, the United States would be bound to a permanent free trade policy. The paragraph in question reads as follows:

Article III. The removal so far as possible of all economic barriers and the establishment of an equality of trade conditions among all the nations consenting to the peace and associating themselves for its maintenance.

Under this clause, the Republicans held, the United States would have to submit the purely domestic question of tariff regulation to international decision, and, as believers in protection, the Republicans asserted their right to criticize the President's policy. Senator Thomas took issue with the Republican interpretation; he denied that by the clause in dispute the President necessarily meant free trade, saying:

By the third article I believe the President designs the retention of tariffs, but such as will not be considered prohibitive or irritating. The Republicans are arraying themselves in opposition to this clause in the President's doctrine, and this demonstrates, in this respect at least, that they have placed themselves in opposition to the President's program.

Senator Watson and other Republicans renewed the charges, and said, furthermore, that the Republicans "objected to the inclusion in a peace treaty of a declaration setting forth limits to a domestic policy for the United

States, and admitting foreign nations to participate in the formulation of a plainly internal program." At the same time Representative Fess, as Chairman of the Republican Congressional Campaign Committee, issued a formal statement setting forth the Republican view of the President's alleged free trade policy, and insinuating that President Wilson's desire for Democrats in the Senate was part of a plan to use the coming peace treaty as a vehicle for foisting free trade upon the country. Mr. Fess's statement read:

The President in the third of his fourteen points proposes by treaty negotiations to determine legislation touching tariff schedules by the removal of all trade barriers—"the removal so far as possible of all economic barriers and the establishment of an equality of trade conditions among all the nations consenting to the peace and associating themselves for its maintenance."

The far-reaching significance of this proposal may not have been detected by the average citizen. President Wilson views the tariff question from the angle of an academician and quite naturally is a free trader, with but little respect for the opinion of those who hold to the protection idea. His tariff commission is made up of men whose anti-protective views are well known.

A treaty removing trade barriers is not a law that can be repealed as in the case of a legislative enactment. It must stand until mutually abrogated by the parties to the treaty. It goes without saying that the European countries which have always resisted our tariff schedules will not mutually agree to invalidate free trade treaties when once entered into.

Is it possible that the President's desire for Democrats in the Senate might arise from the intention to perpetually fasten upon the country a policy of free trade by committing the nation under treaty obligation which would take the question of tariff making out of the hands of the people of the country as expressed in Congress and make it a contract between an executive committee to free trade by and with the consent of a Democratic Senate with like beliefs on the one side and the foreign nations on the other?

This is perhaps the real significance to be drawn from the letter.

On Oct. 25 President Wilson issued his appeal to the country for the return of a Democratic Congress, on the ground that any other result would be a repudiation of his leadership and so weaken his hands in the peace negotiations. This appeal (which was printed in our issue of last week, page 1618) at once aroused a storm of protest from the Republican side. The President was accused of trying to make political capital out of the war fervor of the people, and, under the plea of loyalty to the country, to be demanding the right to play a lone hand in all the negotiations leading up to peace. This feeling quickly found expression on the floor of the Senate, where Senators Knox, Poindexter and Lodge for the Republicans attacked the President both for his peace policies and for his alleged partisanship, while Senators Hitchcock, Pittman, Ashurst and others of the Democratic leaders made an equally spirited defense.

During the course of this debate Senator Hitchcock read into the "Record" a letter from President Wilson denying that Clause III of his fourteen peace terms implied compulsory free trade. The President's letter to Senator Hitchcock read:

The White House,  
Washington, Oct. 22 1918.

My Dear Senator.—In reply to your letter of Oct. 21, let me say that it seems to me really not worth while to answer the Republican attacks on Article III of the peace terms I suggested in my address of Jan. 8. The words I used are perfectly clear to any honest mind. They leave every nation free to determine its own economic policy, except in the one particular that its policy must be the same for all other nations, and not be compounded of hostile discriminations between one nation and another, such weapons of discrimination being left to the joint action of the nations for the purpose of disciplining those who will not submit to the general program of justice and equality.

It would be impossible to follow up all the perversions and misrepresentations that some of the Republicans are now indulging in, and my own judgment is that we can safely leave the matter to the good sense of our fellow-countrymen who can read English.

Sincerely yours,

WOODROW WILSON.

The Hon G. M. HITCHCOCK,  
United States Senate.

A letter from the President to Senator Simmons of North Carolina on the same subject was also read. It was as follows:

Dear Senator.—I am glad to respond to the question addressed to me by your letter of Oct. 26. The words I used in my address to the Congress of Jan. 8 1918 were: "The removal, so far as possible, of all economic barriers and the establishment of an equality of trade conditions among all the nations consenting to the peace and associating themselves for its maintenance."

I, of course, meant to suggest no restriction upon the free determination of any nation of its own economic policy, but only that, whatever tariff any nation might deem necessary for its own economic service, be that tariff high or low, it should apply equally to all foreign nations; in other words, that there should be no discriminations against some nations that did not apply to others. This leaves every nation free to determine for itself its own internal policies and limits only its right to compound these policies of hostile discriminations between one nation and another. Weapons of economic discipline and punishment should be left to the joint action of all nations for the purpose of punishing those who will not submit to a general program of justice and equality.

The experiences of the past among nations have taught us that the attempt by one nation to punish another by exclusive and discriminatory trade agreements has been a prolific breeder of that kind of antagonism which oftentimes results in war, and that, if a permanent peace is to be established among nations, every obstacle that has stood in the way of international friendship should be cast aside.

It was with that fundamental purpose in mind that I announced this principle in my address of Jan. 8. To pervert this great principle for partisan purposes, and to inject the bogey of free trade, which is not involved at all, is to attempt to divert the mind of the nation from the

broad and humane principle of a durable peace by introducing an internal question of quite another kind. American business has in the past been unaffected by a policy of the kind suggested, and it has nothing to fear now from a policy of simple international justice. It is indeed lamentable that the momentous issues of this solemn hour should be seized upon in an effort to bend them to partisan service. To the initiated and discerning, the motive is transparent, and the attempt fails.

Sincerely yours,  
WOODROW WILSON.

The letter from Senator Simmons to which the foregoing was a reply read:

Dear Mr. President.—Certain Republican leaders are attempting to make a partisan use of paragraph III of your peace terms, found in your address to Congress Jan. 8 1918. No one has authority to reply to a misconstruction of any part of your address, excepting yourself, but I, as Chairman of the Finance Committee of the Senate, wish you would make reply to these statements and insinuations, which are being industriously circulated by the opposition, to embarrass you in the handling of these delicate matters.

Sincerely yours,  
F. M. SIMMONS.

The Senate debate on the 28th was precipitated by Senator Knox of Pennsylvania, who took up the President's appeal to the voters to elect a Democratic Congress. Senator Hitchcock replied to Mr. Knox and later Senator Pittman of Nevada vigorously attacked the Republican leaders in Congress, Colonel Roosevelt and Chairman Hays of the Republican National Committee, asserting that they were undermining the war policies of the President. Senator Poindexter of Washington wound up the debate for the Republicans with a vehement reply to Mr. Pittman, in which he insisted that the Republicans had supported the President, but that the President himself had been playing politics.

Mr. Knox insisted that the Senate's prerogative as the treaty-making body must not be usurped by the President. As quoted in the New York "Times" of Oct. 29, he said:

The excessive intermingling of the problem of a victorious ending of the war with a great variety of projects of world reconstruction renders our task most difficult. As a co-ordinate branch of this Government it is our duty, I believe, to make clear the Senate sense of the immediate necessity of clarification and simplification of any program that enters into the ending of the war or the building of the future, and the Senate's sense of the instant necessity of full counsel and accord upon all such programs between the Government of the United States and the Governments of our Allies.

And there is a necessity that underlies these needs. That is classification for the Senate itself of the policies to which it may be later called upon to consider giving its sanction. In this matter we are guardians of the nation's mandates, and we cannot be false.

Some days ago there was made on this floor the preposterous suggestion that the Senate ratify in advance whatever might be the will of the Chief Executive. A few days ago the country was astounded and shocked to find the Chief Executive calling for the election of Democratic Senators and Representatives precisely in order that his individual authority should be untrammelled by counsel. I pass by the unjust, not to say outrageous, implications of that unique document of partisan politics. That the two proposals should associate themselves in one's mind is, I regret to say, due to the proneness of some Senators and Representatives to make themselves mere registrars of the will of the Chief Executive, instead of independent deliberators upon the country's problems.

When there is talk of the abdication of the Kaiser, it is a peculiar moment to propose that the American people should abdicate their right to have opinions, or that the Senate and the House should abdicate their sworn and independent duties.

I ask Senators whether it is the will of the American people or the will of Woodrow Wilson that is to determine the policy of the United States, in the two matters of ending this war and founding a future peace. I ask them whether they propose to subject the vital interests of the American people to their independent judgment, or whether they are content, for their conscience and their country, to be the mere registrars of the will of one man. This is the issue before us.

Senator Hitchcock, Chairman of the Foreign Relations Committee, replied to Senator Knox in a speech vigorously defending the President's course in carrying on the peace negotiations.

**DEVELOPMENTS FOLLOWING PRESIDENT WILSON'S APPEAL FOR RETURN OF DEMOCRATIC MAJORITY TO CONGRESS.**

The appeal made by President Wilson on Oct. 25 for the election of a Democratic Congress at the coming election (referred to in our issue of Saturday last, page 1618) has raised a storm of protest from the Republican forces. From the Congressional body itself there has come a statement signed by the Republican leaders of the Senate and House who point out that the Republicans, although in the minority in the House, "cast more actual votes on seven great war measures than the Democratic majority was able to do." The President, as we noted last week, had contended in his appeal that "if the control of the House and the 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." The statement of Republican leaders in Congress, put out over the signature of Senators Lodge and Smoot and Representatives Gillett and Fess, in taking issue with the President's declarations, observes that "this is not the President's personal war. This is not the war of Congress. It is not the war of the Democratic or Repub-

lican party. It is the war of the American people. It is more. It is the war of the United States, of the Allied powers of the civilized world against the barbarism of Germany. In this great war the Republican party . . . demands its rightful share." The following is the statement issued Oct. 25:

Some time ago the President said "politics is adjourned." Now, in the closing days of the campaign—delayed by the united efforts of all parties for the Liberty Loan—now, when all public meetings have been given up owing to the influenza epidemic, the President sends out a direct party appeal calling upon his countrymen to vote for Democrats because they are Democrats without any reference to whether such Democrats have been or are in favor of war measures and have a war record which deserves support.

The voters of Michigan, to take a single example, are called upon to support Mr. Henry Ford, notorious for his advocacy of peace at any price, for his contemptuous allusions to the flag, for the exemption of his son from military service on the sole ground that he will blindly support the President. The President is quite ready to admit that Republicans are loyal enough to fight and die, as they are doing by the thousands; loyal enough to take up great loans and pay enormous taxes; loyal enough to furnish important men at no salary on some of the great war boards in Washington. But they are not loyal enough, in the President's opinion, to be trusted with any share in the Government of the country or legislation for it.

If the Republican party controls the House we can point out some of the things they will do. They will replace Mr. Dent of Alabama at the head of the Military Affairs Committee with Mr. Julius Kahn, to whom the Administration was obliged to turn for assistance to take charge of and carry the first draft bill against Mr. Dent's opposition. They will put a Republican at the head of the Ways and Means Committee, as leader of the House, instead of Mr. Kitchin of North Carolina, who voted against the war. They will give the country a Speaker who did not oppose and would not oppose a draft bill and would never say, as Speaker Clark did, that "there is precious little difference between a conscript and a convict."

Although the Republicans of the House are in the minority, they cast more actual votes on seven great war measures than the Democratic majority was made to do. What is the record of the Senate? On fifty-one roll calls on war measures between April 6 1917 and the 29th of May 1918 the votes cast by Republicans in favor of such measures were 72%, while only 67% of the votes cast on the Democratic side were in favor of such measures. Those were the President's own measures. Does that record look as if we had hampered him? The Republican Party in Congress has supported the Administration policies since the war with a unanimity and an absence of criticism unprecedented in party history.

There are some domestic questions where we should undoubtedly differ from the course pursued by the Administration. We should not, for example, fix a price on the farmer's wheat and leave the planter's cotton untouched. Another domestic question in which the Republican Party believes thoroughly is economic preparation for the coming of peace, and they are clearly of the opinion that the Congress of the United States should not be excluded from that great task.

This is not the President's personal war. This is not the war of Congress. It is not the war of the Democratic or the Republican Party. It is the war of the American people. It is more. It is the war of the United States, of the Allied Powers, of the civilized world against the barbarism of Germany. In this great burden and responsibility the Republican Party, representing more than half the citizenship of the country, demands its rightful share.

If the Republican Party is entrusted with power in either or both houses they will do everything possible to drive forward the war and hasten the day of victory. The President speaks of the necessity of telling the plain truth. That the Republican Party in control of Congress would do, for they have no friends to shield. And they will do more, they will give all the money to the last dollar necessary to sustain our armies and our fleets, but they will check the waste now going on of the money given by the most generous people on the face of the earth.

The President speaks of the effect of the election abroad. He says that there they understand the meaning of elections. They do, and they will know that if the Republicans have a majority in Congress the war will be pressed with greater vigor than ever before. They are quite aware that the power of the Senate is equal to that of the President in the consummation of peace by treaty. They will know that the Republican Party stands for a victorious peace and the overthrow of Prussian militarism. That knowledge will not depress the spirit of our allies or encourage the Government of Germany.

The Republican Party believes that the question of surrender should be left to Marshal Foch, to the Generals, and to the armies in the field. When they report that Germany has laid down her arms, the United States and the Allies should then impose their terms. Will that knowledge cause dejection to those who are fighting with us? All the world knows that the Republican Party is opposed to negotiations and discussion carried on in diplomatic notes addressed to the German Government. The Republican Party stands for unconditional surrender. There is no Republican creed so short that there is not room in it for those two words.

HENRY CABOT LODGE,  
REED SMOOT,  
Chairman Republican Senatorial Committee;  
FREDERICK H. GILLETT,  
SIMEON D. FESS,  
Chairman Republican Congressional Committee.

Two statements to show the stand of the respective parties in Congress on the important war measures appeared simultaneously with the above, the following being published in the New York "Sun" of Oct. 26:

	Republicans.	Democrats.		
	For.	Against.	For.	Against.
Kahn amendment substituting conscription for volunteering	165	44	146	64
Conscription measures	201	8	196	14
Soldiers' and Sailors' Insurance Bill	144	0	168	0
Woman suffrage (named by President as a war measure)	168	34	100	102
1917 revenue bill	118	78	204	0
1918 revenue bill	167	0	178	0
Allen-slacker bill	169	7	173	13
Food control bill	188	2	172	3
Bill to increase soldiers' pay to \$30	156	37	43	141

The issuance by the Democratic National Committee of a statement asserting that an examination of the record showed

that the Republican contention that members of the minority party had supported war measures more effectively than Democratic Congressmen was unfounded, was reported in the New York "Times" of Oct. 26, which said:

In support of this statement the committee submitted this summary of the votes on the leading war bills:

*House of Representatives.*

War resolution—32 Republican and 16 Democratic Representatives against.

McLemore resolution (warning Americans off the high seas)—103 Republican Representatives and 32 Democrats voted against tabling this resolution.

Armed neutrality bill (authorizing arming American ships for defense against submarines)—On the Cooper amendment to prevent arming American ships carrying war supplies, 76 Republican and 47 Democrats voted for the amendment.

Shipping Board bill—160 Republican Representatives and 1 Democrat voted against.

Armor plate plant amendment to Naval bill—133 Republican Representatives and 2 Democrats voted against.

Telegraph and telephone control bill—4 Republican Representatives and no Democrats voted against.

Espionage Act—97 Republican Representatives and 9 Democrats voted "no."

Food survey bill—65 Republican Representatives and 16 Democrats voted to send the bill back to committee in an effort to kill the measure.

War Finance Corporation—2 Republican Representatives voted against and 2 Republicans voted "present." No Democrats opposed, or merely "present."

Railroad control bill—4 Republican Representatives and 2 Democrats voted against.

Revenue bill, fiscal year 1916—142 Republican Representatives and no Democrats voted against.

War revenue bill, fiscal year 1917—192 Republican Representatives and 4 Democrats voted against.

War revenue bill, fiscal year 1918—76 Republican Representatives and no Democrats voted against.

*Senate.*

War resolution—3 Republicans and 3 Democrats voted against.

Gore resolution (warning Americans off the high seas)—12 Republicans and 2 Democrats voted against tabling this resolution.

Shipping Board bill—21 Republicans and no Democrats voted against.

Armor plate plant amendment to naval bill—23 Republican Senators and no Democrats voted against.

Telegraph and telephone control—16 Republicans and no Democrats voted against.

Espionage Act—5 Republicans and 1 Democrat voted against.

War Finance Corporation bill—2 Republicans and no Democrats voted against.

Railroad control bill (on Townsend substitute, offered by Republicans in an effort to block Administration bill)—13 Republicans and 1 Democrat voted for substitute, which was beaten, 51 to 14.

Revenue bill for fiscal year 1916—16 Republicans and no Democrats voted against.

War revenue bill for fiscal year 1917—33 Republicans and no Democrats voted against.

War revenue bill for fiscal year 1918—4 Republicans and no Democrats voted against.

A further statement emanating from Scott Ferris, Chairman of the Democratic National Committee, was issued as follows on Oct. 26:

In a hopeless effort to convince the country that the minority party has given greater support to the President on war legislation than the Democratic Party, Republican leaders resort to generalities, speak of percentages, but carefully refrain from mentioning the actual votes on the great war bills.

As has been said before and is repeated now, there is reason for this significant silence in the Republican camp. The records show that the Democrats rather than the Republicans have upheld the hands of the President. Percentages may deceive the unthinking; figures do not lie.

Votes pass bills and it was the votes of Democrats that passed the legislation which enabled the President to create and develop the great war machine that is carrying American arms to victory. Twice as many Republicans as Democrats in the House—32 to 16 to be exact—voted against the resolution declaring war on Germany. Three Republicans and three Democrats opposed it in the Senate.

Republicans not only antagonized but tried for two years to kill the Shipping Bill which made possible the great merchant marine that is carrying our soldiers and supplies to France. In the House 160 Republicans and one lone Democrat voted against the Shipping Bill, while in the Senate 21 Republicans and no Democrats opposed it. The effect of the Republican opposition was to tie the hands of the President for two years by a series of filibusters, conducted not in the interest of the country, but in the interest of the coastwise shipping trust.

The armor plate plant, the Telegraph and Telephone Control Bill, the Railroad Control Bill, the Espionage Law, the Food Survey Bill, the War Finance Corporation Act, and three great revenue bills are among the other measures that met vigorous Republican opposition before they were enacted into law.

The Republican leaders have striven hard to create the impression that the Democrats tried to prevent the passage of the Draft Law. The fact is there was almost an equal political division among those members who thought the volunteer and draft system should be linked in this bill, but when the majority of the House ruled otherwise, only 24 members of the two parties opposed the bill on final passage. Speaker Clark, who has been made the target of special attack by the Republican leaders, joined with the majority in supporting the Draft Bill on the final vote.

If it is not true that the Republicans obstructed more than helped war legislation, why do they not give figures to prove otherwise? The reason is simple. The record cannot be altered, and it would rise up to contradict them if they sought to justify their course.

The country undoubtedly will prefer to accept the statement of the President of the character of support he has received from the minority viewed as a whole, rather than the vain attempt of the Republican leaders to say the following.

The resentment by the opposition spokesmen of the President's appeal to the country to retain his party in control of Congress in time of war is astonishing when one recalls the historic precedents in his course.

No less a personage than George Washington, the revered first President, pleaded for unified leadership during the War of the Revolution, without which, he said: "Our enemies will triumph and by throwing their weight

into the disaffected scale, maybe accomplish the ruin of the goodly fabric we have been weaving."

It was the martyred Lincoln who, in asking the election of a friendly Congress, urged the people not to swap horses while crossing a stream.

During the Spanish-American War Republican leaders, some of them now strangely arrayed against President Wilson, begged the country to give President McKinley a vote of confidence by keeping in power members of his party in both the House and Senate.

Among the men who joined in these appeals was Colonel Roosevelt, who said that a refusal to sustain the President, "whether you will or not, will be read in the eyes of Europe as a refusal to sustain the war." Such a refusal, the Colonel said, "will give heart to our defeated antagonists."

Another who in 1898 demanded support of President McKinley, under conditions analogous to those now confronting President Wilson, was Senator Lodge, the present leader of the Republicans in the Senate.

Speaking before the Republican State convention at Boston on Oct. 6, 1898, Senator Lodge, as quoted in the "Springfield (Mass.) Republican," said:

"There is one question that seems to me to override all others. It is whether we shall stand by the Administration and the President at this juncture. If we give a victory to his political opponents, we say to the world that the people of the United States repudiated the man who has led victoriously the war and is now leading us back to peace. That is the great and overshadowing question to my mind."

In another speech the same year Senator Lodge, who now seeks to place his judgment above that of the President on international matters growing out of the war, said:

"There is one man who has to deal with that question [peace] who cannot meet it with empty negatives, and that is the President of the United States. I am prepared to stand back of him and allow the constitutional representative to deal with it, in the face of Europe and the world, and to settle it, and it is my desire, and I think it should be the duty of every patriot, to stand behind him and to hold up his hands and not to cross him."

Contrast these patriotic appeals with present-day vehement attacks on President Wilson by certain leading Republican spokesmen, and more particularly with the statement issued just a week ago by Senator Lodge and printed in the Chicago "Tribune," in which he said:

"Republican control of the two houses of Congress will, in my opinion, strengthen preparation and accelerate speed in all the measures that lead to victory. In control of the organization of the House and Senate, the Republicans will be able to drive the war forward with greater energy than the present majority because they have no friends in executive office to protect and no orders to take from any source except the country's cause."

Imagine the chaos that would result if such a condition as Senator Lodge pictures in his latter-day statement should prevail in the capital of the nation. The President would not be supported as at present. He would be hampered; obstruction would take the place of accomplishment, and the war machinery might be stalled.

The truth is, and it should be plainly stated, what the Republican leaders really intend to do if they gain control of Congress is to rewrite any treaty the President and the Allied statesmen may agree upon, and to wipe from the statute books the great progressive measures enacted during the Wilson Administration, putting in their place the old laws of special privilege that would build up in this country a system of junkerism such as has been the curse of Germany.

Chairman William H. Hays, of the Republican National Committee, in a statement to Republicans on Oct. 28, charged that "a more ungracious, more unjust, more wanton, more mendacious accusation was never made by the most reckless stump orator, much less by a President of the United States, for partisan purposes." According to the Republican Chairman, "Mr. Wilson forces the Republican party to lie down or fight," and Mr. Hays in his counseling urges that they fight. The following is the latter's presentments to the Republicans:

To Republicans—President Wilson has questioned the motives and fidelity of your representatives in Congress. He has thereby impugned their loyalty and denied their patriotism. His challenge is to you who elected those representatives. You owe it to them, to the honor of your great party and to your own self respect to meet that challenge squarely, not only as Republicans, but as Americans. I, as your chairman, call upon you to do it.

Mr. Wilson accords the Republicans no credit whatever for having supported the "war measures" proposed by his Administration, although they have done so with greater unanimity than the members of his own party. Despite that fact, he accuses them of having tried to usurp his proper functions. That charge, as Mr. Taft declares in carefully measured words, is not true. At no time and in no way have they tried to take control of the war out of his hands. The President knows that. The country knows it. You know it.

A more ungracious, more unjust, more wanton, more mendacious accusation was never made by the most reckless stump orator, much less by a President of the United States, for partisan purposes. It is an insult, not only to every loyal Republican in Congress but to every loyal Republican in the land. It fully merits the resentment which rightfully and surely will find expression at the polls.

Mr. Wilson grudgingly admits that the Republicans have been "pro-war." Then why does he demand their defeat? Because they are still pro-war? Hardly that. No, it is because they are for peace through, not without, victory; because they do not believe lasting peace can be obtained through negotiations; because they consider that "U. S." stands for unconditional surrender as well as for the United States and Uncle Sam. The Democratic Congress does not. Mr. Wilson does not. There is the issue, clear as the noon-day sun. The country will decide.

Mr. Wilson wants only rubber stamps, his rubber stamps, in Congress, he says so. No one knows it better than Democratic Congressmen. He calls for the defeat of pro-war Republicans and the election of anti-war Democrats. He, as the Executive, is no longer satisfied to be one branch of the Government, as provided by the Constitution. Republican Congressmen must be defeated and Democratic Congressmen must, as they would, yield in everything. That is evidently his idea—the idea of an autocrat calling himself the servant, but bidding for the mastery of this great free people.

Republicans in Congress have seemed to him good enough when they assented, as they did assent with highest patriotism and sometimes against their best judgment, to his proposals. Republicans at home have seemed to him good enough to send fully a million of their sons into battle, to furnish at least half of the army and for more than half of the money for the winning of the war, but they are not considered good enough to have a voice in the settlement of the war. Why? Are not their sacrifices as great as others? Have not they as much at stake in the future? Mr. Wilson

says he has "no thought of suggesting that any political party is paramount in matters of patriotism," but he does suggest it, and he suggests further that he alone is paramount in intelligence.

But Mr. Wilson's real purpose has nothing to do with the conduct of the war. He has had that from the beginning, has it now, and nobody dreams of interfering with his control. He wants just two things. One is full power to settle the war precisely as he and his sole, unselected, unappointed, unconfirmed personal adviser may determine. The other is full power as the "unembarrassed spokesman in affairs at home," and he actually demands in his statement to reconstruct in peace times the great industrial affairs of the nation in the same way, in unimpeded conformity with whatever Socialistic doctrine, whatever unlimited Government ownership notions, whatever hazy whims, may happen to possess him at the time, but first and above all with absolute commitment to free trade with all the world, thus giving Germany out of hand the fruits of a victory greater than she could win by fighting one hundred years.

A Republican Congress will never assent to that. Do you want a Congress that will? Germany does. Germany looks to Mr. Wilson to get it for her, as he pledged himself to do in one of the few of his famous articles which is applicable. Germany understands that. See the New York "World," spokesman of the Administration, of last Saturday and read the testimony of Henry C. Emery, former head of the Tariff Commission, just returned from seven months in Germany. "The German people," he says, "seemed to realize that in President Wilson lay their only salvation. They have turned to him in the belief that he is the one great political leader who can be trusted to make a permanent peace which shall permit equal economic development." He is. All others demand that the Germans shall pay the full penalty of their crimes.

What worse than nonsense than is the Democratic campaign cry that the election of a Republican Congress, pledged to unconditional surrender and protection of American industries and American workmen, instead of a Democratic Congress, ready to assent to a negotiated peace and free trade, would bear cheer to Germany. Such claims would be ludicrous if they were not so seriously unpatriotic.

They are as unfair as untrue, and as utterly impossible as their claim that our allies would be cast down by the election of such a Republican Congress in the face of the world-known Republican record, past and present, and in the face of the recent acclaim abroad of Republican Senators, as reported in the Paris cable to the Democratic New York "Times" on Oct. 9 in these words:

"The reports of debates in the American Senate share first pages with the news of the great military victories on the West front. Senators McCumber, Nelson and Lodge are as highly thought of in France to-day as are the American generals."

Mr. Wilson calls upon the Republicans of the country to repudiate their representatives in Congress who have proved true and loyal patriots. Are you going to do it? Answer with your votes.

Mr. Wilson forces the Republican party to lie down or fight. I say fight. Answer with your votes.

Mr. Wilson is for unconditional surrender—yes, for the unconditional surrender to himself of the Republican party, of the country, of the Allies—all to him, as the sole arbiter and master of the destinies of the world. Do you stand for that? Answer with your votes.

"The war is a Democratic asset," shouted Vice-President Marshall. And they have made every effort to make it so, despite the earnest Republican insistence that we have no contest as to anything that touches the war except that contest as to who best can serve, who most can give. Republicans have insisted that with the great war load to haul, both political horses should be harnessed, each striving to see which can pull the harder. Mr. Wilson's appeal is simply the supreme effort of the Democratic high command to capitalize for partisan political purposes the glorious spirit of patriotism that inspires this country. He openly speaks as his party has been secretly acting for months. And he changes nothing—neither the facts nor the Democratic political methods nor the certainty of Republican success.

This is a call to all loyal Republicans, proud in their patriotism, to stand by their country and their candidates, and to let the world know that America spurns autocracy no less at home than abroad, and will uphold her allies in whatever reparation they may exact for the frightful outrages inflicted upon them by the accursed Huns.

We are fighting in France to make certain forever that men may have the right to govern themselves. Here, where we have that right, we shall exercise it, now and always. America was created for that very privilege. America will not be denied it now. America will answer with her votes.

Reference is made in the above to what ex-President Taft has had to say regarding the President's appeal, and his remarks, as given by the Philadelphia "Ledger" appeared as follows in that paper Oct. 26:

The President, having put by, in "grim times like these," the scruple of taste in his appeal to the American people for the return of a Democratic Congress, of course, invites a respectful consideration and discussion by every loyal American citizen of what he says.

The appeal of the President is forcible but specious. The unified leadership he asks is autocratic power in fields in which the Constitution and principles of democracy require that he should consult other representatives of the people than himself. In pursuit of his policies he consults neither his own party nor any other. He wishes a Democratic Senate, not because he would seek their assistance in the foreign policy concerning which by the fundamental law they are to advise and consent, but because he can mould them absolutely to his will without consulting them. He has visited his displeasure on every Democratic member of either house who has differed with him and called upon that member's constituency to reject him.

Is it necessary for the country's welfare that he should be absolutely ruler of this nation for the two years ensuing from March 4 next? That is the premise upon which the soundness of his appeal in its ultimate analysis must rest. Do we need during the life of the next Congress a dictator? One who knows the facts of this war, and our part in it, and who loves liberty and popular government, must answer no. The war is nearly won. It may take a year longer. We hope it will be less. The complex questions of the terms of peace are to be settled in the term of the Congress now to be elected.

The still more difficult questions of reconstruction after the war are to be met by that Congress. Do the American people by their action in the next election wish to make both the terms of peace and the reconstruction after the war depend on the uncontrolled will of Woodrow Wilson? That is the issue which he puts to them in his appeal.

"Unless you give me uncontrolled power, you repudiate me and my leadership before the world."

Aut Caesar aut nullus.

Never in the history of this country has the President had such vast and unlimited power as he has to-day. It has been often exercised through agencies selected by him without great consideration of the individual. Far too many instances of partisanship in the selection of these agencies

are known of all men to give point to the President's disclaimer of thought of party in this appeal. The people have restrained protest against arbitrary exercise of power in their anxiety to win the war. The power which the President has, was voted to him by the Republicans in both Houses. They manifested no partisan desire to withhold it in spite of the knowledge that it would tempt the use of it for partisan purposes.

The great measures for which the President can claim credit in this war are the two draft acts. The first he could not have secured but for Republican support. The second he did not initiate until four months after he had first rejected it and until after Republicans and certain Democrats he had proscribed for differing with him had forced it upon his reluctant attention.

But for the Republican Congressional support that he has had in this war he could not have conducted it to its present status. He charges Republican leaders with seeking to take the choice of policy and conduct of this war out of his hands by putting it under instrumentalities of their own choosing. The difficulty with this statement is that it is not true.

The mere mention of the name of Julius Kahn and his work in this Congress answers every reflection the President makes on the Republican minority.

What the Republican leaders attempted to do was to furnish the President with an executive organization by which he might carry on the war more effectively. There was not the slightest suggestion that he was not to appoint those who were to exercise the powers under his supervision and direction, but he did not wish to delegate sufficient power to his appointees to enable them to achieve what had to be done, and so objected.

In the end, he was driven to do in a more awkward way that which months before the Republicans sought to give him effective machinery to do. Thus the war council of Mr. Baker passed into innocuous desuetude, while Stettinius and Goethals, first rejected, were given requisite power. Thus Denman was put forward, withdrawn, then another, then another, and finally Schwab was given the unrestricted chance to push the making of ships. So with aviation, a lamentable waste and failure came first, and now Ryan with requisite headship and authority is doing the job.

What was it that stimulated a reform of lamentable methods and delays in clothing, rifles, machine guns, artillery and ammunition but investigations in the Senate Military Committee of Republicans and a few wilful but patriotic Democrats?

The patriotism and usefulness of the Republicans as a minority in winning this war stand out so clearly as compared with that of the leaders of the Democratic majority that the Republicans may well go to the people on the issue which the President raises.

Nor is there any more real weight in the President's plea that an election of a Republican Congress will injure the cause of the country in this war abroad as a vote of want of confidence in his prosecution of the war. The intelligence which he says the European peoples have will enable them to see that an election of a Republican Congress will mean a more certain prosecution of this war to an unconditional surrender than if the President shall secure a House and Senate who will only do his will and second his desires.

The shiver which went through the hearts of the American people when the implied proposals of the President's first note for a negotiated peace were so quickly accepted by Germany was shared by all the brave but suffering peoples of our allies. For reasons, apparent to all, the real expressions of feeling in respect to President Wilson's utterances in England and France are restrained. But when the torrent of American public opinion compelled a gradual return toward a demand for unconditional surrender, the joy of our allies was unrestrained. They know that a verdict at the election for a Republican House will end forever the dangers which seemed to face a negotiated peace.

Instead of obstructing the President and our allies in winning this war and a dictated peace, nothing would so discourage the Germans and hearten our allies as the return of a Republican Congress.

Secretary of the Treasury McAdoo, in endorsing the appeal of the President on the 27th ult., stated that "the only way to secure continued unity of command in America is to return a Congress which is willing to support the President fully, and such a Congress must be composed of a majority in full sympathy with views, policies and ideals." His statement follows:

Before America entered the war the Allies had suffered repeated reverses because there was no unity of command. They were divided among themselves in authority. The first act of the President was to compel a unity of command under General Foch. Ever since that time America and her allies have been winning victories, and a triumphant conclusion of the war is in sight as long as unity of command and of action is preserved. Unity of command in Europe must be backed up with unity of command and action in America.

The President, who is the Commander-in-Chief of the army and navy of the United States, must not have the authority divided in the United States between the Congress, on the one hand, and himself on the other. We must preserve unity in America if we are to maintain victories on the front and gain the kind of peace for which America fights. The only way to secure continued unity of command in America is to return a Congress which is willing to support the President fully, and such a Congress must be composed of a majority in full sympathy with his views, policies and ideals.

Criticisms made by the Cuyahoga County Republican Committee at Cleveland, of the President's appeal, have elicited from the President's Secretary, Joseph P. Tumulty two letters, one of which reads as follows:

Washington, Oct. 27 1918.

Cuyahoga County Republican Committee, Cleveland, Ohio.

Gentlemen.—The President has asked me to acknowledge the receipt of your telegram. With reference to the statement you make that you "disagree with the assumption conveyed by the President's statement that the election of a Republican Congress would be misunderstood overseas," I beg to call your attention to a statement made by a former President, in 1898, during the Spanish-American War, who at the time the statement was made was a candidate for Governor of New York. He said:

Remember that, whether you will it or not, your votes this year will be viewed by the nations of Europe from one standpoint only. They will draw no fine distinctions. A refusal to sustain the President this year will, in their eyes, be read as a refusal to sustain the war and to sustain the efforts of our peace commission to secure the fruits of war. Such a refusal may, of our peace commission to secure the fruits of war. Such a refusal may, not inconceivably bring about a rupture of the peace negotiations. It will give heart to our defeated antagonists. It will make possible the interference of those doubtful neutral nations who in this struggle have wished us ill. You could get the benefits of the victories of Grant and Sherman only by re-electing Lincoln, and we will gain less than we ought from the war if the Administration is not sustained at these elections.

Former President Harrison, pleading for the election of a Republican Congress on that occasion, was quoted by the Philadelphia "North American" of Nov. 1 1898, as saying:

If the word goes forth that the people of the United States are standing solidly behind the President, the task of the Peace Commissioners will be easy, but if there is a break in the ranks—if the Democrats score a telling victory, if Democratic Senators, Congressmen, and Governors are elected—Spain will see in it a gleam of hope; she will take a fresh hope and a renewal of hostilities. More war may be necessary to secure to us what we have already won.

He also said:

Our election results should not give, or even seem to give, encouragement to those who would find in our discords and divided counsels their advantages.

I wish now to quote from the distinguished leader of the minority in the Senate chamber, the senior Senator from Massachusetts (Mr. Lodge). The Senator delivered a speech on the 6th day of October 1898, before the Republican State convention, and he is thus reported in the Springfield "Daily Republican" of the next morning:

But there is one question on which I wish to say a few words and that seems to me override all others: It is whether we shall stand by the Administration and the President at this juncture. If we give a victory to his political opponents, we say not only to the United States but we say to the world, we say to the Spanish Commissioners in Paris, that the people of the United States repudiate its result and repudiate the man who had led victoriously the war and is now leading us back to peace—William McKinley.

Senator Lodge said further, at a dinner given by the Massachusetts Republican Club on Oct. 26 1898:

The policy of the United States, like the policy of all great nations, has been an advancing and an extending policy, and the question that confronts us to-day is not whether we shall enter upon a new policy, but how far we shall go under the circumstances and creations created by the war. There is nothing new in the question. It is a question of degree. How far do we want to go? There is one man who has got to deal with that question, who cannot meet it with empty negatives, and that is the President of the United States. I have faith in him. I believe in his Americanism, and as the Constitution has charged him with this great duty, I, as one American citizen, am prepared to stand back and allow the constitutional representative to deal with it in the face of Europe and of the world and to settle it, and it is my desire, and I think it should be the duty of every patriot, to stand behind him and to hold up his hands.

Senator Penrose said on the 21st of October 1898, as reported in the Philadelphia "Inquirer," Oct. 23 1898:

In a few hours President McKinley will be your guest to witness the greatest pageant the country has ever known. In his recent speeches the President has appealed, not to a partisan, but to a national spirit. He asks in the result of his Administration. I appeal not to the martial spirit of the nation, great as have been our victories on sea and land. I appeal to the quiet, sober thought of the American people, who do not go to war unless for honor and humanity. I make this appeal to you that you give loyal support to President McKinley and the Republican party in the spirit he has asked for it.

He wants Pennsylvania to remain the Keystone State for the Republican party. I do not hesitate to say that no one would mourn more than I the disaster to the Republican party in this State, and I say that the loyal Republicans of Pennsylvania will be found on the 8th day of November holding up the hands and assisting in guiding this nation, through the leadership of the Republican party, to our manifest and glorious destiny.

The Senator also said:

"The conditions surrounding the present Congressional election are unprecedented. Before the war with Spain Republicans were willing to concede that the next House of Representatives would probably be Democratic. The successful prosecution of the war raised the hope that the Republican party might carry Congress even in an "off" year; but the war speedily ended, and the reaction even against that exists in many forms. Criticism of the conduct of the late war is no exception. It is difficult to overestimate the supreme importance of sustaining the President of the United States and the Republican party at the present critical crisis in our foreign relations. While it is not said that there have yet been formed any issues as to the details of our policies, yet there seems to be one thing upon which we are united, and that is upon the question of our national aggrandizement."

In 1898 Senator Foraker of your own State, Ohio, said:

"The war came while a Republican Administration was in power and must now be settled by that Administration. For its origin, its character, and its settlement we are therefore accountable. I do not believe any fair-minded Democrat would question the fitness of the Republican party for the discharge of this duty, but however, it might be otherwise, the work is already in the hands of President McKinley. What he wants is the support of a Republican House of Representatives. It is the duty of Ohio to lend him this help."

In addition, for your information, I might say that the editorials of the leading Republican papers throughout the country at that time took the same position. I would refer you particularly to the editorials contained in the New York "Tribune" of the 10th of October 1898; New York "Sun" of the same date; Philadelphia "North American," Nov. 8 1898; Topeka "Daily Capital," Nov. 8 1898; Chicago "Tribune," Nov. 6 1898; Kansas City "Star," Nov. 13 1898; Seattle "Post-Intelligencer" and the St. Louis "Globe-Democrat" of the same date.

I commend these statements and editorial comments to your respectful consideration. Yours very truly:

J. P. TUMULTY,  
Secretary to the President.

It seems to have been forgotten that at a gathering looking toward the reorganization of the Democratic party in New Jersey, held at Newark on March 20, a letter from President Wilson was read in which the nation's head declared that "every program must be shot through and through with utter disinterestedness; that no party must try to serve itself, but every party must try to serve humanity." "The old party slogans," said the President, "have lost their significance, and will mean nothing to the voter of the future, for the war is certain to change the mind of Europe as well as the mind of America." A resolution pledging to the President the united and hearty support of the Democrats of the State was adopted at the meeting which was in the nature of a reunion of the two factions which resulted with the split in the ranks of the party at the time of Woodrow Wilson's election as Governor of New Jersey in 1910. The President's Secretary, Joseph P. Tumulty, was present at the gathering and made a brief address, in which he said in part:

The President has raised a standard to which all forward-looking men may rally. These principles represent the outpourings of the heart of one of the greatest leaders of democratic forces in the world at this time—a

leader whose moral weight and influence are as dominant in the councils of Europe as it is in the councils of the democratic hosts in our own country. In these doctrines so eloquently expounded there is heart, there is sentiment, there is soul.

He has given expression to the yearnings that come from the hearts of common men.

The supreme duty of this hour—one which calls for the patriotism of every one within our ranks—is to win this war and to end in fine fashion this terrible tragedy. It has drawn the whole world into the maelstrom of blood and tears. This is the supreme test. This is the hour of splendid sacrifice, an hour which shall determine whether democracy shall triumph throughout the world or whether the rule of the Hun shall be the dominant influence.

The letter of President Wilson read at the dinner follows:

The White House, Washington.

My Dear Mr. Toastmaster:

I sincerely regret that matters of pressing importance will prevent my taking part in the reorganization banquet to which you have generously invited me. It is my feeling, as I am sure it will be the feeling of those present, that my clear duty is to stay here on the job. My work can be properly done only if I devote my whole thought and attention to it and think of nothing but the immediate task in hand.

At the same time it is clear that in the present posture of affairs in New Jersey I cannot overlook my responsibility as leader of a great party, and that it is my privilege to point out what I believe to be the duty of the Democrats of New Jersey, now and in the months to come, in order that the exigency of a great hour of crisis may properly be met.

During the months that I had the privilege of serving the people of New Jersey in the office of Governor we sought to accomplish this definite purpose, namely to open the processes of government to the access and inspection of every citizen, in order that the people might feel that the Government of New Jersey represented their hopes, their impulses and their sympathies. It was with this great purpose in mind that we succeeded in establishing electoral machinery which took away from selfish political leaders the power to hold the mass of the party voters of the State in subjection to themselves. In the matter of employers' liability we substituted for the cold letter of the old law the warm and wholesome tonic of humane statute.

In every act of legislation we cut a clear pathway of public service and achieved a record remarkable for its variety and humanity. In every way comprehensive in character and touching no vital interest in the State with a spirit of injustice or demagoguery. We gave the people, after many tedious and discouraging years of waiting, a government which they could feel was their own, free and unhampered by special privilege.

A time of grave crisis has come in the life of the Democratic Party in New Jersey—a time when its friends and supporters must face the facts of the situation if they would serve the cause of free government in New Jersey. Every sign of these terrible days of war and revolutionary change, when economic and social forces are being released upon the world whose effect no political seer dare venture to conjecture, bids us search our hearts through and through and make them ready for the birth of a new day—a day, we hope and believe, of greater opportunity and greater prosperity for the average mass of struggling men and women, and of greater safety and opportunity for children.

The old party slogans have lost their significance and will mean nothing to the voter of the future, for the war is certain to change the mind of Europe as well as the mind of America. Men everywhere are searching democratic principles to their hearts in order to determine their soundness, their sincerity, their adaptability to the real needs of their life and every man with any vision must see that the real test of justice and right action is presently to come as it never came before.

The men in the trenches, who have been freed from the economic serfdom to which some of them had been accustomed, will, it is likely, return to their homes with a new view and a new impatience of all mere political phrases, and will demand real thinking and sincere action.

Let the Democratic Party in New Jersey, therefore, forget everything but the new service which they are to be called upon to render. The days of political and economic reconstruction which are ahead of us no man can now definitely assess, but we know this, that every program must be shot through and through with utter disinterestedness; that no party must try to serve itself, but every party must try to serve humanity, and that the task is a very practical one, meaning that every program, every measure in every program, must be tested by this question, and this question only: Is it just; is it for the benefit of the average man, without influence or privilege; does it embody in real fact the highest conception of social justice and of right dealing without respect of person or class or particular interest?

This is a high test. It can be met only by those who have genuine sympathy with the mass of men and real insight into their needs and opportunities, and a purpose which is purged alike of selfish and of partisan intention. The party which rises to this test will receive the support of the people because it deserves it.

Very sincerely yours,

WOODROW WILSON.

#### PRESIDENT WILSON CHARACTERIZED AS PARTISAN BY EX-PRESIDENT ROOSEVELT.

Ex-President Theodore Roosevelt was credited in the New York "Times" of Oct. 26 as having the following to say about President Wilson's appeal to the people to return a Democratic Congress in the November elections.

The President's statement is an announcement that he is a partisan leader first and President of all the people second.

It is of course the repudiation of one of his former statements, to the effect that politics was adjourned, a statement which, of course, he has already repudiated by his action.

I have no comment just at this moment, but I will deal with the matter in my speech Monday evening in Carnegie Hall, after I have had time to carefully read the document which all good Americans will regard as a most lamentable appeal to politics ever made by a President during a great war, which has been heartily supported by all good citizens without thought to party, but which so far as there have been party differences, at all, has been more heartily supported by his political opponents than by his political friends.

We cannot afford space to quote from Mr. Roosevelt's speech referred to in the above. It was in Mr. Roosevelt's characteristic style—vitriolic.



**APPEAL OF EX-PRESIDENTS ROOSEVELT AND TAFT FOR ELECTION OF REPUBLICAN CONGRESS.**

As a further development of President Wilson's appeal for the return of a Democratic majority to Congress a joint statement urging "all Americans who are Americans first to vote for a Republican Congress" was issued on Oct. 31 by ex-Presidents Theodore Roosevelt and William H. Taft. This appeal of Col. Roosevelt and Mr. Taft states, among other things, that "we earnestly deprecate extending the unified uncontrolled leadership of a Commander-in-Chief to the making of a permanent treaty of peace or to the framing of those measures of reconstruction which must seriously affect the happiness and prosperity of the American people for a century." Below is their appeal in full:

We approach this subject as Americans, and only as Americans. When this war broke out we would have welcomed action by the President which would have eliminated all questions of party politics. It would have enabled us all to stand behind him to the end, without regard to anything except national considerations. Instead of this, partisan lines have been strictly drawn from the first, and now the President announces that only Democrats can be intrusted with future power, and only those Democrats who will do his will. Because of this reflection on other patriotic Americans we appeal for fair play.

The next Congress will serve from March 4 1919 to March 4 1921. In that period:

First—The war must be fought to unconditional surrender, unless this is achieved before.

Second—The terms of world peace must be settled.

Third—The Democratic Administration, after expending billions of treasure and exercising more absolute power than any Administration in our history, must give an account of its stewardship.

Fourth—The change from war conditions to peace must be brought about with the least disturbance, and the work of reconstruction must be broadly begun.

A Republican Congress will be much better qualified than one controlled by Democrats to aid the country in adopting the measures needed for these four great tasks:

First—Even as a minority party the Republicans made the winning of the war possible by passing the original draft bill. Without this we could not have trained and landed the two millions of men now in France. As a minority party the Republicans forced upon a reluctant President and Secretary of War, after an injurious delay of four months, the amended Draft Act, without which we could not put two more millions at the front next July. The Speaker, the Leader and the Chairman of the Military Committee of the Democratic House opposed the original draft with all the vigor possible. It was saved, and so our country's cause was saved by the Republican minority.

Second—The new Senate must approve, by two-thirds vote, the terms of peace. Those terms should be settled not by one man only. It is one-man control we are fighting in this war to suppress. If the peace treaty is to be useful in the future it must be approved by the great body of the American people. The President has indicated a willingness to make a peace by negotiation. He has not demanded as he might have done in three lines, that which the American people demand, an unconditional surrender. His exchange of notes with Germany has caused a deep concern among our people lest he may by his parleying with her, concede her a peace around a council table instead of a sentence from a court. The fourteen points which the President and Germany assume that they have already agreed upon are so general and vague that such a peace would be no treaty at all, but only a protocol to an interminable discussion. The President is without final power to bind the United States to those fourteen points, although his language does not suggest it. Still less has he the power to bind our noble allies. We do not know that these points include all that our allies may justly demand, or do not concede something they may justly withhold. For what they have done for us we owe our allies the highest good faith. It is of capital importance, therefore, that we should now elect a Senate which shall be independent enough to interpret and enforce the will of the American people in the matter of this world peace, and not merely submit to the uncontrolled will of Mr. Wilson.

Nor can the attitude of the House of Representatives be ignored in this peace. Every affirmative obligation binding the United States in that treaty must be performed by the House as part of the Congress. The present Democratic majority in the House has been subservient to the will of the President in every respect except when critical issues in the conduct of the war have been involved. The President has not hesitated publicly to discipline those of his party who have disagreed with him, and the lesson has had its effect. A new Democratic Congress, with its old leaders thus chastened, will offer no opposition to his will. They will not be consulted in the future more than in the past. In a Democratic Congress the American people will not have the service of an independent, courageous, co-ordinate branch of the Government to moderate his uncontrolled will. It is not safe to intrust to one man such unlimited power. It is not in accord with the traditions of the Republic.

Third—The Republicans voted without objection billions to be expended by this Administration. Six hundred and forty millions for aviation were given to the Executive to build aeroplanes, without a single limitation as to the manner or method of its expenditure. A Senate committee has deplored the waste and failure in the use of that money. The debts which have been created by this war the people will be paying to the third and fourth generation. They have a right to know how these enormous sums have been expended. Only a Republican Congress will have the courage to exact a detailed and accurate story of that stewardship.

Fourth—The work of reconstruction must not be done by one man, or finally formulated according to his academic theories and ideals. The President was not elected when such issues were before the people. His mandate of power was not given in the light of the momentous questions which will soon force themselves for solution. He was elected as a peace President, and because he had "kept us out of war." The American people should, therefore, place in the branch of the Government charged constitutionally with adopting policies of reconstruction a Congress which will not register the will of one man, but, fresh from the people, will enact the will of the people.

We earnestly deprecate extending the unified uncontrolled leadership of a Commander-in-Chief to the making of a permanent treaty of peace or to the framing of those measures of reconstruction which must seriously affect the happiness and prosperity of the American people for a century. We urge all Americans who are Americans first to vote for a Republican Congress.

**INCREASED SUGAR ALLOWANCE.**

The sugar allowance for households has been increased from two pounds per person per month to three pounds per person monthly, while the ration for public eating places has been increased from two pounds for every ninety meals to three pounds. The sugar regulations have also been revised to the extent of permitting any person to purchase his monthly allowance at one time. U. S. Food Administrator Hoover made known on Oct. 31 the change in the regulations which went into effect Nov. 1 as follows:

The rapid manufacture of the new crop of beet sugar in the West and new Louisiana cane sugar in the South, together with the freer railway transportation conditions, the reductions that we have made in the consumption of sugar in the manufacturing trades, and the patriotic conservation in the last four months, enable us to increase the household allowance of sugar from two pounds per person per month to three pounds per person per month with the same ratio to public eating places as from Nov. 1.

This makes good our promise to increase the household allowance of sugar at the earliest possible moment that our supplies would justify and make it possible for the householder to more freely use the apple, cranberry and grape fruit products and to use the fruits canned during the summer without sugar. The regulations are also revised to the extent that any person may purchase his whole monthly allowance at one time if he so desires, that is, any family may purchase a month's supply for the entire family in one purchase from the retail trader.

The local Food Board in a statement relative to the increased sugar allowance said:

The condition of the sugar supply generally, taken in conjunction with prospective supplies, is such that the Food Administration is confident the allowance on the increased basis can be continued for some months to come.

The Cuban crop promises enlarged supplies, and the shipping situation is such as to provide ready transportation. It should be understood that the increased allowance will not be at the expense of our scheduled shipment of sugar to Allied countries.

The two pound sugar rationing had been in effect since Aug. 1; for the month prior thereto the allowance per person had been three pounds per month.

Announcement of the plan for the issuance of sugar pledges to prevent the hoarding of sugar by consumers was made on Oct. 25. The Federal Food Board in a statement issued in the matter on Oct. 26 said:

It should be understood that no rationing cards for sugar or any other commodity is contemplated for the people in New York City.

Some of the retail grocers found that there were some unpatriotic people who were apparently hoarding sugar in their homes. The question arose as to the best method of protecting their own sugar supply for the regular customers who were following the requests and the rules of the Food Administration.

One of the methods suggested which seemed among the best was that of asking the customer to sign for his regular purchases, at the same time stating that the aggregate supply of the customer in the home did not exceed the proportion of two pounds monthly for each member of the family, or for each ninety meals served where guests are entertained.

The Board has indicated to the retailers that this or any other fair method of protecting their allotted sugar supply will meet with its approval. As the grocers can obtain only their allotted supply of sugar, they are entitled to some such protection as this, and the public is requested to aid in securing a proportionate supply of sugar to all on the basis of two pounds monthly for each member of the home as indicated.

The form of the suggested pledge is as follows:

**CONSUMERS' SUGAR PLEDGE.**

(To be signed by representatives of households of twenty-five persons or less each three months.)

UPON MY HONOR, I certify that purchase of sugar by me this date, from

(Name of dealer) (Dealer's address),

is made upon the express understanding that there will not be used in my household more than two pounds of sugar per person per month.

I agree not to hoard sugar—I have not now, and will not at any time have in my house or under my control, more than one-half month's supply of sugar, based on a consumption of two pounds per person per month.

I agree to continue on this plan until the Food Administration advises that the sugar situation has been relieved.

To assist in combatting the influenza epidemic the United States Food Administration on Oct. 30 advised the Federal Food Administrators of each State by telegraph that where necessary extra sugar allotments for patients and those caring for them would be allowed. The telegram said:

We have had many requests from hospitals in cities where the influenza epidemic has prevailed, asking that extra allotments of sugar be accorded them during epidemic. As such extra allotments make for comfort of patients and those caring for them, it has been a pleasure to authorize same. Please be guided accordingly in disposing of any similar requests that may come to you from such institutions in your State. If, as a result, it is necessary for you to ask for more sugar for your State, we shall be glad to entertain your request.

**MODIFICATION OF GENERAL FOOD REGULATIONS.**

The New York "World" of yesterday (Nov. 1) in a dispatch from Washington in reporting the increase in the sugar allowance also had the following to say with regard to the modification of the general food regulations:

Liver and bacon, club sandwiches, meat pies, including mince, goulash and hash, stay, but Welsh rare-bit goes, under interpretation of the new twelve general orders applying to public eating places which were announced to-night by the Food Administration.

The Food Administration has decided to make a liberal interpretation of general order four, it was stated, "after careful consideration of requests that have reached it from all parts of the country."

Accordingly mince pie, larded sweet breads, larded fillet of beef, hash, goulash, meat cakes, meat pies and similar dishes containing two or more

kinds of meats (scraps and trimmings) may be served without violating the order; also that liver and bacon, mixed grill, assorted cold meats, chicken and Virginia ham, club sandwiches and a variety of sandwiches containing different meats may be sold at one time. This plainly leaves the embargo only on the serving of more than one straight meat course at a meal.

But strict observance of the rule against serving more than one-half ounce of cheddar, commonly called American cheese, to one patron is insisted upon. This means Welsh rare-bits are a thing of tasty memory, for the present.

#### PRICE OF \$4 50 PER BUSHEL SET FOR CASTOR OIL BEANS.

A statement issued by the War Department says:

In order to procure an adequate supply of castor oil for use in connection with the War Department aviation program, numerous contracts were let last spring for the raising of castor beans in the Southern States, at a price of \$3 50 per bushel. With the harvesting of the crop it has been found that this price does not provide sufficient remuneration to the grower.

After careful consideration of the matter by a board of the Bureau of Aircraft Production, Mr. W. C. Potter, the acting director of aircraft production, has established a price of \$4 50 per bushel of 46 pounds. As specified in the original contracts, beans are to be delivered hulled and sacked, in carload lots, f. o. b. the nearest railroad station to the land on which they are grown.

Most of the planting of castor beans was done under subcontracts with the general contractors. The price of \$4 50 now established is to be paid to the actual growers of the beans. The remuneration of the general contractors for their services in connection with the crop is in addition to this sum.

#### NOVEMBER MILK PRICES—FOOD ADMINISTRATOR HOOVER CRITICISES DAIRYMEN'S DEMANDS.

Increases in milk prices for November were announced by the Federal Food Board on Oct. 30. These prices were decided upon at a conference in Washington on that date and telegraphed to the Federal Food Board in New York by Dr. Clyde L. King, of the U. S. Food Administration. The price of Grade A bottled milk quarts is increased from 17½ cents to 18 cents, while for Grade A pints the new price is 11 cents, compared with 9½ cents for the first half of October and 10 cents for the latter half. Grade B bottled milk will retail at 16 cents against 15½ cents for October, while for Grade B pint bottles the price to consumers will be 10 cents; for the month just ended the price had been 8½ cents from Oct. 4 to 15 and 9 cents from Oct. 16 to 31. The following is the official announcement regarding the new prices:

Dr. King of the United States Food Administration this afternoon announced the following retail prices approved by the United States Food Administration for milk in the New York district during the month of November:

These prices are based upon the basic price to producers of \$3 81 per 100 pounds of 3% milk, in the 150-mile zone.

- Grade A, bottled milk, delivered, quarts, 18c.
- Grade A, bottled milk, delivered, pints, 11c.
- Grade B, bottled milk, delivered, quarts, 16c.
- Grade B, bottled milk, delivered, pints, 10c.
- Grade B, bottled milk, to stores, quarts, 15½c.
- Grade B, bottled milk, by stores to consumers, quarts, 16c.
- Loose milk to stores, Grade B, quarts, 12½c.
- Loose milk, by stores, Grade B, quarts, 13c.
- Loose milk, wholesale, 10 gallons or over, quarts, 12½c.
- Loose milk, wholesale, under 10 gallons, quarts, 13c.

The Food Administration states that a thorough examination of the accounts of the milk distributors shows that they have lost money on milk sold during the month of October and will lose money during the month of November, at the prices announced. The distributors, however, accept these prices rather than have a further increase in the cost to the consumer, which would be likely to result in decreased consumption.

The price of 10 cents per pint for Grade B bottled milk is explained by the Food Administration as based upon the fact that the cost of delivering pint bottles of milk is practically the same as that for delivery of quarts. The amount of labor, overhead expenses and other factors of cost are the same. In selling pint bottles at approximately half the price for quarts, the distributors have been losing money, according to the report made by the investigators for the United States Food Administration. The public is urged to use quart bottles rather than pints, because of the greater economy in the use of the larger size.

The price to the producers of \$3 81 per 100 pounds, which was approved by Mr. Hoover several days ago, means a cost of approximately 9 cents per quart to the distributors, to which has to be added the cost of distribution, transportation, bottling, delivery and overhead expenses.

A telegram which U. S. Food Administrator Hoover had sent to R. D. Cooper, President of the Dairyman's League of New York on Oct. 28 with respect to the demands of the dairymen, was made public at Washington on that date. The telegram stated that "Your association is demanding more than any other section of the country," and added that the price proposed by them would "result in 16-cent milk to the New York consumer, the highest price ever paid for milk." In indicating that there would be no further proceedings with the dairymen so far as the Federal Food Administration was concerned, Mr. Hoover announced that he would "leave the matter in the hands of the citizens and authorities of New York to take such measures as they may see fit." The following is the telegram:

I understand from various parts of the country that while negotiations are proceeding in New York with a view to arriving at a fair voluntary arrangement of milk prices between producers, in which your association is represented, together with consumers and distributors, you have been telegraphing over the country asking milk producers' associations to make demands in

Congress for Congressional investigation of the Food Administration's efforts to secure agreements in milk disputes.

I wish to state plainly that the Food Administration is not intimidated by such tactics and I do not believe they are supported by the responsible dairymen of the country, whose proper interests we have at all times endeavored to protect. We have not the slightest objection to any investigation, but it is desirable for you and the people of New York to consider that while every district in the country east of the Mississippi has been able to arrive at agreements satisfactory to all sides, your association is demanding more than any other section of the country, even after consideration of every fundamental difference in your economic situation.

The patient, painstaking negotiations in New York have extended for weeks under the guidance of Messrs. John Mitchell and Arthur Williams, assisted by Dr. King and Judge Lamb, all fair-minded men of no interest but justice to both sides. The two latter have assisted in settling satisfactorily disputes all over the country, and I have the fullest confidence in the knowledge of all these gentlemen of intrinsic conditions in the industry and their desire to maintain milk production and therefore proper returns to the producer, and give a square deal to the consumer.

The price proposed by them for the New York district of \$3 81 for 3% milk is based upon a profitable return to the producer, as evidenced by all other agreements in the country and differences in your local situation and takes full account of increased wages and other expenses. With some sacrifice to the distributors it will result in 16-cent milk to the New York consumer, the highest price ever paid for milk. Your demands, which result in 17-cent milk, I consider are based upon an attempt to profiteer and will react upon the dairymen by decreased consumption. This decrease in consumption will come from the poor children of the city, to whom milk is vital. The Food Administration has no authority or wish to impose prices upon producers. We entered these negotiations at the instance of all interests, lending ourselves as mediators to arrive at collective bargains with the administration, giving effect by agreement to such fair conclusions as may be adopted by all interests. If in failure to secure agreement among parties, as in this case, you are not prepared to accept our impartial views, and play the game fairly, we can do no more and will leave the matter in the hands of the citizens and authorities of New York to take such measures as they may see fit.

#### COTTON MANUFACTURERS TO USE GRADES OF COTTON BELOW MIDDLING.

In conformity with the Government's announced policy to bring about a greater use of lower grades of cotton, thereby stabilizing the price, manufacturers of cotton fabrics for the Army and Navy will in the future discontinue the consumption of a higher grade of raw cotton than necessary, using instead grades below middling. The Committee on Cotton Distribution announced on Oct. 29 that an agreement to this effect had been reached at a meeting of representatives of the Army and Navy, the War Industries Board and the National Council of American Cotton Manufacturers. Fabrics manufactured on Government contracts will be judged by their strength, serviceability and suitability for purposes intended, rather than by the grade of cotton used in their manufacture. This will apply also to goods made for civilian trade. The following is the statement issued by the Committee on Cotton Distribution:

The attention of all users of raw cotton is directed to the following, released by Charles J. Brand, Chairman, Committee on Cotton Distribution.

At a conference called by the Committee on Cotton Distribution and attended by the Chairman of the Cotton Committee, representatives of the Army and Navy, representatives of the Textile Division of the War Industries Board and the selected committee from the War Service Committee of the National Council of American Cotton Manufacturers, the purpose being to consider the most effectual means of putting into consumption the grades of cotton below middling, the following unanimous conclusions were reached:

1. That many manufacturers of yarns, duck, and other fabrics for the Government are using a higher grade or quality of raw cotton in the production of such goods than is necessary to meet Government or civilian requirements.
2. That it is the desire of the Army and Navy and spinning interests to co-operate with the Committee on Cotton Distribution in its effort to accomplish the purpose for which it was set up.
3. That all manufacturers of goods for the Government be notified that in view of the existing emergency, the Army and Navy agree that raw cotton of no higher grade or quality than necessary should be used in the production of such goods; that goods will not be judged by the grade or quality of the raw cotton, but that the sole test will be whether the product itself comes within contract requirements as to strength and serviceability and suitability for purposes intended.
4. That manufacturers of goods for civilian trade be required to use the same or lower grade or quality of raw cotton as that used in the production of similar classes of goods for the Army and Navy.

Approved:

JOSEPHUS DANIELS,  
Secretary of the Navy.

Approved:

BENEDICT CROWELL,  
Assistant Secretary of War.

In connection with the foregoing, the Committee on Cotton Distribution also released the following statement by Mr. H. L. Bailey, Chairman, Army Commodity Committee on Cotton Goods, who is in charge of inspection in the Purchase, Storage and Traffic Division of the Chief of Staff of the War Department:

"The attached memorandum, dated Oct. 25 and prepared by the Committee on Cotton Distribution, is consistent with the policy of the War Department in the inspection of cotton goods during the existing emergency."

#### COTTON FARMERS URGED AGAINST SELLING AT PRESENT PRICE.

Telegrams urging cotton growers not to sell their cotton at present prices, were sent on Oct. 30 by the Cotton States Official Advisory Marketing Board to heads of farmers' unions of the South. The telegram said:

The insidious work of the price-fixing propagandists, which was started more than a year ago and which was vigorously renewed when the War Industries Board announced that it was about to assume control of the cotton situation, is having its effect. They have tried to have the price fixed at 20 cents, and failing this they are now trying to break the market to about that level. It is now a question whether the cotton farmers or the insidious interests fighting cotton will win. The farmers can win by refusing to sell at these prices.

#### OPENING OF AMERICAN COTTON AND GRAIN EXCHANGE IN NEW YORK.

The new American Cotton and Grain Exchange of this city, whose incorporation was referred to in these columns Feb. 23, and which had originally planned to begin operations on May 1, was officially opened this week, Oct. 29. The new exchange is incorporated under the laws of New York State. It is located in the building at 71-73 Wall Street. The New York "Sun" of Oct. 30 reported that the present membership is 5,100, with a limit of 10,000, mostly among planters and mill men. About 100 members and friends are said to have been in attendance at the opening. For the present, it is stated, trading will be confined to cotton, owing to Government restrictions on wheat, cottonseed oil and coffee. According to the "Sun," it is expected eventually to extend dealings to grain, cotton goods, silk, wool, &c. About 3,000 bales of cotton, it is stated, were sold on the opening call, which was conducted by Charles C. Cowan, President of the Clearing House of the new exchange. Joseph C. Cooper is President of the exchange.

#### COPPER PRICE CONTINUED AT 26 CENTS.

A continuance of the present price of copper at 26 cents a pound until Jan. 1 was approved by President Wilson on Oct. 28. The old price was continued under an agreement reached with copper producers on that date by telegraph instead of by conference. A conference between the representatives of the producers and members of the Price-Fixing Committee of the War Industries Board had been scheduled for Oct. 25, but was canceled on the 24th by P. Yeatman of the War Industries Board on account of the influenza epidemic. The continuance of the copper price was announced as follows on Oct. 28 by the Price-Fixing Committee:

The President has approved an agreement, made between the producers of copper and the Price-Fixing Committee of the War Industries Board (after investigations by this committee in conjunction with the Federal Trade Commission as to the cost of production), that the maximum price of copper shall be continued at 26 cents per pound, taking effect Nov. 1 1918 for shipments after said date, but subject to revision after Jan. 1 1919 for f. o. b. cars or lighters at Eastern refineries, f. o. b. cars or lighters at Pacific Coast refineries for Pacific Coast destinations, and f. o. b. cars or lighters New York, if shipped to Eastern or interior destinations from Pacific Coast refineries and from refineries in the interior of the United States. All shipments made after Jan. 1 1919 are subject to any change in price made by the Price-Fixing Committee to take effect after that date. This maximum price is subject to the additional charges on copper shapes approved by the Price-Fixing Committee on June 5 1918.

The conditions are: First, that the producers of copper will not reduce the wages now being paid; second, that they will sell to the United States Government, to the public in the United States and to the Allied Governments at not above the maximum price; third, that they will take the necessary measures, under the direction of the War Industries Board, in the distribution of copper, to prevent it from falling into the hands of speculators, who might increase the price to the public; and, fourth, that they will pledge themselves to exert every effort necessary to keep up the production of copper so as to insure an adequate supply so long as the war lasts.

"Financial America" of Oct. 24, in referring to the expected continuance of the price at 26 cents, said:

The announcement of the postponement of the copper conference at Washington was expected in local trade circles, and it is the general impression that no date will be set for the meeting. As a matter of fact, it appears to be practically certain that the 26-cent price will be continued, and announcement of such action is expected to be made from Washington shortly.

Although there were some officials of the copper-producing companies who made efforts to obtain an advance in the quotation at this time, it is nevertheless true that many of the leading authorities have been stalling right along that the 26c. figure was just and that there was no reason to look for any change at this time.

Some copper men were in Washington about two weeks ago to confer with the members of the Price-Fixing Committee of the War Industries Board and submitted data of cost, &c., showing that expenses had been mounting, but these interests did not represent all the leading producers and it was considered significant at that time that such a step should have been taken.

As stated heretofore, most of the larger producers are entirely satisfied with the present conditions in the copper trade. They state that the 26c. price should be satisfactory to all producers in view of the fact that the red metal is a war necessity. One official of a leading company stated this afternoon that it should be the present plan of all concerned to keep down costs and do the best possible to get out production, allowing the matters of price and profits to take care of themselves.

The price of copper was increased by the Government from 23½ cents to 26 cents in July last; the lower figure had been fixed by the Government in September 1917 and was in effect from October 1 of that year until July of the present year.

#### READJUSTMENT OF ANTHRACITE MINERS' WAGES —INCREASE IN WAGE OF BITUMINOUS MINERS NOT WARRANTED.

A readjustment of wages in anthracite coal fields to accord with the stabilization of wages in various competing industries was announced by U. S. Fuel Administrator H. A. Garfield on Oct. 14, this announcement being followed on Oct. 30 by a statement by Dr. Garfield that the readjustment would be made effective Nov. 1. His statement follows:

The readjustment is made effective Nov. 1. The order of the Fuel Administrator embodies without change recommendations for wage stabilization agreed upon by miners and mine operators after several conferences, and submitted by them for the information of the conference of national labor adjusting agencies.

This conference, after considering the information submitted, in the light of data on other industries, approved the schedule and referred it to Secretary of Labor Wilson, who, in turn, transmitted it to Mr. Garfield.

The increases it is announced average \$1 a day. The increases are based on the wage scale of May 5 1916 which is the contract under which miners and mine operators are operating, and which was modified May 17 and Dec. 17 1917 on account of war conditions. The new wage scale is as follows: Contract hand and machine miners advance of 40% on gross earnings; consideration miners 25% plus \$1 per day. Contract miners labor advance of 40% on their earnings, an increase of 10% over the agreement of Nov. 17 1917. This is less than \$1 per basic shift, but the difference is assumed by the operators. Consideration miners labor advance of 25%, plus \$1 per day.

The announcement of Oct. 14 stated that the readjustment carried a wage increase along lines agreed upon by miners and operators and affecting about 150,000 miners, by which wages in this work conform relatively to those of other industries under consideration by the War Labor Policies Board. It was further said that the public was clearly in mind in connection with the expense arising from the additional wage, and would be protected. In his announcement of Oct. 14 Dr. Garfield said:

We are now engaged in working out a plan by which the increase will be in a large measure absorbed in such fashion as not to put the burden on the consumer. Some of the prices will show advances. Some will be reductions.

The pressure occasioned by overseas developments, it was stated, had delayed final presentation to the President of the entire wage stabilization findings as outlined by the War Labor Policies Board. Anthracite miners and mine operators had been conferring at Washington since Oct. 3 up to the time and the agreement was reached on Oct. 11 part of the time with Mr. Garfield and part of the time with Secretary of Labor Wilson. Mr. Garfield made it plain that no contract had been terminated as to the anthracite situation, and the proceedings were not primarily those of the wage settlement in the ordinary sense. Miners and operators alike being under an agreement with a considerable time to run met at the invitation of Secretary Wilson and Mr. Garfield to supply information as to their views of the situation for the benefit of the War Labor Policies Board in serving the workers of the nation. Any figures which might emanate from any source at the time of the announcement it was emphasized could not be considered official. Mr. Garfield announced on the 14th that he had sent Frank J. Hayes, President of the United Mine Workers of America, the following telegram:

Frank J. Hayes, President United Mine Workers of America, Indianapolis, Ind.,

The Frankfurter Committee finds that national interest compels a readjustment of wages in anthracite coal fields, with a view of stabilizing wages in competing industries. Arrangement along lines recommended by conference last week has my approval. Details will be communicated to you Thursday, or as soon thereafter as possible. This may be announced.

Following the declination of Fuel Administrator Garfield on Aug. 23 to approve an increase in the wages of coal miners as a substitute for the payment of bonuses it was announced on Aug. 25 that an appeal would be made to Dr. Garfield for a reopening of the coal miners' wage question. As one of the developments following the request for increased wages 3,500 mine workers in the Shamokin District (District No. 9 of the United Mine Workers of America) on Sept. 15 voted to suspend all work about the mines pending an adjustment of their wages. At a secret meeting of delegates from the majority of local unions in the district held two weeks previously it was decided to continue at work for a fortnight, during which period the Fuel Administration and coal operators were to be given opportunity to adjust the wage scale. The miners asked a 100% increase in wages to place them on the same basis as the miners in the bituminous field. This action was com-

municated to the operators and Fuel Administrator Garfield, but when no response was forthcoming the men determined to suspend the production of coal pending a speeding up of action on their demands. On Sept. 16 it was said that 10,000 miners in the District had laid down their tools pending an adjustment of the wage dispute. On the same date Dr. Garfield in a telegram to James Matthews, President of District 9 said that the men would be held personally and strictly responsible. His telegram said:

Please make it perfectly clear to all your men that as long as they are out on strike, I will not confer with them, nor take any steps in their behalf, and that they will be held personally and strictly responsible.

The telegram was in reply to one from Mr. Matthews, who said many of the mines were closed and the men were quitting work despite the fact that he had tried to induce them to remain on the job pending settlement of their claims. While Dr. Garfield would not discuss what action he would take if the men refused to return to work, he intimated that his action would be drastic. On Sept. 18 when it was stated that the number of striking miners in the District had reached 25,000 it was voted by representatives of the workers to resume work the succeeding day. This, it was said, was after assurance had been given by a Government representative that Fuel Administration Garfield would meet the miners Wage Scale Committee if the men went back. At the same time it was announced that striking miners in other Pennsylvania districts who had quit work pending the result of their demands for higher wages were returning to work. The conference for the discussion of wages in the anthracite field, held on Oct. 3, was arranged for by Dr. Garfield at the instance of Secretary of Labor Wilson. A letter in the premises was addressed to Dr. Garfield by Secretary Wilson on Oct. 2 was as follows:

At the conference last night with the representative of the anthracite miners and yourself I made the following statement and suggestion:

"A lifetime in the labor movement and keen observation of its ups and downs has led me to the conclusion that the greatest asset the labor movement has is its recognition of the obligation of its contracts; that whenever a contract is made for a given period of time, whether it is good or bad, it strengthens the labor movement if its members religiously live up to its terms. I know of no other one thing that has helped to make the United Mine Workers of America the power that it is in the mining industry today as much as the fact that it has stood by its contracts, once they have been made, and that sometimes when it meant serious discomfort to live up to the contracts and at times when the very fact that it was living up to its contracts was used as a weapon to defeat certain portions of its membership.

"Now in the face of that viewpoint we are met with the fact that, notwithstanding the contract you have made and the promises in connection with the contract, there is seemingly a sufficient discrepancy between the wages that are paid to you and the wages that are paid to those engaged in munition manufacturers and in bituminous mining to induce a movement from the mines to these other industries that is injurious to the country in the present situation. That is a condition that the whole country is interested in correcting.

"With that situation existing I want to make this suggestion to Doctor Garfield: That he immediately call a conference of the representatives of both sides in the anthracite mining industry with the representatives of the Fuel Administration so that with the facts already available and those that may be available before the conference takes place or is closed, the conference endeavor to arrive at a wage rate that will be just and fair, compared with other industries, and will not result in workers drifting to your industries from other industries or from your industries into other industries. And that when you have arrived at what seems to you to be a proper wage rate it be submitted to this general wage board for its consideration before being approved by Doctor Garfield, so that they will know and you will know that your wage scale is not out of the line with the general wage conditions of the country."

It is hoped that this policy will lead to the establishment of relatively equitable conditions among the several industries, permitting each to secure and retain that relations of workers which will maintain a proper balance in production.

On Oct. 25 U. S. Fuel Administrator Garfield made known his refusal to grant to bituminous coal miners an increase in wages. The bituminous mine workers who are under agreement with the Government to continue operations at the existing scale until the end of the war or for a period of two years were notified on the 25th by Dr. Garfield that existing information does not warrant an increase of wages in the bituminous fields, as part of the Government's general plan of wage stabilization.

This decision was transmitted in a telegram to Frank J. Hayes, President of the United Mine Workers of America, and other officials of the organization, who had taken up the question following a conference of anthracite mine workers and operators, who agreed upon recommendations to the conference committee of national labor adjustment agencies for a readjustment of their wage scale, to stabilize that branch of the industry with reference to other similar occupations. These recommendations were reviewed by the conference committee, of which Dr. Felix Frankfurter is Chairman, and this committee in turn reported to Mr. Garfield. The telegram regarding the bituminous workers said:

I have read with care your letter of twenty-first and have conferred fully with Mr. White and Mr. Pippin. Also have considered carefully whole question of bituminous wages in comparison with those of other industries and am convinced that increase of wages in the bituminous fields is not called for as part of the plan of stabilization and therefore that no increase ought to be made at the present time.

This announcement, it was pointed out at the Fuel Administration, does not in any way close the door toward any information which may be submitted at any time. It was based on a careful consideration of the whole question of bituminous wages, in comparison with those in other industries. A statement by the Administration said:

It is known that as regards the anthracite workers the available information indicated a manifest inequality of wages, as compared with those in other trades.

The facts at the disposal of the Government as regards bituminous wages have not, it is stated, indicated an unstable situation in comparison with other industries. The position of the Fuel Administration, it was said, was taken with the full appreciation of the splendid production records by both bituminous and anthracite workers. On Oct. 27 the National Adjusting Committee announced that it had recommended awards of wage increases for anthracite coal miners and workers in ship yards—the first, it is stated, under a national policy for stabilization of wages for all labor, skilled and unskilled, employed on the Government work. While Fuel Administrator Garfield is said to have declined to comment on the committee's announcement an official reported as being in his confidence is said to have stated that it was hardly probable an award for the anthracite miners would be made by Dr. Garfield until the President had approved the general wage plan, and any announcement of the increase to be granted was premature. Dr. Garfield, he said, had sole authority to act. It is reported that under the recommendation made public, the miners are to get wages ranging from forty-two cents an hour for laborers outside the mine to estimated average earnings for contract miners of approximately \$6 60 a day. It is pointed out that under the plan for an equitable wage scale for all labor, adjustments of wages in the many occupations engaged by the Government's war activities will be brought about through the National Labor Adjusting Committee, so that shifting of men from one job to another can be stopped. At the same time some balance will be found that will prevent continued inflation of wages beyond control. Composing the Committee are representatives of the Secretary of Labor and War Labor Policies Board, the Emergency Construction Wage Commission, the Fuel Administration, the Mediation and Conciliation Division of the Labor Department, the National Adjustment Commission, the National Harness and Saddlery Adjustment Commission, the Navy Department, the War Department, the Railroad Administration and the Shipbuilding Labor Adjustment Board.

Assurances that the coal miners of the country would do their utmost to bring up sufficient coal to meet the needs of the armies in Europe in the way of munitions, food and other supplies were contained in a message cabled by Frank J. Hayes, President of the United Mine Workers of America, to General Pershing in France on Oct. 23. The message was in response to one from General Pershing to the Federal Fuel Administration, setting forth the necessity of a maximum output of coal. President Hayes's message said:

In this crucial hour, the coal miners of America realize their responsibility and will continue to do their full duty. While your indomitable soldiers and their brave allies under Marshall Foch are fighting civilization's battle and winning at the point of their victorious bayonets the peace for which we stand—the lasting peace that your triumphant armies will dictate—the miners of America with depleted numbers are breaking production records. They will stand, steadfast and true, until their comrades in the field, under you, have achieved complete victory. This we pledge you.

#### EFFECT OF INFLUENZA EPIDEMIC ON ANTHRACITE OUTPUT.

For the week ending Oct. 24 anthracite coal production fell off, in spite, it is said, of the efforts of the Fuel Administration, the miners and the operators to increase it. The decrease which was 191,074 tons from that of the week ended Oct. 12, showed a total output of anthracite from the mines of 1,371,114 tons. Production of coal in Pennsylvania fields has been cut seriously by epidemic of influenza among the miners in that section. The Fuel Administration on Oct. 24 said:

The loss of production is not the only danger which confronts the miners in that district, but the fact that many of the miners, who are absolutely necessary for the production of coal, are dying from the disease and cannot be replaced is alarming. Many of those afflicted are not receiving the proper attention, although the reports from the fields show that the Penn-

sylvania Commissioner of Health is doing everything in his power to check the epidemic. He is hampered by lack of proper medical and nursing aid, however.

In referring to the effect of the epidemic on the anthracite output the Anthracite Committee of the U. S. Fuel Administration on Oct. 15 said:

Influenza is costing the consuming public at the rate of 1,000,000 to 1,200,000 tons of anthracite output monthly. Despite efforts to check the epidemic in Schuylkill, Northumberland and Luzerne counties, collieries have been forced to shut down in all sections of the anthracite region. What collieries are running are doing so with a depleted force, which all militates against a normal coal production. In nearly every mining community there are large numbers of mine-workers victims of the "flu," and this, added to the lack of "pep" in many men when some member of their family is ill from the disease, causes great alarm in the anthracite industry.

In the Minersville section, all the collieries are shut down. Twenty-four deaths occurred there in the past 24 hours among mine-workers' families. Throughout Schuylkill County, the situation is growing worse and many collieries of the P. & R. Coal and Iron Co. are closed. Of the 1,700 cases reported in Pottsville, it is said that 50% are either mine-workers or some member of their family. Handicapping conditions are also reported from Wilkes-Barre, Shamokin, Hazleton and Mahanoy City.

From conservative estimates made by operating, the "flu" is causing a production drop of 50,000 tons daily, or from 250,000 to 300,000 tons weekly. This loss would supply at least 25,000 families in a week with anthracite for the winter, allowing each family 10 tons as a conservative supply.

The anthracite industry is doing everything in its power to fight the disease. Every available medical aid is being placed at the mineworkers and their family's service. The operators have enlisted the services of trained nurses throughout the region.

So bad is the condition, as to the ravages of the disease, that many mineworkers have volunteered their service in digging graves for their dead former fellow-workers when no other help is forthcoming.

**ADVANCES TO RAILROADS BY GOVERNMENT.**

According to advices received by us late last night, Director-General McAdoo yesterday authorized the following statement with regard to the advances made by the United States Railroad Administration to the railroads under Government control from April 1 to Nov. 1:

From April 1 to Nov. 1 1918 the Director-General has advanced to all railroads, exclusive of the current earnings of these lines applied directly by the individual roads to their current expenses and corporate needs, the sum of \$363,116,970. If we add to this the payment advanced by the Director-General to the equipment builders on account of the standardized locomotives and freight cars, \$58,433,628, we have the aggregate of all advances during the seven months' period of \$421,550,598. These advances were made to 100 railroad companies and systems. The railroad systems to each of which the Director-General has advanced as much as \$10,000,000 or more to Nov. 1 are:

The Pennsylvania Railroad Lines.....	\$56,620,000
New York Central Lines.....	55,320,000
New York New Haven & Hartford.....	50,000,000
Baltimore & Ohio.....	22,250,000
Chicago Milwaukee & St. Paul.....	16,925,000
Illinois Central.....	15,475,000
Erie.....	12,900,000

These seven systems have received nearly two-thirds of all the money advanced thus far by the Director-General to all roads. For the month of October the total amount advanced to railroads, including advances made by the Director-General to the railroad corporations for corporate needs and to Federal Managers to provide for prior and present requirements, including back pay, old vouchers, improvements, betterments, &c., was \$68,271,890. The advances during the month were made to 56 different lines, over one-half of the amount going to 5 systems:

Pennsylvania Railroad Lines.....	\$13,020,000
New York Central Lines.....	12,400,000
Baltimore & Ohio.....	5,750,000
Erie.....	2,000,000
Illinois Central.....	1,700,000

Of the total amount so disbursed to the railroad to Nov. 1 1918, \$222,741,410 was taken from the \$500,000,000 revolving fund and \$140,375,560 came from the surplus earnings of certain roads which have been turned over from time to time to the Director-General by particular roads whose receipts for the period exceeded their needs.

Under the provisions of the law, the Director-General has authority to supervise or regulate the issuance of new securities by railroad corporations, and it has been the endeavor of the Railroad Administration to aid the railroad companies to obtain at reasonable and moderate interest rates the capital which they might need either for new expenditures or for the extension or renewal of maturing obligations.

The record shows that through the aid and intervention of the Director-General many hundreds of thousands of dollars of interest have been thus saved to the railroad corporations. The following instances will illustrate the results of the Railroad Administration's policy in this respect.

The Baltimore & Ohio RR. had an issue of \$22,500,000 of notes maturing Oct. 1. The company applied to the Director-General for assistance, stating that the best terms for renewal which it had been able to elicit were equivalent to 7 3/4% per annum. As the notes were abundantly secured by high-class collateral, the Director-General informed the company that he regarded the interest rate proposed as excessive and that he could not consistently sanction it. The Division of Finance thereupon communicated informally with a number of banks which held the maturing notes, and upon receiving advice from the holders of approximately one-half in amount of the notes of their willingness to renew at 6% per annum without commission, the Director-General advised the railroad company to offer the extension at 6% to all the note-holders, with the understanding that the Government would advance funds to pay off these holders not agreeing to renew. Holders of 80% in amount of the maturing notes promptly renewed at 6% per annum, and the Government advanced the Baltimore & Ohio company the funds to pay off the bonds.

The Chicago & Western Indiana Railroad Co. told the Director-General that \$15,000,000 of their notes would mature Sept. 1, and that the best proposition from the bankers for renewal was equivalent to 9 3/4% per annum. The Director-General informed the corporation that he would not sanction the renewal on such terms, but would approve a rate of not exceeding 7 1/2% per annum to include bankers' commissions. The railroad company has now been able through its bankers to arrange with over 80%

of the note-holders to renew on those terms, thus saving the company 2 1/2% per annum, or \$375,000, in interest.

The Chicago & North Western Railroad Co.'s issue of \$5,000,000 notes secured by high-class collateral, were maturing Oct. 22 1918, and the company asked the Director-General for aid or authority to renew at about 7 1/2% or 8%. As a result of the Director-General's intervention and the co-operation of the bankers, the notes were renewed at 6% per annum without commission.

The Hocking Valley RR. asked the Director-General for assistance to enable it to meet \$5,000,000 of notes maturing Nov. 1 1918, stating that the company had been unable to secure the money with which to pay the notes at less than 7% to 8%. With the help of the Director-General the company has been enabled to renew a portion of the loan at 6% per annum, while the Government has agreed to advance to the company such funds as will be required to provide for any unrenewed portion at the rate of 6%.

These are a few illustrations of how the Railroad Administration has held down interest rates to railroad corporations in uncertain and difficult times.

In other ways also the Director-General has held a restraining hand on money prices. On Sept. 30 1918 he issued a circular announcing that the rates of interest which depository banks would be required to pay on railroad accounts after Oct. 1 1918 would be reduced from the higher rate, which had previously prevailed to 2% on demand deposits and 3% on time deposits, notice being given at the same time that banks designated as depositories of railroad funds would be expected to limit their charges for money to their customers to the legal rate.

It is gratifying to report that as a result of the active effort of the Railroad Administration to maintain and protect the credit of the railroad corporations and to stabilize and keep to a moderate level rates of interest which these companies may be required to pay, the interest rate on nearly all new railroad loans has been kept down to 6% per annum, the uniform rate which the Government itself has charged on all loans which it has made to railroad companies up to this time.

**SHORT LINE RAILROAD CONTRACT APPROVED BY DIRECTOR-GENERAL McADOO.**

Announcement of the approval and promulgation of the contract for the short line railroads by Director-General of Railroads William G. McAdoo was made on Oct. 25. The contract is said to have been agreed to by representatives of the short lines. On Sept. 22 it was stated that these representatives in conference with Railroad Administration officials had agreed to most of the Government proposals for a contract under which short line roads might return to Federal management, with guarantee of fixed earnings accorded other roads, but with the privilege of charging higher rates and with a fair division of joint rates. It was stated at that time that certain suggestions were presented in the name of the American Short Line Association which were to be considered further by the Railroad Administration before conclusion of the form of contract. The rejection by the Railroad Administration of the proposals of the short line roads for a modification of the contract, and the refusal of the latter to accept counter proposals of the Administration was announced on Sept. 24. The demands of the short lines were characterized by the Railroad Administration as exorbitant; on the other hand, the American Short Line Railroad Association gave out a statement on Sept. 24 describing the terms proposed by the Railroad Administration as "impossible and unlivable." The latter's statement said:

The final draft of the short line contract, as prepared by the Railroad Administration, was submitted and has been rejected by the American Short Line Railroad Association Committee, for the reason that it does not embody any of the vital points that have been contended for by the committee during the negotiations with the Railroad Administration for a satisfactory short line contract. The absence of these points makes the contract as submitted by the Administration impossible and unlivable so far as the short lines are concerned, and, in the opinion of the short line, does not conform to the principles set out by the President in his veto message to Congress of July 11 1918.

No further negotiation will be had with the Railroad Administration unless the Director-General of Railroads will listen to the claims of the short lines personally and grant the vital points necessary to their very existence.

On Oct. 18 the Railroad Administration was said to have stated that the principal obstacles to the settlement of the contract, that of time to be allowed the small railroads in the use of the Federal-controlled lines rolling stock, had virtually been removed by compromise. The contract which it was announced on Oct. 25 had been agreed to provides, it is stated, that until it is found necessary to take over any short line it is to remain under direction of its owner. Joint rates with trunk lines are to be divided "fairly" between the short lines and Government operated roads, and are not to be less than the percentages received last Jan. 1, when Government operation started. In event of an increase in joint rates, as in the general rate advance order, short lines are to receive a proportionate share of the higher rate. They are to receive an equitable allotment of cars and, where feasible, of motive power, and are to pay the same rental for these that the railroad administration pays as rental for equipment. Enough traffic is to be routed over a short line to "guarantee to it the same amount of competitive traffic as was enjoyed for the average of the three years ending Dec. 31 1917." Short lines may make purchases at cost through the Railroad Administration's central purchasing organization, and may

have repairs made in shops of Government managed roads on the same terms as prevailed before Government control. The contract contains no provision requiring short lines to pay the scale of advanced wages now prevailing on Government managed roads. The Railroad Administration's announcement of Oct. 25 concerning the approval of the contract said:

Director-General McAdoo has approved and promulgated the contract for the short-line railroads.

This contract follows the general principles announced by the President at the time he vetoed the short-line resolution. It is believed that this will be satisfactory to short-line owners and will enable them to continue in operation as successfully as before Federal control.

It provides that until it is necessary for the Director-General to exercise control over the short-line roads for war purposes, they are to remain under the management and direction of their owners and are entitled to all the revenues and responsible for all expenses and obligations; that the rates, fares and charges for transportation services performed jointly by the short lines and the trunk lines shall be divided fairly between the Director-General and the company. The arbitraries and percentages of joint rates received by the short lines on Jan. 1 1918 shall not be reduced, and when joint rates are increased, the short lines shall receive their proportion of such increased rate in the same ratio; that the short lines are to receive an equitable allotment of cars (and where feasible motive power), and for the equipment furnished by the Director-General they shall pay same rental as the Director-General pays for their equipment used by him, and an allowance of two days free time on cars for loading and unloading is made on lines of road of 100 miles in length or less.

Such arrangement shall be made for the routing of competitive traffic over the short line as will guarantee to it the same amount of competitive traffic as was enjoyed for the average of the three years ending Dec. 31 1917 and the short lines as far as practicable is to have the benefit of the purchasing agencies of the Director-General in the purchase of materials and supplies, and at the prices paid by him; and have its repairs made at the shops of its connecting lines upon the same terms as was enjoyed before Federal control.

There shall be no discrimination against the company in the matter of publishing tariffs and routing. Short lines will be treated in the same manner as the trunk lines, except that nothing in the contract shall be construed to require the establishment of joint rates where joint rates were not in effect at the beginning of Federal control.

The order of relinquishment issued in June is to be set aside, and the road restored to Federal control on the basis of the contract, and the right is given to the Director-General to take over the operation of the road if in his opinion a war necessity arises.

The Director-General will formulate definite rules and regulations governing exchange transportation, which shall apply to the short lines without discrimination.

The contract applies to about 1,500 so-called short lines under private management; it has yet to be signed by the officials of each line.

#### MODIFICATION OF BAN AGAINST PARTICIPATION OF RAILROAD MEN IN POLITICS.

A modification of the order issued by Director-General of Railroads McAdoo on Aug. 31 forbidding railroad employees or officers from holding office or participating in politics was issued by the Director-General on Oct. 22. The new order permits the men to hold municipal offices and to be delegates, but not chairmen of political conventions. This action, urged by the four leading railroad brotherhoods, was taken, it was explained, because of the discovery that many communities consist almost entirely of railroad men, from whom necessarily municipal officers must be elected. The new regulations conform to rules prevailing for navy yard men and other Government employees. Municipal officers, it is specified, must not be permitted to interfere with railroad duties. Employees elected to political offices before Aug. 31, when the original order was issued, will be permitted to complete their terms. Likewise if they had become candidates they are not required to withdraw. The following is the amended order of Oct. 22:

#### U. S. RAILROAD ADMINISTRATION,

Office of Director-General, Oct. 22 1918.

General Order No. 48.

This order is issued in lieu of and as a substitute for General Order No. 42 and Supplement No. 1 thereto.

The issuance of General Order No. 42 was for the purpose of extending to officers, attorneys and employees in the railroad service of the United States substantially the same regulations as to political activity which have been applied for many years through civil service laws and Executive and departmental orders and regulations to other employees of the United States. These laws, orders and regulations conform to a wise policy which has long had the support of the people of the United States regardless of political parties. Since the Government has taken control of the railroads and their former officers, attorneys, and employees have become public servants, it is necessary that the same policy as to political activity be extended to them as to other employees of the United States. As employees of the Government, they cannot be properly exempted from the policy applied to other Government employees.

It has developed, however, since General Order No. 42 was issued that there are many communities in the United States which are composed largely, and in some respects almost wholly, of railroad employees and their families, and that the proper civil administration of such communities makes it necessary that railroad employees should hold municipal offices. It is clear that in such cases exceptions should be made. Such exceptions have been made by the Government in other cases (such as navy yards in certain localities) where the population consisted wholly or in large part of Government employees and where it was necessary for proper administration of civil affairs such Government employees should hold local political offices.

It has, therefore, been determined to permit railroad employees to hold municipal offices in the communities in which they live, provided they do not neglect their railroad duties as a result thereof, and also to limit Section (2) to a prohibition against railroad employees acting as chairmen of political conventions or using their positions in the railroad service of the United States to bring about their selection as delegates to political conventions in order to harmonize said Section (2) with existing civil service rules and departmental regulations.

#### List of Limitations.

- It is therefore ordered that no officer, attorney, or employee shall—
1. Hold a position as a member or officer of any political committee or organization that solicits funds for political purposes.
  2. Act as a chairman of a political convention or use his position in the railroad service of the United States to bring about his selection as a delegate to political conventions.
  3. Solicit or receive funds for any political purpose or contribute to any political fund collected by an official or employee of any railroad or any official or employee of the United States or any State.
  4. Assume the conduct of any political campaign.
  5. Attempt to coerce or intimidate another officer or employee in the exercise of his right of suffrage. Violation of this will result in immediate dismissal from the service.
  6. Neglect his railroad duties to engage in politics or use his position in the railroad service of the United States to interfere with an election. An employee has the right to vote as he pleases and to exercise his civil rights free from interference or dictation by any fellow-employee or by any superior or by any other person. Railroad employees may become candidates for and accept election to municipal offices where such action will not involve neglect on their part of their railroad duties, but candidacy for a nomination or for election to other political office or the holding of such office is not permissible. The positions of notaries public, members of draft boards, officers of public libraries, members of school or park boards, and officers of religious and eleemosynary institutions are not construed as political offices.
  7. In all cases where railroad officers, attorneys, and employees were elected to political offices prior to the issuance of General Order No. 42, Aug. 31 1918, they will be permitted to complete their terms of office, so long as it does not interfere with the performance of their railroad duties. After the completion of said terms of office they will be governed by the provisions of this order.
  8. In all cases where railroad officers, attorneys, and employees were nominated for political offices and had become candidates therefor prior to the issuance of General Order No. 42, Aug. 31 1918, they will be permitted to hold and complete the terms of office to which they may be elected at the general election to be held in November 1918, to the extent that the holding of such offices shall not interfere with the performance of their railroad duties. After the completion of such terms of office they shall be governed by the provisions of this order.

#### Loyalty to the Government.

Railroad men have given ample proof of their loyalty to their Government. I am confident that they will gladly and patriotically accept now those reasonable governmental regulations concerning political activity which their welfare and America's cause demand. They are the same regulations in their general scope and application as all other Government employees have lived under for many years without the loss of any essential rights and with added dignity to their citizenship.

W. G. McADOO,

Director-General of Railroads.

Approved:

WOODROW WILSON.

General Order No. 42 was published in our issue of Sept. 7, page 958; Supplement No. 1 to that order was issued as follows on Sept. 14:

#### UNITED STATES RAILROAD ADMINISTRATION,

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

Washington, D. C., Sept. 14 1918.

Supplement No. 1 to General Order No. 42.

(1) It appears that prior to the issuance of General Order No. 42 various railroad officers, attorneys and employees were elected to political offices and are now holding such offices. In such cases no objection will be raised to the completion of such terms of office. In all other respects, however, General Order No. 42 will apply to such officers, attorneys and employees.

(2) In cases where prior to the issuance of General Order No. 42 railroad officers, attorneys and employees had been nominated for political offices or had become candidates locally for such offices, they may continue in railroad employment until the election.

(3) The position of notaries public, members of draft boards officers of public libraries and of religious and eleemosynary institutions are not construed as political offices.

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

#### OFFICIAL LIST OF RAILROADS UNDER FEDERAL CONTROL.

In our issue of July 13, page 147, we published a statement, furnished to us by the U. S. Railroad Administration, containing the names of 559 roads which were retained under Federal control as of July 3. Under date of Oct. 10 the Railroad Administration issued a list of railroads and systems of transportation under Government control which contains some 250 or 300 names more than our previous list. This new list is announced by Edward Chambers, Director of the Railroad Administration's Division of Traffic, who, in presenting it, says:

This schedule merely shows the names of the railroads and systems of transportation under Federal control for convenient use and reference in all matters pertaining to or connected with tariff publication and rate regulation, and must not be used or construed as determining or affecting the status or relations with the Government of any carrier shown herein or omitted or the method or manner of the operation of any carried under Federal control.

This list shows, for the purposes stated, the carriers under Federal control as of the date of its issue. It will be amended from time to time to include other lines as their status becomes fixed.

Aberdeen & Rockfish RR.  
 Abilene & Southern Ry.  
 Ahapee & Western Ry.  
 Akron & Barberton Belt RR.  
 Akron Union Passenger Depot Co.  
 Alabama & Vicksburg Ry.  
 Alabama Great Southern RR.  
 Albany & Susquehanna RR.  
 Albany Passenger Terminal Co.  
 Albany Railroad Bridge Co.  
 Alleghany & Western Ry.  
 Allentown Terminal RR.  
 Alton & Southern RR.  
 Ann Arbor RR.  
 Arizona Eastern RR.  
 Arkansas & Memphis Railway Bridge & Terminal Co.  
 Arkansas Central RR.  
 Arkansas Western Ry.  
 Ashville & Crazy Mountain Ry.  
 Ashland Coal & Iron Ry.  
 Atchison & Eastern Bridge Co.  
 Atchison Topeka & Santa Fe Ry.  
 Atchison Union Depot & RR. Co.  
 Athens Terminal Co.  
 Atlanta & St. Andrews Bay Ry.  
 Atlanta & West Point RR.  
 Atlanta Birmingham & Atlantic Ry.  
 Atlanta Joint Terminals.  
 Atlanta Terminal Co.  
 Atlantic & East Coast Tunnel Co.  
 Atlantic & St. Lawrence RR.  
 Atlantic & Yadkin Ry.  
 Atlantic City RR.  
 Atlantic Coast Line RR.  
 Augusta & Summerville RR.  
 Augusta Belt Ry.  
 Augusta Union Station Co.  
 Baltimore & Ohio RR.  
 Baltimore & Ohio Chicago Term. RR.  
 Baltimore & Sparrows Point RR.  
 Baltimore Steam Packet Co.  
 Bangor & Aroostook RR.  
 Barnezet RR.  
 Barre & Chelsea RR.  
 Bath & Hammondsport RR.  
 Bay Shore Connecting RR.  
 Beaumont Sour Lake & Western Ry.  
 Beaumont Wharf & Terminal Co.  
 Bellington & Northern RR.  
 Belknap & Northern Ry.  
 Belt RR. & Stock Yards Co.  
 Belt Ry. of Chattanooga.  
 Belt Ry. of Chicago.  
 Bennettville & Cheraw RR.  
 Bergen County RR.  
 Bessemer & Lake Erie RR.  
 Big Fork & International Falls Ry.  
 Big Blackfoot Ry.  
 Birmingham & Northwestern Ry.  
 Birmingham Terminal Co.  
 Blackwell Lumber Co.'s RR.  
 Blue Ridge Ry.  
 Boston & Albany RR.  
 Boston & Maine RR.  
 Boston Terminal Co.  
 Boyne City Gaylord & Alpena RR.  
 Brazil Devils Lake & Minneapolis Electric Ry.  
 Brockport & Shawmut RR.  
 Brooklyn Eastern District Terminal.  
 Brownwood North & South Ry.  
 Brunswick & Chillicothe RR.  
 Buffalo & Susquehanna RR.  
 Buffalo Creek RR.  
 Buffalo Rochester & Pittsburgh Ry.  
 California State Board of Harbor Commissioners Belt RR.  
 Calumet Western Ry.  
 Camas Prairie RR.  
 Canada-Atlantic Transit Co.  
 Canadian Pacific Ry.  
 Carolina & Northwestern Ry.  
 Carolina & Tennessee Southern Ry.  
 Carolina RR.  
 Carolina Clinchfield & Ohio Ry.  
 Carolina Clinchfield & Ohio Ry. of South Carolina.  
 Cartaret Extension RR.  
 Catsaugua & Fogelsville RR.  
 Centralia Eastern RR.  
 Central Indiana Ry.  
 Central New England Ry.  
 Central New York Southern RR.  
 Central of Georgia Ry.  
 Central RR. of New Jersey.  
 Central RR. of South Carolina.  
 Central Terminal Ry.  
 Central Transfer & Storage Co.  
 Central Union Depot Ry. of Cincin.  
 Central Vermont Ry.  
 Central Vermont Transportation Co.  
 Champlain & St. Lawrence RR.  
 Charleston & Western Carolina Ry.  
 Charleston Terminal Co.  
 Charleston Union Station Co.  
 Chattanooga Station Co.  
 Cherry Tree & Dixonville RR.  
 Chesapeake & Ohio Ry.  
 Chesapeake & Ohio Ry. of Indiana.  
 Chesapeake & Ohio Northern Ry.  
 Chesapeake & Western RR.  
 Chesapeake Steamship Co.  
 Chester & Delaware RR.  
 Chesterfield & Lancaster RR.  
 Chicago & Alton RR.  
 Chicago & Eastern Illinois RR.  
 Chicago & Erie RR.  
 Chicago & North Western Ry.  
 Chicago & Wabash Valley Ry.  
 Chicago & Western Indiana RR.  
 Chicago Burlington & Quincy RR.  
 Chicago, Detroit & Canada Grand Trunk Junction RR.  
 Chicago Great Western RR.  
 Chicago Heights Terminal Transfer RR.  
 Chicago Indianapolis & Louisv. Ry.  
 Chicago Junction Ry.  
 Chicago Kalamazoo & Saginaw Ry.  
 Chicago Memphis & Gulf RR.  
 Chicago Milwaukee & Gary Ry.  
 Chicago Milwaukee & St. Paul Ry.  
 Chicago Peoria & St. Louis RR.  
 Chicago Peoria & Western Ry.  
 Chicago River & Indiana RR.  
 Chicago Rock Island & Gulf Ry.  
 Chicago Rock Island & Pacific Ry.  
 Chicago St. Paul Minneapolis & Omaha Ry.  
 Chicago Terre Haute & Southeastern Chicago Union Station Co.  
 Cincinnati Burnside & Cumberland River Ry.

Cincinnati Hamilton & Dayton Ry.  
 Cincinnati Indianapolis & Western RR.  
 Cincinnati Lebanon & Northern Ry.  
 Cincinnati New Orleans & Texas Pacific Ry.  
 Cincinnati Northern RR.  
 Cincinnati Saginaw & Mackinaw RR.  
 Cleveland Cincinnati Chicago & St. Louis Ry.  
 Clinton & Oklahoma Western Ry.  
 Clyde Steamship Co.  
 Coal & Coke Ry.  
 Colorado & Southern Ry.  
 Columbia Union Station Co.  
 Connecting Terminal RR.  
 Cooperstown & Charlotte Valley RR.  
 Copper Range RR.  
 Cornwall & Lebanon RR.  
 Crescent City Ry.  
 Cumberland & Pennsylvania RR.  
 Cumberland Valley RR.  
 Dallas Terminal Ry. & Union Depot Co.  
 Danville & Western Ry.  
 Davenport Rock Island & Northwestern Ry.  
 Dayton & Union RR.  
 Dayton Union Ry.  
 Deep Creek RR.  
 Delaware & Hudson Co.  
 Delaware Lackawanna & Western RR.  
 Denison & Pacific Suburban Ry.  
 Denver & Rio Grande RR.  
 Denver & Salt Lake RR.  
 Denver Union Terminal Ry.  
 DePue Ladd & Eastern RR.  
 Des Moines Union Ry.  
 Des Moines Western Ry.  
 Detroit & Huron Ry.  
 Detroit & Mackinac Ry.  
 Detroit & Toledo Shore Line RR.  
 Detroit & Western Ry.  
 Detroit Bay City & Western RR.  
 Detroit Grand Haven & Milw. Ry.  
 Detroit Manufacturers RR.  
 Detroit Terminal RR.  
 Detroit Terminal & Transportation Co.  
 Detroit Toledo & Ironton RR.  
 Detroit Union RR. Depot & Station Co.  
 Direct Navigation Co.  
 Duluth & Iron Range RR.  
 Duluth & Superior Bridge Co.  
 Duluth Missabe & Northern Ry.  
 Duluth Rainy Lake & Winnipeg Ry.  
 Duluth South Shore & Atlantic Ry.  
 Duluth Terminal Ry.  
 Dunleith & Dubuque Bridge Co.  
 Durham Union Station Co.  
 Eastern Railroad.  
 Eastern Texas RR.  
 East St. Louis Belt RR.  
 East St. Louis & Carondelet Ry.  
 East St. Louis Connecting Ry.  
 East St. Louis National Stock Yards Co.  
 East St. Louis & Suburban Ry.  
 Eddystone & Delaware River RR.  
 Elgin Joliet & Eastern Ry.  
 El Paso & Rock Island Ry.  
 El Paso & Southwestern RR.  
 El Paso Union Passenger Depot Co.  
 Erie RR.  
 Escanaba & Lake Superior RR.  
 Evansville & Indianapolis RR.  
 Fairchild & Northwestern RR.  
 Fairmont & Binghamon Ry.  
 Farmers Grain & Shipping Co.  
 Fernwood & Gulf RR.  
 Florida East Coast Ry.  
 Force Run RR.  
 Fort Dodge Des Moines & Southern Ry.  
 Fort Smith & Van Buren Ry.  
 Fort Street Union Depot Co.  
 Fort Wayne Cincinnati & Louisville Ry.  
 Fort Worth & Denver City Ry.  
 Fort Worth & Rio Grande Ry.  
 Fort Worth Belt Ry.  
 Frankfort & Cincinnati Ry.  
 Gallatin Valley Ry.  
 Galveston Harrisburg & San Antonio Ry.  
 Galveston Houston & Henderson RR.  
 Galveston Wharf Co.  
 Georgia Railroad.  
 Georgia Florida & Alabama Ry.  
 Georgia Southern & Florida Ry.  
 Gettysburg & Harrisburg Ry.  
 Gilmore & Pittsburg RR.  
 Gilpin Railroad.  
 Glendale & East River RR.  
 Goldfield Consolidated Milling & Transportation Co.  
 Goldsboro Union Station Co.  
 Grand Canyon Ry.  
 Grand Rapids & Indiana Ry.  
 Grand Rapids Terminal RR.  
 Grand Trunk Milwaukee Car Ferry Co.  
 Grand Trunk Western Ry.  
 Granite City Madison Belt Line RR.  
 Grays Point Terminal Ry.  
 Great Northern Ry.  
 Great Northern Terminal Co.  
 Green Bay & Western RR.  
 Greenburg-Cornellsville Coal & Coke Co.'s RR.  
 Greenville & Nolachucky Ry.  
 Greenwich & Johnsonville Ry.  
 Gulf & Interstate Ry. of Texas.  
 Gulf & Ship Island RR.  
 Gulf Colorado & Santa Fe Ry.  
 Gulf Mobile & Northern RR.  
 Gulf Terminal Co.  
 Hamilton Belt Ry.  
 Hannibal Bridge Co.  
 Hannibal Union Depot Co.  
 Hartman & Northeastern RR.  
 Hartwell Ry.  
 Hawkinsville & Florida Southern Ry.  
 Helena Parkin & Northern Ry.  
 High Point Randleman Asheboro & Southern RR.  
 Hoboken RR., Warehouse & SS. Co.  
 Hoedding Valley Ry.  
 Horman & Southeastern Ry.  
 Houston & Brazos Valley Ry.

Houston & Brazos Valley Term. Co.  
 Houston & Shreveport RR.  
 Houston Belt & Terminal Ry.  
 Houston East & West Texas Ry.  
 Hudson & Manhattan RR.  
 Hudson River Bridge Co. at Albany.  
 Huntington & Broad Top Mtn. RR.  
 Iberia & Vermillion RR.  
 Illinois Central RR.  
 Illinois Terminal RR.  
 Illinois Transfer RR.  
 Indianapolis & Frankfort Ry.  
 Independence & Monmouth Ry.  
 Indiana Harbor Belt Ry.  
 Indianapolis Union Ry.  
 International & Great Northern Ry.  
 Interstate Car Transfer Co.  
 Interstate Railroad.  
 Iowa & St. Louis Ry.  
 Iowa Transfer Ry.  
 Jacksonville Terminal Co.  
 Jay Street Terminal.  
 Johnson City Southern Ry.  
 Joliet Union Depot Co.  
 Joplin Union Depot Co.  
 Kanawha & Michigan Ry.  
 Kanawha & West Virginia RR.  
 Kankakee & Seneca RR.  
 Kansas City Clinton & Spring'd Ry.  
 Kansas City Connecting RR.  
 Kansas City Excelsior Springs & Northern RR.  
 Kansas City Mexico & Orient RR.  
 Kansas City Mexico & Orient RR. of Texas.  
 Kansas City Shreveport & Gulf Terminal Co.  
 Kansas City Southern Ry.  
 Kansas City Terminal Ry.  
 Kansas Southwestern Ry.  
 Kentucky & Indiana Bdge. & RR. Co.  
 Kentwood & Eastern Ry.  
 Keokuk & Des Moines Ry.  
 Keokuk & Hamilton Bridge Co.  
 Keokuk Union Depot Co.  
 Kewaunee Green Bay & Western RR.  
 Lackawanna & Montrose RR.  
 Lake Charles & Northern RR.  
 Lake Erie & Eastern RR.  
 Lake Erie & Pittsburg Ry.  
 Lake Erie & Western RR.  
 Lake Superior & Ishpeming Ry.  
 Lake Superior Term. & Transf. Ry.  
 Lawrenceville Branch Ry.  
 Leavenworth & Topeka Ry.  
 Leavenworth Depot & Railroad Co.  
 Leavenworth Term. Ry. & Bdge. Co.  
 Leetonia Railway.  
 Lehigh & Hudson River Ry.  
 Lehigh & New England RR.  
 Lehigh Valley RR.  
 Lehigh Valley Transportation Co.  
 Lewiston & Auburn RR.  
 Lexington Terminal RR.  
 Lexington Union Station Co.  
 Litchfield & Madison Ry.  
 Little Kanawha RR.  
 Little Rock Sheridan & Saline River Long Island RR.  
 Lorain & West Virginia Ry.  
 Lorain Ashland & Southern RR.  
 Los Angeles & Salt Lake RR.  
 Louisiana & Arkansas Ry.  
 Louisiana & Pike County RR.  
 Louisiana Central RR.  
 Louisiana Ry. & Navigation Co.  
 Louisiana Southern Ry.  
 Louisiana Western RR.  
 Louisville & Nashville RR.  
 Louisville & Wadley RR.  
 Louisville Bridge Co.  
 Louisville Henderson & St. Louis Ry.  
 Mackinac Transportation Co.  
 Macon Dublin & Savannah RR.  
 Macon Terminal Co.  
 Madison Illinois & St. Louis Ry.  
 Maine Central RR.  
 Mallory Steamship Co.  
 Manistee & Northeastern RR.  
 Manistique & Lake Superior RR.  
 Marion & Southern RR.  
 Maxton Alma & Southbound RR.  
 Memphis Dallas & Gulf RR.  
 Merchants Union Station Co.  
 Merchants & Miners Transp'n Co.  
 Meridian & Memphis Ry.  
 Merion Terminal Co.  
 Michigan Air Line Ry.  
 Michigan Central RR.  
 Middletown & Hummelstown RR.  
 Midland Railway.  
 Midland Valley RR.  
 Milledgeville RR.  
 Milwaukee Terminal Ry.  
 Mineral Range RR.  
 Minneapolis & St. Louis RR.  
 Minneapolis Eastern Ry.  
 Minneapolis St. Paul & Sault Ste Marie Ry.  
 Minneapolis Western Ry.  
 Minnesota & International Ry.  
 Minnesota & Manitoba RR.  
 Minnesota Northwestern Electric Ry.  
 Minnesota Transfer Ry.  
 Mississippi Central RR.  
 Mississippi Valley RR.  
 Mississippi-Warrior Waterways.  
 Missouri & Illinois Bridge & Belt RR.  
 Missouri Kansas & Texas Ry.  
 Missouri Kansas & Texas Ry. of Texas.  
 Missouri Pacific Ry.  
 Missouri Valley & Blair Ry. & Bdge. Co.  
 Mobile & Ohio RR.  
 Monongahela Connecting RR.  
 Monongahela Ry.  
 Monongahela Southern RR.  
 Monroe RR.  
 Montpelier & Wells River RR.  
 Morgan Louisiana & Texas RR. & SS. Co.  
 Morgantown & Kingwood RR.  
 Mount Gilead Short Line Ry.  
 Muncie Belt Ry.  
 Munising Marquette & Southeastern Ry.  
 Narragansett Pier RR.  
 Nashville Chattanooga & St. Louis Ry.

Natchez & Louisiana Ry. & Transfer Co.  
 Natchez & Southern Ry.  
 New Bedford Martha's Vineyard & Nantucket SS. Co.  
 New England Steamship Co.  
 New Iberia & Northern RR.  
 New Jersey & New York RR.  
 New Orleans & Northeastern RR.  
 New Orleans Great Northern RR.  
 New Orleans Terminal Co.  
 New Orleans Texas & Mexico Ry.  
 Newport & Richford RR.  
 New River Holston & Warren RR.  
 N. Y. & Hartford Transportation Co.  
 N. Y. & Long Branch RR.  
 N. Y. Central RR.  
 N. Y. Chicago & St. Louis RR.  
 N. Y. Connecting RR.  
 N. Y. Dock Co.  
 N. Y. Lake Erie & Western Docks & Improvement Co.  
 N. Y. New Haven & Hartford RR.  
 New York-New Jersey Canal Section.  
 New York Ontario & Western Ry.  
 N. Y. Philadelphia & Norfolk RR.  
 N. Y. Susquehanna & Western RR.  
 Norfolk & Portsmouth Belt Line RR.  
 Norfolk & Western Ry.  
 Norfolk Southern RR.  
 Norfolk Terminal RR.  
 Norristown Junction RR.  
 North Bend & Eastern Ry.  
 Northeast Pennsylvania RR.  
 Northern Alabama Ry.  
 Northern Ohio Ry.  
 Northern Pacific Ry.  
 Northern Pacific Terminal Co. of Oregon.  
 North Shore RR.  
 Northwestern Pacific RR.  
 Northwestern Terminal Ry.  
 Ocean Steamship Co.  
 Ocmulgee Valley Ry.  
 Oden Union Ry. & Depot Co.  
 Ohio River & Western Ry.  
 Oklahoma City Belt Line.  
 Old Dominion Steamship Co.  
 Ontonagon Southern RR.  
 Orange & Northwestern RR.  
 Oregon Electric Ry.  
 Oregon Short Line RR.  
 Oregon Trunk Ry.  
 Oregon-Wash. RR. & Navigation Co.  
 Pacific Coast RR.  
 Pacific Coast Ry.  
 Panhandle & Santa Fe Ry.  
 Paris & Great Northern RR.  
 Pascagoula-Moss Pt. Northern RR.  
 Pennsylvania Co.  
 Pennsylvania RR.  
 Pennsylvania Terminal Ry.  
 Peoria & Pekin Union Ry.  
 Peoria Railway Terminal Co.  
 Peru Marquette RR.  
 Perkiomen RR.  
 Philadelphia & Beach Haven RR.  
 Philadelphia & Chester Valley RR.  
 Philadelphia & Reading Ry.  
 Philadelphia Belt Line RR.  
 Pickens RR.  
 Pickering Valley RR.  
 Piedmont & Northern Ry.  
 Pierre & Port Pierre Bridge Ry.  
 Pierre Rapid City & Northwestern Ry.  
 Pinaruff Arkansas River Ry.  
 Pittsburgh & Lake Erie RR.  
 Pittsburgh & Shawmut RR.  
 Pittsburgh & West Virginia Ry.  
 Pittsburgh Chartiers & Youghiogheny Ry.  
 Pittsburgh Cincinnati Chicago & St. Louis RR.  
 Point Pleasant Bridge Co.  
 Pond Fork Ry.  
 Pontiac Oxford & Northern RR.  
 Poplarville Sawmill Co.'s RR.  
 Port Huron Southern RR.  
 Portland & Northwestern RR.  
 Portland Terminal Co.  
 Port Reading RR.  
 Port St. Joe Dock & Terminal Ry.  
 Port Townsend & Puget Sound Ry.  
 Poteau Valley RR.  
 Providence Warren & Bristol RR.  
 Providence & Worcester RR.  
 Pueblo Union Depot & RR. Co.  
 Puget Sound & Willapa Harbor Ry.  
 Quannah Acme & Pacific Ry.  
 Quincy Omaha & Kansas City RR.  
 Railway Transfer Co. of Minneapolis.  
 Raleigh & Charleston RR.  
 Rapid Railway.  
 Richmond & Rappahannock River Ry.  
 Richmond Fredericksburg & Potomac RR.  
 Rio Grande El Paso & Santa Fe RR.  
 Rio Grande Southern RR.  
 Riverside Rialto & Pacific RR.  
 Roanoke River Ry.  
 Roanoke Railway.  
 Roby & Northern RR.  
 Rockingham Railroad Co.  
 Rock Island-Frisco Terminal Ry.  
 Rock Island-Memphis Terminal Ry.  
 Roslyn Connecting RR.  
 Rupert & Bloomburg RR.  
 Rustin RR.  
 Rutland RR.  
 St. Clair Tunnel Co.  
 Ste. Marie Union Depot Co.  
 St. John & Ophir RR.  
 St. Johnsbury & Lake Champl. RR.  
 St. Johns River Terminal Co.  
 St. Joseph & Grand Island Ry.  
 St. Joseph Belt Ry.  
 St. Joseph Terminal RR.  
 St. Joseph Union Depot Co.  
 St. Joseph Valley Traction Co.  
 St. Louis & O'Fallon Ry.  
 St. Louis Belt & Terminal Ry.  
 St. Louis Bridge Co.  
 St. Louis Brownsville & Mexico Ry.  
 St. Louis Council Bluffs & Omaha Ry.  
 St. Louis Iron Mtn. & Southern Ry.  
 St. Louis Merchants Bridge Terminal Ry.  
 St. Louis National Stock Yards.

St. Louis-San Francisco Ry.  
 St. Louis-San Francisco & Texas Ry.  
 St. Louis Southwestern Ry.  
 St. Louis Southwestern Ry. of Texas  
 St. Louis Terminal Ry.  
 St. Louis Troy & Eastern RR.  
 St. Paul Bridge & Terminal Ry.  
 St. Paul Union Depot Co.  
 Salina Northern RR.  
 Salt Lake City Union Depot & RR.  
 Co.  
 San Antonio & Aransas Pass Ry.  
 San Antonio Uvalde & Gulf RR.  
 San Antonio Belt & Terminal Ry.  
 San Benito & Rio Grande Valley Ry.  
 Sandy Valley & Elkhorn Ry.  
 Savannah River Terminal Co.  
 Savannah Union Station Co.  
 Schoharie Valley Railway Co.  
 Schuykill Bridge at Swedesford, Pa.  
 Schuykill Valley Nav. & RR. Co.  
 Seaboard Air Line Ry.  
 Seattle Port Angeles & Western Ry.  
 Security Investment Co. RR.  
 Sharpsville RR.  
 Shreveport Bridge & Terminal Co.  
 Silverton Northern RR.  
 Sioux City Bridge Co.  
 Sioux City Terminal Ry. Co.  
 Smith-Powers Logging Co.'s RR.  
 Somerset Coal Ry.  
 Southern Illinois & Missouri Bridge  
 Co.  
 Southern Pacific Co.  
 Southern Pacific RR.  
 Southern Pacific Steamship Line.  
 Southern Railway.  
 Southern Railway Co. in Mississippi.  
 Southern Steamship Co.  
 South Wilmington & Southern RR.  
 South Plains & Santa Fe Ry.  
 Spokane & British Columbia Ry.  
 Spokane International Ry.  
 Spokane Portland & Seattle Ry.  
 Staten Island Rapid Transit Ry.  
 Stony Creek RR.  
 Sullivan County RR.  
 Sunset Railway.  
 Susquehanna & New York RR.  
 Sussex Railroad.  
 Sylvania Central Ry.  
 Tacoma Eastern RR.  
 Tallulah Falls Ry.  
 Tamaqua Hazleton & Northern RR.  
 Tampa Northern RR.  
 Tampa Union Station Co.  
 Tennessee Central RR.  
 Terminal RR. Assn. of St. Louis.  
 Terminal RR. of East St. Louis.  
 Texarkana & Fort Smith Ry.  
 Texas & New Orleans RR.  
 Texas & Pacific Ry.  
 Texas City Terminal Co.  
 Texas Midland RR.  
 Thayer Junction Ry.  
 Thomas Railroad.  
 Tienderoga RR.  
 Tidewater Southern Ry.  
 Toledo & Ohio Central Ry.  
 Toledo Peoria & Western Ry.  
 Toledo Saginaw & Muskegon Ry.  
 Toledo St. Louis & Western RR.  
 Toledo Terminal RR.  
 Trans-Mississippi Terminal RR.  
 Trinity & Brazos Valley Ry.  
 Traverse City RR.  
 Trescow RR.  
 Troy Union RR.  
 Tucson & Nogales RR.

Tug River & Kentucky RR.  
 Tunnel RR. of St. Louis.  
 Ulster & Delaware RR.  
 Union Depot Co. (Columbus, Ohio).  
 Union Depot of St. Louis.  
 Union Freight RR.  
 Union Fuel Co.'s RR.  
 Union Pacific RR.  
 Union Point & White Plains RR.  
 Union RR. of Baltimore.  
 Union Ry. Co. (Memphis, Tenn.).  
 Union Ry. & Transit Co. (of Illinois)  
 Union Stock Yards Co. of Omaha.  
 Union Terminal Co. (Dallas, Tex.).  
 Union Term. Ry. (St. Joseph, Mo.)  
 Union Terminal RR. Co. of the City  
 of Buffalo.  
 United States & Canada RR.

Valley Railroad Co. of Virginia.  
 Van Buren Bridge Co.  
 Vermont Valley RR.  
 Vermont & Province Line RR.  
 Vicksburg Shreveport & Pacific Ry.  
 Vineland Branch RR.  
 Virginia Blue Ridge Ry.  
 Virginia Carolina Ry.  
 Virginian Railway.

Wabash Railway.  
 Wadley Southern Ry.  
 Walkersville & Ireland RR.  
 Washington & Vandemere RR.  
 Washington Southern Ry.  
 Washington Terminal Co.  
 Watertown & Sioux Falls Ry.  
 Waupaca-Green Bay Ry.  
 Wayneburg & Washington RR.  
 Weatherford Mineral Wells & North-  
 western Ry.

Western & Atlantic RR.  
 Western Maryland Ry.  
 Western N. Y. & Pennsylvania Ry.  
 Western Pacific RR.  
 Western Railway of Alabama.  
 West Jersey & Seashore RR.  
 West Shore RR.  
 West Side Belt RR.  
 West Tulsa Belt Ry.  
 West Virginia Highland RR.  
 Wheeling & Lake Erie RR.  
 Wheeling Terminal Ry.  
 White River RR. (of Vermont).  
 White Sulphur Springs & Yellowstone  
 Park Ry.

Wichita Falls & Northwestern Ry.  
 Wichita Terminal Association.  
 Wichita Union Terminal Ry.  
 Wichita Valley RR.  
 Wiggins Ferry Co.  
 Wilkes-Barre & Eastern RR.  
 Wilkes-Barre Connecting RR.  
 Williamsport & Pond Creek RR.  
 Williamsport Neshle & Martinsburg  
 Williams Valley Ry.  
 Winona Bridge Co.  
 Winston-Salem Southbound Ry.  
 Wood River Branch RR.  
 Woodstock & Blocton Ry.  
 Wrightsville & Tennille RR.  
 Wyoming & Northwestern Ry.

Yadkin RR.  
 Yazoo & Mississippi Valley RR.  
 York Harbor & Beach RR.  
 Zanesville & Western Ry.  
 Zanesville Belt & Terminal Ry.  
 Zanesville Terminal RR.

Department of State, Oct. 28 1918.

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

"Legation of Switzerland, Washington, D. C., Oct. 28 1918.

"Department of German Interests.

"Sir, I am instructed by my Government and have the honor to submit  
 to your Excellency the original text of a communication from the German  
 Government, dated Oct. 27 1918, which has to-day been received from the  
 Swiss Foreign Office.

"I beg leave also to inclose an English translation of the above mentioned  
 communication, the German text of which, however, is alone to be con-  
 sidered as authoritative.

"Accept, sir, the renewed assurance of my highest consideration.

(Signed) F. OEDERLIN.

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

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

Translation of a communication from the German Government, dated  
 Oct. 27 1918, as translated by the Charge d'Affaires a. i. of Switzerland  
 on Oct. 28 1918:

"The German Government has taken cognizance of the reply of the  
 President of the United States. The President knows the far-reaching  
 changes which have taken place and are being carried out in the German  
 constitutional structure. The peace negotiations are being conducted by  
 a Government of the people, in whose hands rests, both actually and con-  
 stitutionally, the authority to make decisions. The military powers are  
 also subject to this authority. The German Government now awaits the  
 proposals for an armistice, which is the first step toward a peace of justice,  
 as described by the President in his pronouncements.

(Signed) SOLF.

"State Secretary of Foreign Affairs.

"Berlin, Oct. 27 1918."

No reply by President Wilson is expected to be made to  
 either of the foregoing notes. The conference now under  
 way at Versailles between the Premiers of Great Britain,  
 France and Italy, and Col. House, representing President  
 Wilson, with the aid of their respective military advisers,  
 is expected to formulate the principles of an armistice. The  
 conference was reported to have agreed on the main points  
 of the armistice terms, and late reports were to the effect  
 that the terms had already been forwarded to Berlin.

#### LUDENDORFF RESIGNS AS MILITARY IS SUBJECTED TO CIVIL POWER IN GERMANY.

The resignation of General Ludendorff, First Quarter-  
 master-General of the German Army and reputed to have  
 been the virtual military head of Germany for the past two  
 years, was announced at Berlin on Oct. 26, and is reported  
 to have created a profound sensation throughout Germany.  
 His downfall was variously interpreted, but is equally sig-  
 nificant whether brought about as a sacrifice to the necessity  
 of making peace, or as a step in the progress of democratic  
 reform in German. General Ludendorff's resignation fol-  
 lowed immediately after the adoption by the Reichstag of a  
 bill placing the military command under the control of the  
 civil Government. An official announcement of Luden-  
 dorff's resignation was made as follows:

The Emperor, accepting the request to be allowed to retire of Infan-  
 try General Ludendorff, the First Quartermaster General and commander  
 in time of peace of the 25th Infantry Brigade, has placed him on the un-  
 attached list. The Emperor decided at the same time that the Lower  
 Rhenish Infantry Regiment No. 39, of which the General has long been  
 chief, shall bear henceforth the name of Ludendorff.

The downfall of Ludendorff has been variously received  
 in Germany. It is reported that he first proposed the re-  
 quest for an armistice on the western front, on the ground  
 that the situation was hopeless, and then changed his mind  
 when the subjection of the military to civil control was  
 brought forward as a necessary step in preparing for peace.  
 Theodor Wolff in the "Berliner Tageblatt" said that Luden-  
 dorff was responsible for von Bethmann Hollweg's fall as  
 Chancellor and also for von Kulemann's as Foreign Secre-  
 tary, especially after the latter had stated that the war could  
 not be won on the battlefield. The "Frankfurter Zeitung's"  
 Berlin correspondent, Herr Stein, said that Ludendorff  
 failed hopelessly in the political sphere in spite of the "won-  
 ders" he brought about by his military skill. His fall may  
 be considered as signifying, Stein continues, that an attempt  
 was made to undermine the new Government, but failed.  
 The "Deutsche Tageszeitung" broke out in angry abuse  
 and said:

This is the thanks for Tannenberg. This man, the hero of the German  
 Army and people, is to be sacrificed to the will of the enemy, who has been  
 beaten by him in a hundred battles.

It is a lie, the paper said, to assert that this was not due  
 to Wilson's influence. The Socialist press, on the other  
 hand, openly exulted over the downfall of the military dic-  
 tator, the Berlin "Vorwaerts" saying:

What has happened was bound to happen, even if Germany had won.  
 The German social democracy was determined not to permit a German  
 victory being turned into a victory under the old system.

The newspaper hinted that "much more in the same  
 direction remains to be done."

According to the press dispatches, the question heard  
 on all sides is whether Field Marshal von Hindenburg will  
 follow in the footsteps of Ludendorff.

#### GERMANY AWAITS TERMS OF ARMISTICE—PEOPLE'S GOVERNMENT NOW SUPREME, SAYS SOLF.

Two notes have been received from the German Govern-  
 ment during the past week bearing on the appeal for an  
 armistice. The first, received on Oct. 28, was a direct reply  
 to President Wilson's note of Oct. 23, in which the President,  
 while agreeing to transmit to the associated Governments  
 Germany's request for an armistice, insisted upon terms  
 amounting virtually to absolute surrender by Germany. The  
 German Government announced that it had taken cognizance  
 of the President's answer to its previous communication,  
 and that it "now awaits proposals for an armistice." At the  
 same time Dr. Solf, the Foreign Minister, who signed the  
 note, assured the President that far-reaching changes had  
 been and were being carried out in the German constitu-  
 tional structure, and that peace negotiations were being  
 conducted by a people's Government, having power to make  
 the deciding conclusions. The military powers, the note  
 asserted, are now subject to the civil government.

The second note, received at Washington on Oct. 30, sup-  
 plemented the first communication by reciting in detail  
 governmental changes which have taken place in Germany  
 as evidence that the Kaiser had been deprived of all power of  
 making war and negotiating peace. This time the Germans  
 did not address President Wilson personally, but sent the  
 information for the American Government, apparently recog-  
 nizing that the stage of personal appeals had passed with the  
 transmission of their armistice and peace plea to the Allies.  
 The note reiterated that the actual power and responsibility  
 of the Government have been transferred to the Reichstag,  
 and described the progress of the necessary constitutional  
 changes. The full text of this second note was not made  
 public by the State Department, for the reason, as stated in  
 the Washington dispatches, that it was considered to be in  
 the nature of German propaganda.

The official text of the first note was communicated to the  
 State Department through the Swiss Legation, and was made  
 public by Secretary Lansing in the following announcement



Meantime the constitutional reform of Germany, whatever the driving force, is proceeding apace. On Oct. 26 it was reported that the Prussian Upper House had passed en bloc the three electoral bills as amended by special committee, according to a Berlin dispatch. The reactionaries did not vote. Berlin advices early in October said that the Prussian Upper House had rejected the motion to introduce suffrage based on vocations and had passed an equal direct suffrage measure in accordance with the Government bill, with the addition of an extra vote for persons more than fifty years of age. The House thus modified Article 3 of the electoral reform bill, which caused the rejection of the measure by the Lower House. This article provided for one vote for each man in Prussia and did away with plural voting.

On Oct. 29 a Copenhagen dispatch reported that the German Federal Council had approved the bill amending the Imperial Constitution in the form as adopted by the Reichstag, according to a Berlin telegram. The Reichstag on Oct. 26 had amended the Constitution by placing the military authorities under the control of the civil government. The measure was passed by a large majority. The retirement of General Ludendorff was reported to have been due to the passage of the measure by the Reichstag. A summary of the proposed reform bill printed in the Berlin "Vorwaerts" included the following provisions:

First.—War can be declared only with the sanction of the Reichstag and the Bundesrat.

Second.—The Chancellor can remain in power only while he possesses the confidence of the Reichstag.

Third.—The Chancellor will be responsible for the political actions of the Kaiser, and the Chancellor and Ministry will be responsible for their tenure of office to the Reichstag and Bundesrat.

Fourth.—The appointment, promotion and dismissal of officers of the Army and Navy can be effective only by the signature of the Chancellor. The Minister of War will be held responsible for the same by the Reichstag.

The text of President Wilson's note of Oct. 23, in which the President emphasized the world's distrust of the rulers of Germany was printed in the German newspapers on Oct. 24 and 25. According to dispatches from Amsterdam, aside from the Junker organs, which proclaimed the necessity of every man coming to the front for the Emperor and the empire, many papers apparently contemplated without excessive lament the prospective disappearance of the Hohenzollern dynasty. The Emperor's abdication, the dispatch said, was again stongly rumored to be impending. On the other hand, a statement attributed in a London dispatch on Oct. 28 to German Court circles, said that Emperor William had no intention of abdicating, but was willing, if it was for the good of the people, to ordain that his rights should be reframed. The Emperor is said to have remarked:

I will not abandon my sorely tried people, but, if necessary, I am ready to be one something like hereditary president of a German republic like the Kings of England, Belgium and Italy.

A striking indication of the internal condition of Germany is given in statements coming from the British Wireless Service to the effect that financial panic has seized the German people, accompanied by runs on the banks and hoarding of specie and even of paper money. The dispatch, dated London, Oct. 29, said:

All the banks are being stormed by depositors, who are withdrawing their savings in German banknotes of as high a value as are obtainable, the 100-mark note having an appreciable market value over lower currency. But even small notes, one one mark, are being taken eagerly.

Not only are some of the banks at their wits' end for legal currency to pay out deposits, but in places, especially Cologne and Dusseldorf, all except local, and therefore, valueless, currency has disappeared as if by magic.

Everybody who can possibly afford it, is trying to make his or her way eastward. Scores of houses stand empty.

Even in Berlin financial panic has seized the people, and the ordinary paper currency of the Empire has vanished. The Municipality has been compelled to issue emergency currency to the value of about fifty million marks, valid until Feb. 1 next within the confines of Greater Berlin. Tradesmen may refuse to accept this currency, or, at least, decline to change the notes, except when compelled to take them in payment for goods already delivered.

The big German banks have published flaming appeals to "our fellow citizens" not to withdraw deposits and not to hoard currency notes. But the rush on the banks has grown worse than ever.

The same British wireless dispatch reported that civilian departures from the lower Rhineland and part of Westphalia, which were begun on a small scale when the first Allied bombs hit Cologne, have developed into a panic flight, according to The Hague correspondent of the "Daily Mail." The working population of Cologne, seeing the war factories closed down, big houses evacuated, and east-bound trains crowded with well-to-do fugitives, are demanding immediate peace more insistently than ever. Demonstrations are said to be increasingly violent. A manifesto issued by a section of the Social Democrats declared that if the Emperor does not voluntarily abdicate he will be removed. It said:

If the necessity arises and the hour comes, the organized masses of labor, with strong middle-class support, will remove every hindrance to peace which does not voluntarily yield to the will of the huge majority of the people.

The promise of the German Government in its note to President Wilson to put a stop to attacks on passenger ships has apparently been carried out. Andrew Bonar Law made an announcement to this effect in the House of Commons at London on Oct. 29. But he added that there had been attacks on other steamers during the last week. At the Admiralty the belief was that if the inactivity continued, most of the U-boats would be withdrawn temporarily, the men would receive leave and the boats be repaired preparatory to the last great effort on the part of Germany in case of the failure of peace negotiations. One Admiralty officer was quoted as saying:

If the war continues you may expect the submarine menace to be as great, if not greater, by January than any with which we have as yet had to deal.

Field Marshal von Hindenburg has issued a warning and an appeal to German soldiers—a warning that peace was not yet here, and an appeal to hold fast, so that the best possible terms might be secured. Copies of von Hindenburg's appeal were found on prisoners captured by American soldiers, and read as follows:

German soldiers, be vigilant. The word "armistice" is current in the trenches and camps, but we have not yet reached that point. To some the word represents a certainty, to others it is even a synonym of the peace so long desired. They believe that events no longer depend upon them. Their vigilance is relaxed, their courage and their endurance, as well as their spirit of defiance toward the enemy, are diminished.

We have not yet reached our aim. The armistice has not been concluded. The war is still on—the same war as ever.

Now, more than ever, you must be vigilant and hold fast. You are upon the enemy's soil and on the soil of Alsace-Lorraine, the butchery of our country. In this grave hour, the fatherland relies on you for its prosperity and for its safety.

#### HARDEN WOULD ABOLISH GERMAN EMPIRE AS "SUPERFLUOUS LUXURY."

Maximilian Harden, editor of the thrice-silenced paper "Die Zukunft," has given a remarkably outspoken interview to the Berlin correspondent of the "Berlingske Tidende" of Copenhagen, in the course of which he advocated the dissolution of the German confederation and deplored the ruin brought upon Germany by the Kaiser's policies. As summarized in a special cablegram to the New York "Times" dated Oct. 27, Harden said:

"We must dissolve the confederation of the German States. It is too expensive. Our debt is now 200,000,000,000 marks. Our grandchildren's children will be born only to work it off. A superfluous luxury like the Empire we cannot afford."

When asked about the fate of the German colonies he said:

"If no boycott is allowed I think it all the same whether we get our gum or nuts from others or from our own colonies."

Speaking of President Wilson he said:

"He is something. Just think of a common professor with the world's fate in his hands. Isn't that a grand thought? But it should be a man of thought who makes peace—not one born to the purple, but a man who has created his ideals himself. On Aug. 23 I wrote to the High Command: 'In the fall you will have to turn to Wilson.'"

In reply to the question: "How do you think the league of nations will be formed?" he answered:

"Eventually the secular power of the Papacy can be established in Rome."

Speaking of the submarine war he said:

"I hope Von Tirpitz will be put on trial as soon as possible. There must be limits for what human beings can do to one another."

"As to Belgium, the war started on our part with a piece of trickery; so I have never gloried in our military victories, which were the fruits of dishonor. But to-day treaties are no longer scraps of paper."

About Russia: "Von Kuhlmann and Czernin are responsible for the fact that the world now considers us confidence men; the first problem after peace ought to be to establish order in Russia."

Finally, when asked for his opinion of the Hohenzollerns, Harden said: "I have always had uneasy presentiments concerning the ruler who in his accession thirty years ago said: 'I will lead you into glorious days.' We know the glorious days now. Wilhelm has changed into 'Flinnhell,' and Germany into a poor moving-picture theatre. Now we are sitting on the ruins of the policies of these last thirty years."

#### KAISER MUST BEAR "HIS PART OF THE CROSS," SAYS HARDEN—GERMAN PRESS BOLDER.

That the Kaiser must adapt himself to circumstances and "fit himself with new Germany as her first citizen," was declared by Maximilian Harden, the noted German publicist, in an address to a large audience in Berlin on Oct. 20. The incident is interesting as marking the new tone of public discussion in Germany. An Amsterdam dispatch dated Oct. 21 quoted Harden as follows:

"We are alone. When a fortress can no longer hold it is no dishonor if the commander surrenders. The Kaiser must take up his cross of concluding quickly necessary peace and accepting whatever is hard. Let the Kaiser declare himself ready and let him fit himself with new Germany as her first citizen."

This utterance by Maximilian Harden, addressed to several thousand people in Berlin on Sunday, was loudly applauded.

Herr Harden, whose plain-spoken language in "Die Zukunft," of which he is editor, has caused a suspension of that journal on several occasions, was permitted, according to the reports of his address, to speak freely and without hindrance. His remarkable declaration respecting surrender and the "Kaiser's cross" followed a review of the situation in which he

pointed out that Bulgaria was occupied, Turkey's fate was sealed and Austria-Hungary was out of the fight.

The meeting ended in a riotous demonstration.

"It is one of the most cruel ironies that this war, which was begun to maintain an impossible Austria, should be ended by the declaration of that self-same Austria that it cannot exist," continued Herr Harden. "We must shoulder the consequences of the step taken Oct. 5. There is no shame in accepting the consequences of acts which one has committed.

"We must make sacrifices. The Emperor also must make sacrifices. He must first adapt himself to the new Germany and content himself to represent the nation. He must remove from his successors all possibility that they will be harmful to the nation. Then he must bear his own part of the cross and conclude rapidly the necessary peace and take upon himself the task of accepting the onerous conditions involved in that.

"We must withdraw the German troops to the Empire's frontiers and henceforth demand that the Reichstag assent to a declaration of war."

German provincial and Socialist newspapers continue their campaign against the "chief culprits" responsible for the war, according to a Geneva dispatch dated Oct. 22, which gave a resume as follows:

Peace must not be delayed a single day on account of the Hohenzollerns, if they are an obstacle to it, declares the "Volksfreund" of Karlsruhe, which also is permitted to speak of the disappearance of the superstitious belief that the Emperor was chosen to rule by Divine right.

The "Schwabische Tagwacht" says that everybody is now convinced the Allies will not accord Germany a cheap peace, "but if the glory and power of Imperial Germany is the price, the German people are ready to pay."

The "Frankische Tagespost" of Nuremberg, the first paper in Germany to openly demand the abdication of the Emperor, declares that the accession of the Crown Prince is entirely out of the question.

"The German people is searching for the guilty," says the "Volkszeitung," the organ of the Nuremberg Socialists. "The Pan-Germans and Junkers are silent to-day, but we do not forget that they are the great war-inciters in Germany, that they remain the support of social and political reaction and that they are a menace to the future healthy development of the German Empire. The Pan-German policy has gone bankrupt, but unfortunately, it has led the German people to disaster.

"To the gallows with the guilty, whoever they may be!"

The Socialist "Arbeiter Zeitung," of Vienna, urges the German Socialists to punish the "chief culprits" without mercy, adding:

"When the German soldiers return home from the trenches after four years of unparalleled suffering there will be a reckoning for the people who have led them to this catastrophe. The German people will sweep away the Junkers and take its own destiny into its own hands."

#### BURIAN RESIGNS AS AUSTRIAN FOREIGN MINISTER —HUNGARIAN CABINET RESIGNS.

An Associated Press dispatch from Basle, dated Oct. 25, stated that Emperor Charles, according to a Budapest dispatch, had accepted the resignation of Baron Burian, the Austro-Hungarian Foreign Minister, and also of the Hungarian Cabinet headed by Dr. Wekerle. Count Julius Andrassy, a Hungarian statesman, the dispatch reported, has been appointed to succeed Baron Burian. At a meeting of the Hungarian Diet Count Apponyi, Count Andrassy and the Opposition Deputies demanded the resignation of the Minister. Premier Wekerle announced that, in view of the increasing difficulties of the situation, he would propose to the King a coalition ministry. Count Albert Apponyi was appointed Hungarian Premier in succession to Dr. Wekerle, according to a Vienna dispatch to the "Politiken" of Copenhagen, forwarded by the Exchange Telegraph Co. of London.

#### AUSTRIA-HUNGARY ACCEPTS WILSON'S TERMS AND RENEWS REQUEST FOR ARMISTICE.

The Austro-Hungarian Government, replying to President Wilson's note of Oct. 19, accepted "all the conditions the President has laid down," and declared itself ready "without, awaiting the result of other negotiations," to enter into negotiations for an immediate armistice on all fronts. The Austrian note, signed by Count Andrassy as Foreign Minister, was dated at Vienna on Oct. 28 and transmitted to the State Department through the Swedish Legation. The note was first received in Washington on Oct. 29 through an Associated Press dispatch from Basle, Switzerland.

On the following day a second note was received from Count Andrassy, addressed to Secretary of State Lansing, and making an urgent appeal to Mr. Lansing to intervene with President Wilson "in order that, in the interest of humanity as in the interest of all those who live in Austria-Hungary, an immediate armistice may be concluded on all fronts, and for an overture that negotiations for peace will follow."

The note of the Austro-Hungarian Government in reply to President Wilson's note of Oct. 19, according to Vienna dispatches to Basle forwarded on Oct. 29, was communicated to the French, British, Japanese and Italian Governments, as well as to the United States, begging the approval and support of those nations. The note in full read as follows:

In reply to the note of President Wilson of the 18 (19?) of this month, addressed to the Austro-Hungarian Government and giving the decision of the President to speak directly with the Austro-Hungarian Government on the question of an armistice and peace, the Austro-Hungarian Government has the honor to declare that, equally with the preceding proclamations of the President, it adheres to the same point of view contained in the last

note upon the rights of the Austro-Hungarian peoples, especially those of the Czecho-Slovaks and the Jugo-Slavs.

Consequently, Austria-Hungary, accepting all the conditions the President has laid down for the entry into negotiations for an armistice and peace, no obstacle exists, according to the judgment of the Austro-Hungarian Government, to the beginning of these negotiations.

The Austro-Hungarian Government declares itself ready, in consequence, without awaiting the result of other negotiations, to enter into negotiations upon peace between Austria-Hungary and the States in the opposing group and for an immediate armistice upon all Austro-Hungarian fronts.

It asks President Wilson to be so kind as to begin overtures on this subject.

[The Austrian note was dated Oct. 28 at Vienna and signed by Count Julius Andrassy, the new Foreign Minister.]

In his reply to Austria-Hungary on Oct. 19 (given in full in the "Chronicle" last week, page 1630), President Wilson said that changed circumstances had altered the attitude and responsibility of the United States since his speech of Jan. 8, the fourteen points of which were adopted by Austria. The President specified the recognition by the United States of the right to independence of the Czecho-Slovaks and Jugo-Slavs, and added that "mere autonomy" for those races was no longer sufficient as a basis for peace.

The second Austrian note, addressed by Count Andrassy to Secretary Lansing personally, declared that the Austro-Hungarian Government was in "complete accord" with the principles laid down by President Wilson and with the President's efforts to prevent future wars and to create a League of Nations. Preparatory steps have been taken, Count Andrassy said, "in order that Austrians and Hungarians may be able, according to their own desire and without being in any way hindered, to make a decision as to their future organization, and to rule it." The note concludes with an appeal in the interest of humanity, for an immediate armistice. The note in full was as follows:

Immediately after having taken direction of the Ministry of Foreign Affairs, and after the dispatch of the official answer to your note of Oct. 18 1918, by which you were able to see that we accept all the points and principles laid down by President Wilson in his various declarations, and are in complete accord with the efforts of President Wilson to prevent future wars and to create a League of Nations, we have taken preparatory measures, in order that Austrians and Hungarians may be able, according to their own desire, and without being in any way hindered, to make a decision as to their future organization, and to rule it.

Since the accession to power of Emperor King Charles, his immovable purpose has been to bring an end to the war. More than ever this is the desire of the Sovereign of all the Austro-Hungarian peoples, who acknowledge that their future destiny can only be accomplished in a pacific world by being freed from all disturbances, privations, and sorrows of war.

This is why I address you directly, Mr. Secretary of State, praying that you will have the goodness to intervene with the President of the United States in order that in the interest of humanity, as in the interest of all those who live in Austria-Hungary, an immediate armistice may be concluded on all fronts, and for an overture that immediate negotiations for peace will follow.

In a semi-official note issued at Vienna on Oct. 29, reported in dispatches from Basle, it was explained that Austria was obliged to conform to the methods of President Wilson, who had successively replied to the three members of the Triple Alliance, and act apart from her allies. That did not signify however, the statement declared, that Austria-Hungary was prepared to offer a separate peace. "It means that she is ready to act separately in the interests of the re-establishment of peace." The statement in full was as follows:

Austria was obliged to conform to the methods of President Wilson, who had successively replied to the three members of the Triple Alliance, and act apart from her allies. The Monarchy, which has formally adopted President Wilson's line of action, shares his opinion, as was shown by the Emperor's manifesto to the peoples, which, in proclaiming the federalization of the Monarchy, exceeded President Wilson's program.

However, the complete reorganization of Austria can only be carried out after an armistice. If Austria-Hungary has declared herself ready to enter into negotiations for an armistice and for peace, without awaiting the result of negotiations with other States, that does not necessarily signify an offer of a separate peace. It means that she is ready to act separately in the interests of the re-establishment of peace.

#### TURKEY SURRENDERS UNCONDITIONALLY AND QUITS THE WAR.

Turkey has surrendered and quit the war on terms understood to be tantamount to a complete surrender. An armistice signed at Mudros, on the Island of Lemnos, in the Aegean Sea, took effect at noon on Oct. 31. General Townshend, the British commander captured at Kut-el-Amarah, was liberated several days ago by the Turks, Sir George Cave the Home Secretary, announced in the House of Commons, in order to inform the British Admiral in command in the Aegean Sea that the Turkish Government asked that negotiations be opened immediately for an armistice.

A reply was sent that if the Turkish Government sent fully accredited plenipotentiaries, Vice-Admiral Calthorp, the British commander, was empowered to inform them of the conditions upon which the Allies would agree to stop hostilities and could sign an armistice on these conditions in their behalf.

The Turkish plenipotentiaries arrived at Mudros early this week and an armistice was signed by Admiral Calthorp on behalf of the Allied Governments.

It is impossible as yet to publish the full terms of the armistice, but they are said to include the free passage of the Allied fleets through the Bosphorus to the Black Sea, the occupation of forts on the Dardanelles and the Bosphorus necessary to secure the passage of the ships, and the immediate repatriation of Allied prisoners of war.

On the eve of the armistice the London "Daily Express" declared that, as a part of the terms of surrender, Turkey would be obliged to deliver up certain persons accused of disregarding the rules of civilized warfare, these individuals to be tried and, if found guilty, punished.

Turkey's capitulation followed the defeats suffered by her armies in Palestine and Mesopotamia and the collapse of Bulgaria, which left her open to attack on another frontier. Turkey entered the war in November 1914. For her unprovoked bombardment of Sebastopol Russia declared war on her on Nov. 3; France and Great Britain two days later. For several weeks after the United States declared war on Germany, Turkey took no action, but on April 21 1917 she severed diplomatic relations. There has, however, never been a declaration of war by either country.

#### ASSASSINATION OF COUNT TISZA, FORMER HUNGARIAN PREMIER.

Count Tisza, former Hungarian Premier and leader of the Hungarian Government Party, was assassinated at Vienna on Nov. 1, according to dispatches received via Copenhagen. He was shot by a soldier while walking in the street and died immediately.

Count Stephen Tisza was called the "Iron Man" of the Dual Monarchy and exerted a strong influence with the late Emperor Francis Joseph. Many attempts have been made upon his life, the most recent on Oct. 16, when a young Hungarian officer tried to shoot him on the streets of Budapest. Count Tisza was regarded as one of the most sinister statesmen of the Dual Monarchy. He was a Germanophile. He had been Prime Minister many times, and his father before him, Count Kalman Tisza, was leader of Hungarian politics for eighteen years. He was trained for political life, and possessed of great wealth, was independent of the ordinary influences of life in the capital. He was noted for his racing stables, for his aloofness, verging upon asceticism, and was one of the most mystifying figures of European life.

Count Tisza is credited with having written the dictatorial note to Serbia on the murder of the Austrian Archduke, which set the torch to Europe. In May 1917 during an extremely critical situation in the policies of the Dual Monarchy, he resigned from the Premiership, but was reappointed last April to succeed the resigning Count Wekerle.

#### ITEMS ABOUT BANKS, TRUST COMPANIES, &c.

No bank or trust company stocks were sold at auction or at the Stock Exchange this week.

The New York Trust Company of this city announces that it will open an office at Fifth avenue and Fifty-seventh street during the present month.

The New York agency at 68 Wall street of the Standard Bank of South Africa, Ltd., announces the receipt of a cablegram from the London office on Oct. 25 stating that an agency of the Standard Bank of South Africa has been opened at Rotterdam.

Willis H. Booth, Vice-President of the Security Trust & Savings Bank of Los Angeles, was elected a Vice-President of the Guaranty Trust Company of New York at a meeting of its executive committee Oct. 25. Mr. Booth will take charge of the new business activities of the company, beginning the active exercise of his duties about Jan. 1. Mr. Booth was born in California. His banking career began in 1905 as Vice-President of the Equitable Savings Bank of Los Angeles. In 1912 this institution was consolidated with the Security Trust & Savings Bank of which Mr. Booth became Vice-President and also of the Southern Trust Company. These positions he has held continuously since that time. In addition he has served as Vice-President of the Security National Bank since 1914. In addition to his banking activities Mr. Booth has had important outside interests and in 1914 established the Hot

Point Electric Heating Company, which has since been consolidated with the General Electric Company under the name of Edison Electric Appliance Company. He is now Chairman of the board. The Chamber of Commerce at Los Angeles elected Mr. Booth President in 1910 and he has since served as President of the Associated Chambers of Commerce of the Pacific Coast and is at the present time a Vice-President of the United States Chamber of Commerce and President of the United States Council of State Banking Associations. Mr. Booth has made an extensive study of foreign trade and travelled widely both in the Orient and South America, investigating business and banking conditions.

The Guaranty Trust Company of New York announced on Thursday an upward revision of the schedule under which for the last year employees have been receiving extra compensation as an offset to the higher cost of living occasioned by the war. The new schedule is for a six-months' period beginning Nov. 1. It will apply on full calendar months of service in positions paying salaries up to and including \$2,500 per annum, and above that amount on \$2,500 only. Payments will be made quarterly. Under the arrangements made, employees who entered the service of the company prior to July 1 1917 will receive extra compensation to the extent of 25%; those who entered between July 1 1917 and Dec. 31 1917, inclusive, will receive 20%; those who entered between Jan. 1 1918 and June 30 1918, inclusive, will receive 15%, and those who entered on and after July 1 1918 will receive 5%. The new schedule applies also to the junior officers of the company.

Up to the close of business Oct. 31, the Guaranty Trust Co. had filed with the Federal Reserve Bank subscriptions to the Fourth Liberty Loan totalling \$132,049,700. This, it is claimed, is the largest amount subscribed for by any bank or corporation in the country for any of the four loans, and the third consecutive time that the Guaranty Trust Co. has headed the list of Liberty Loan subscribers.

The company has announced that it will make no charge to those who wish to use its facilities in sending Christmas money to soldiers and others in service overseas. The Paris office of the company has made a similar offer to members of the American expeditionary force who wish to send Christmas money to the United States. Money for overseas remittance can be deposited with the company here and will be transmitted to its London, Paris and Tours offices for distribution abroad. No charge whatever will be made for remittances sent by mail. For those sent by cable a charge to cover the cost of cabling will be made. Those desiring to make remittances of Christmas money are urged to do so before Nov. 15.

B. G. Smith was elected Treasurer of the Paris office of the Guaranty Trust Company of New York on Oct. 28 succeeding R. J. F. Allen, who is returning to this country on account of ill health.

O. Godfrey Becker was elected a director of the New Netherland Bank of this city on Oct. 30. Mr. Becker is a member of the firm of Becker Bros. & Co., of New York City.

The election of Howard E. Cole as trustee of the Equitable Trust Co. of this city is announced. Mr. Cole is Vice-President of the Standard Transportation Co. and a director of the Standard Oil Co. of New York.

The following who were district sales managers of the National City Co. of this city were made Assistant Vice-Presidents on Oct. 26: A. A. Custard, of Philadelphia; B. H. White, of Boston; E. E. Ailes, of Washington. The creation is announced of two new district sales offices, one at Indianapolis and the other at Hartford, with Burton Haines in charge of the former and K. G. Herold in charge of the latter.

Plans are under way for the taking over of the business of the National Bank of Syracuse, at Syracuse, N. Y., by the Syracuse Trust Co. The legal formalities preliminary to the merger are expected to be completed so as to enable the amalgamation to become effective by Dec. 1. As a result of the merger the deposits of the Syracuse Trust Co. will be increased from some \$13,000,000 to about \$22,000,000. The National Bank of Syracuse has a capital of \$600,000 and surplus and profits of \$650,000. The Syracuse Trust Co.

has a capital of \$500,000 and surplus and profits of \$750,000. Under the merger plans the capital of the Syracuse Trust Co. will be increased to \$1,500,000. The stockholders of the National Bank of Syracuse are to receive 6,750 shares of the new capital stock of \$1,500,000 of the trust company or  $11\frac{1}{4}$  shares for each ten of their holdings in the former. A 65% stock dividend on the present \$500,000 capital of the trust company will be declared as a part of the plan to increase the capital, giving the \$500,000 of the present capital \$325,000 provided by the stock dividend of 65% and \$675,000 from the capital investment of shareholders in the National Bank of Syracuse. The surplus of the enlarged institution will be \$900,000. Action on the proposed merger will be taken by the stockholders of the Syracuse Trust Co. on Nov. 11.

The business of the Terryville Savings Bank of Terryville, Conn., which recently found it necessary to avail of the ninety-day notice for the withdrawal of deposits is to be merged with the Bristol Trust Co., of Bristol, Conn. Preliminary thereto George S. Beach, Treasurer of the latter, has been made Treasurer of the Terryville Bank. The merger will not be consummated until the coming year, following the necessary authority by the Legislature. It is announced that the Bristol Trust Co. plans to make advances shortly to depositors of the savings bank in case of special necessity. The deposits of the Terryville Bank aggregate \$200,000, with over 600 depositors.

Comptroller of the Currency Williams, in his weekly statement made public to-day (Nov. 2), announces that the Connecticut National Bank of Bridgeport, Conn., has increased its capital from \$332,100 to \$664,200.

John Parkinson, formerly senior partner in the New York and Boston Stock Exchange firm of Parkinson & Burr, died on Oct. 31. Mr. Parkinson retired from the firm on Jan. 1 1914, impaired health compelling him to discontinue business activities. Mr. Parkinson had been President of the Boston Stock Exchange for two terms, and he had been a member of its Governing Board for more than a dozen years. He was seventy-seven years of age.

John T. Crankshaw, Vice-President of the Frankford Trust Co., of Frankford, Philadelphia, died on Oct. 27, following an attack of acute indigestion. Mr. Crankshaw was associated with the trust company for nearly thirty years and had successively held the posts of Clerk, Secretary, Treasurer, Trust Officer and Vice-President. He was 56 years of age.

The Franklin National Bank of Philadelphia has added \$750,000 to its surplus, increasing it to \$4,000,000 since its organization. The bank has added \$3,000,000 to its surplus through its earnings, the amount at the start having been \$1,000,000. The semi-annual dividend of 10% has been declared, payable Nov. 1 to stockholders of record Oct. 31.

The proposed union of two important national banks of Springfield, Ill., and the creation therefrom of a State institution is announced. The banks concerned in the merger proceedings are the Ridgely National Bank and the Farmers National Bank, both of which as a result of the merger, will be placed in liquidation. The institution growing out of the union, which is to be known as the Ridgely-Farmers State Bank, will purchase the assets of the consolidating banks, the plan being after this is affected, to distribute to the respective stockholders a substantial surplus. The new institution will undertake a general banking and trust business, and will operate both trust and savings departments besides engaging in a commercial banking business. It will be a member of the Federal Reserve system. The proposed bank is to have a capital of \$500,000 and surplus of \$100,000, and its deposits will exceed \$6,000,000; the Farmers National Bank has a capital of \$200,000; surplus and profits of about \$277,000, and deposits slightly in excess of \$3,000,000. The deposits of the Ridgely National Bank are similarly in excess of \$3,000,000, while the capital of the Ridgely National is \$300,000, its surplus and profits being in the neighborhood of \$200,000. The new organization is expected to be ready for business by Jan. 1. It will at the start be located in the building of the Ridgely National Bank, which will be temporarily enlarged and remodeled, but it will later permanently locate at the northeast corner

of Sixth and Adams Streets. The new bank is to be under the direction of Edward D. Keys as President; Franklin Ridgely as Vice-President and Chairman of the Executive Committee; George E. Keys and Addison Corneau, Vice-Presidents; Alfred O. Peterson, Cashier; and Jay A. Johnson, Assistant to the Vice-President; Edward C. Schoettker, Frank H. Lowe and Margaret P. Reinback will be Assistant Cashiers and William S. Jayne, Secretary of the board of directors; Mr. E. D. Keys is President of the Farmers National; Geo. E. Keys is Vice-President of that institution; Mr. Peterson, Cashier, and Messrs. Schoettker and Lowe, Assistant Cashiers of the Farmers National. Franklin Ridgely is President of the Ridgely National and Addison Corneau is Vice-President of that bank. The Ridgely National Bank was organized as such in 1866; it dates back to 1835 when it was established by N. H. Ridgely; in 1859 its name was changed to N. H. Ridgely & Co., the business continuing under that name until the institution became a national bank. The Farmers National Bank was organized in 1882. The directors of the new institution will largely comprise the present directors of the uniting banks. The following are the directors of the Ridgely National Bank; Ralph N. Baker, Nathan Cole, Clinton L. Conkling, Addison Corneau, Richard N. Dodds, Harry L. Ide, Franklin Ridgely and Henderson Ridgely. The directors of the Farmers National bank are: Ben F. Caldwell, Dr. A. L. Converse, William Hughes Diller, Samuel J. Stout, Thomas Sudduth, Edward D. Keys, John W. Shaver, William S. Jayne and George E. Keys.

It is reported that arrangements have been perfected bringing about the consolidation of the Continental & Commercial Trust & Savings Bank and the Hibernian Banking Association of Chicago under the name of the former, with Arthur Reynolds, First Vice-President of the Continental & Commercial National Bank, as President of the Trust & Savings Bank. George M. Reynolds, President of the Continental & Commercial National and the Continental & Commercial Trust & Savings Bank, will be Chairman of the board of directors of the latter. The stock of the consolidated institutions is owned by the stockholders of the Continental & Commercial National Bank. The Continental & Commercial National has deposits of \$274,000,000 and capital of \$21,500,000 and surplus and profits in the neighborhood of \$16,000,000. The Continental & Commercial Trust & Savings has \$35,000,000 deposits and \$3,000,000 capital and surplus and profits of over \$3,000,000. The Hibernian Banking Association has deposits of \$26,000,000; capital of \$2,000,000 and surplus and profits of \$1,638,000.

The First National Bank of Chicago announces that it has perfected the organization of a Foreign Trade Department to work in conjunction with its Foreign Exchange Department, the two together to form the International Banking Division. The Foreign Trade Department, it is said, is the first organization of its kind to be established by any bank in the Middle West. Its chief function is to encourage foreign trade in that part of the country, and in order to accomplish this it will seek to furnish information on all questions relating to foreign trade to the business men of that section of the United States. Likewise, it is ready to act as intermediary for concerns desiring to form sales organizations for the purpose of operating in the foreign markets. The whole division will be under the direction of John J. Arnold, Vice-President of the First National Bank, well known as a leader in matters pertaining to foreign trade. The Foreign Exchange Department will continue to be presided over by Charles P. Clifford, Manager, and Harry Salinger, Assistant Manager. The new Foreign Trade Department will have as Foreign Trade Adviser, Dr. Walter Lichtenstein, whose services the bank has secured for this purpose. The announcement of the bank says in part:

On account of our increasingly intimate relations with South America, which will become even more important after the war, it is of interest to note that Dr. Lichtenstein spent nearly two years in South America, from 1913 to 1915. He visited every part of the Southern Continent except the three Gulanas. While in South America, Dr. Lichtenstein conducted investigations into the banking and commercial conditions of South America, and, as a result, was asked during the summer of 1917 by the University of Chicago to conduct a course dealing with South American history and commerce. He has also published an extensive report on his trip to South America of which a second edition had to be printed.

On account of the increase in business, the original quarters of the bank have become too small to accommodate this new organization, and, accordingly, rooms have been secured on the eighth floor of the First National Bank Building. Besides the usual offices, there is to be a library in which it is expected to place all material needed by the bank and its customers for the study of questions and problems relating to international trade. Furthermore, there will be kept on file the leading foreign papers of most of

the countries of the globe. The library will be at the disposal of business men of Chicago and visitors to the city, and there will be an attendant well qualified to assist users of this reference library in finding the material for which they are in need. There will also be in attendance a secretary qualified to receive dictation in several languages.

Melvin A. Traylor, at the October meeting of the directors, was elected President of the First Trust & Savings Bank of Chicago to succeed E. K. Boisot, who resigned on account of ill health. Mr. Traylor also becomes Vice-President of the First National Bank of Chicago, and a director of both institutions. He takes up his new work December 31st, on which date Mr. Boisot's resignation takes effect. Mr. Traylor was born in Breeding, Kentucky, in 1878. He began his banking career as Cashier of the Bank of Malone, Texas. Two years later he was made Cashier and then Vice-President of the Citizens National Bank of Ballinger, Texas. In 1909, when the Citizens National Bank took over the First National Bank, Mr. Traylor became President of the consolidated institution which was capitalized at \$200,000. In 1911 he became Vice-President of the National Stock Yards National Bank of East St. Louis, where he remained three years, coming to Chicago in September 1914, as Vice-President of the Live Stock Exchange National Bank, later succeeding to the Presidency. Mr. Traylor has achieved a reputation through his successful work in placing the Treasury Certificates of Indebtedness. He was made director of sales in the Seventh (Chicago) Federal Reserve District and placed approximately \$91,000,000 of these certificates principally in the larger banks of the district. Preceding the Third Loan, the Government announced a regular series of certificates and Mr. Traylor organized the district upon a county unit basis, giving the certificates of that series a wide distribution, the total subscriptions aggregating \$325,338,000, against a quota of \$314,000,000. Anticipating the Fourth Loan, a series of certificates was announced of increased amount and definite regularity and all the banks in the country were requested to subscribe their proportionate share. A meeting of all the county directors and organizers of the Seventh Federal Reserve District was held at Chicago, June 18. At this meeting Mr. Traylor's speech resulted in those present pledging themselves to take its entire allotment of certificates—\$574,000,000, and at the close of the series it was found that the Seventh District's subscription reached, it is stated, \$663,204,000.

Nelson N. Lampert, Vice-President of the Fort Dearborn National Bank of Chicago, died suddenly at Excelsior Springs, Mo., on Oct. 30. His death resulted from a cerebral hemorrhage, with which he was stricken while playing golf. Mr. Lampert's death came as a shock not only to his associates in the bank, but to the financial community in general, by whom he was highly esteemed. He started his business career with the bank about thirty years ago. He was forty-seven years of age.

William Burke, Chairman of the board of directors of the Canal Bank & Trust Co. of New Orleans, died on Oct. 19. Mr. Burke's death followed an attack of Spanish influenza.

William R. Leonard, President of the Hibernia Bank & Trust Co. of Denver, died suddenly at his home in that city on Oct. 25. Mr. Leonard was a native of Pennsylvania. In 1884 he went West and settled in Coeur d'Alene, Idaho, where he acquired extensive mining interests. Fifteen years ago he moved to Denver. In 1913 he was elected President of the Hibernia Bank & Trust Co., of which he was one of the founders, and held the position continuously until the time of his death. Mr. Leonard was sixty-six years of age.

Joseph A. Thatcher, Chairman of the board of directors of the Denver National Bank, and one of Colorado's pioneer financiers, died in Denver on Oct. 25. Mr. Thatcher, who was in his eighty-first year, was born in Shelbyville, Ky. In 1863 he went to Colorado and settled in what is now known as Central City. After engaging in business for some years he finally entered the private banking business in Central City, subsequently moving to Denver, where in 1884 he organized the Denver National Bank, of which he was President for more than thirty years. At the time of his death Mr. Thatcher had retired from the Presidency of the institution, but held the position of Chairman of the board of directors.

*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. 10 1918:

**GOLD.**

The Bank of England gold reserve against its note issue shows an increase of £950,320, as compared with last week's return. The West African gold output for August 1918 amounted to £120,526, as compared with £130,278 for August 1917 and £117,531 for July 1918. The Secretary of the Mining Congress of the United States of America in the course of some remarks as to the cost of mining gold stated: "The gold reserves of the world are approximately \$10,000,000,000, while the total indebtedness is being increased to \$125,000,000,000." Estimates of this sort are very unreliable, because there is no basis upon which to calculate the value in sound currency of rubles or of the currency belonging to the Central Powers. The Secretary continued to add as follows: "In 1915 we produced a little over 101 millions of dollars, and this, in the face of greater need, fell to less than 80 million in 1917. The production will fall 35% below that figure this year under present conditions." The "Times of India" under date of July 20 last stated as follows: "Sovereigns touched Rs. 19-7 during the week. The new gold mohurs are now quoted at the same price as the sovereigns, and are, therefore, at a premium of 29% over their face value. The Indians show a preference for the mohur over the sovereign, because not only is it a new and fresh coin, but it is believed in the bazaars to possess a little more gold than the sovereign, and they also like its color. The Mint Master of Bombay is to be congratulated on having produced a coin which has so rapidly become popular."

**SILVER.**

The market has been steady and quiet. The China exchanges have moved substantially. Shanghai quotes 5s. 2½d. a tael, after having risen to 5s. 4d.

**INDIAN CURRENCY RETURNS.**

<i>(In Lacs of Rupees.)</i>	Sept. 15.	Sept. 22.	Sept. 30.
Notes in circulation	134.16	134.77	134.38
Reserve in silver coin and bullion (within and without India)	27.71	28.30	27.88
Gold coin and bullion in India	20.34	20.35	20.38
Gold coin and bullion out of India	12	12	12

The stock in Shanghai on Oct. 5 consisted of about 27,360,000 ounces in sycee and \$12,600,000, the same amounts as were reported upon Sept. 28 1918.

Quotations for bar silver per oz. std.:

Oct. 4	cash	49½d.	Oct. 10	cash	49¼d.
Oct. 5	"	49½d.	Oct. 10	Average	49.5d.
Oct. 6	"	49½d.	Oct. 10	Bank rate	5%
Oct. 7	"	49½d.	Oct. 10	Bar gold, per oz. standard	77s. 9d.
Oct. 8	"	49½d.			
Oct. 9	"	49½d.			

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:

<i>London.</i>	Oct. 27.	Oct. 28.	Oct. 29.	Oct. 30.	Oct. 31.	Nov. 1.
Silver, per oz.	d. 49½	49½	49½	49½	49½	49½
Consols, 2½ per cents.	Holiday	60	60½	60½	60½	Holiday
British, 5 per cents.	"	94	94½	94½	94½	All Saints
British, 4½ per cents.	"	99¼	99¼	99¼	99¼	Day.
French Rentes (in Paris) fr.		62	62	62	62	
French War Loan (in Paris) fr.		88	88.70	88.75	88.75	

The price of silver in New York on the same days has been: Silver in N. Y., per oz. std. 101¼ 101¼ 101¼ 101¼ 101¼ 101¼

*Commercial and Miscellaneous News*

**Canadian Bank Clearings.**—The clearings for the week ending Oct. 24 at Canadian cities, in comparison with the same week in 1917, show an increase in the aggregate of 0.9%.

Clearings at—	Week ending October 24.				
	1918.	1917.	Inc. or Dec.	1916.	1915.
<b>Canada—</b>	\$	\$	%	\$	\$
Montreal	89,936,470	80,978,377	—11.1	78,290,510	60,788,035
Toronto	78,835,857	60,833,030	+21.4	59,078,355	42,907,491
Winnipeg	68,967,577	85,203,235	—19.1	53,781,166	50,804,207
Vancouver	11,424,630	10,302,502	+12.0	7,692,080	5,385,672
Ottawa	7,128,306	5,414,650	+31.7	5,522,422	3,790,609
Calgary	8,308,094	10,802,826	—23.1	5,693,421	4,573,375
Edmonton	3,741,074	3,362,420	+11.3	2,257,420	1,748,605
Victoria	1,760,044	1,589,170	+10.8	1,768,965	1,452,654
Quebec	4,380,913	3,686,788	+18.8	4,025,415	3,540,061
Hamilton	5,726,215	5,281,196	+8.4	4,571,601	3,075,871
Halifax	3,988,051	3,391,755	+16.7	2,336,857	2,198,208
Regina	7,094,711	4,823,312	+47.1	3,422,199	2,661,199
Saskatoon	2,536,496	2,689,888	—5.7	1,950,325	1,686,793
St. John	2,902,548	1,831,116	+6.4	1,758,298	1,482,761
London	2,575,828	2,090,039	+23.2	1,921,614	1,595,409
Moose Jaw	2,472,728	1,941,793	+27.4	1,394,261	1,212,952
Lethbridge	1,393,623	1,341,109	+3.9	1,023,913	567,576
Brandon	848,497	881,331	—3.7	575,847	619,850
Brantford	937,313	805,998	+16.3	709,639	603,945
Fort William	1,323,376	780,389	+66.8	640,010	564,164
New Westminster	579,634	364,364	+59.1	286,903	201,250
Medicine Hat	608,894	647,863	—6.0	624,615	372,965
Peterborough	921,299	658,350	+40.0	549,731	423,503
Sherbrooke	963,182	719,996	+33.9	600,433	---
Kitchener	588,040	640,439	—8.1	436,200	---
Total Canada	363,913,906	301,071,956	+0.9	240,931,871	192,356,147

**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 2 columns: Description of application and Capital amount. Includes 'For organization of national banks' and 'For conversion of State banks'.

Total \$125,000

INCREASES OF CAPITAL APPROVED.

Table with 2 columns: Description of capital increase and Amount. Includes 'The Citizens National Bank of Orange, Va.' and 'The Marion National Bank, Marion, Va.'.

Total \$427,100

CHARTERS RE-EXTENDED.

Table with 2 columns: Description of charter re-extension and Date. Includes 'The First National Bank of Mount Sterling, Ill.' and 'The Peoples National Bank of Marlborough, Mass.'.

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 3 columns: Shares, Bonds, and Per cent. Lists various securities like '49 Arcadia Coal Co., Ltd.' and '\$25,000 Washington Util. Co., coll.'.

By Messrs. Millett, Roe & Hagen, Boston:

Table with 3 columns: Shares, Stocks, and \$ per sh. Lists securities like '10 Central Trust, Cambridge' and '3 Wampanoag Mills, ex-div'.

By Messrs. R. L. Day & Co., Boston:

Table with 3 columns: Shares, Stocks, and \$ per sh. Lists securities like '1 National Union Bank' and '1 Mass. Lighting Prop., pref.'.

By Messrs. Barnes & Lofland, Philadelphia:

Table with 3 columns: Shares, Stocks, and \$ per sh. Lists securities like '210 United Gas, Elec. & Fuel of Sande Hill & Co., Edw.' and '1 Ches. Cross Co., \$50 par'.

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 4 columns: Name of Company, Per Cent., When Payable, and Books Closed. Lists various companies under categories like 'Railroads (Steam)', 'Street & Electric Railways', and 'Miscellaneous'.

Table with 4 columns: Name of Company, Per Cent., When Payable, and Books Closed. Lists a wide variety of companies including 'Miscellaneous (Continued)', 'British Columbia Pack. Assn.', 'Brompton Pulp & Paper, Ltd.', etc.

\* From unofficial sources. † Transfer books not closed for this dividend. ‡ Less British Income tax. § Correction. ¶ Payable in stock. †† Payable in common stock. ‡‡ Payable in scrip. ††† On account of accumulated dividends. ‡‡‡ Payable in Liberty Loan bonds. †††† Red Cross dividend. ††††† Payable in U. S. Liberty Loan 4 1/2% bonds. †††††† Declared subject to the approval of Director-General of Railroads. ††††††† Declared \$6 payable \$1 each on Nov. 11, Dec. 11 1918 and Jan. 11, Feb. 11, Mar. 11 and April 11 1919 to holders of rec. of Nov. 4, Dec. 4 1918 and Jan. 4, Feb. 4, Mar. 4 and April 4 1919, respectively. †††††††† For United War Work Campaign.

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 18 1918.

Withdrawals in some volume of Government deposits accompanied by somewhat larger additions to other demand deposits, also a slight decline in the total of United States securities held, are indicated by the weekly statement of conditions on Oct. 18 of 749 banks in leading cities. On the eve of the consummation of the Fourth Liberty Loan these banks show a total of 1,729.8 millions of Treasury certificates on hand, compared with 1,777.2 millions on Oct. 11 and 725.4 millions reported by 695 member banks on June 21, the Friday preceding the first certificate issue under the latest loan. Holdings of United States bonds, other than circulation bonds, went up 32.5 millions for the week, 14.5 millions of the total increase being credited to the central reserve city banks. Aggregate loans secured by United States war obligations increased 10.6 millions—largely outside the central reserve cities. All other loans and investments went up 16.3 millions, though the banks in Greater New York report a curtailment of this item by about 18 millions. The ratio of United States war securities and loans supported by such securities to total investments remains unchanged at 20.4%. For the central reserve city banks this ratio shows a decline from 22.5% to 22.3%. Net withdrawals of Government deposits for the week totaled 111.6 millions. Net demand deposits increased 151.9 millions, of which 101.4 millions represents the increase for the central reserve city banks. Time deposits show a decline of 24.2 millions. Reserve balances with the Federal Reserve banks declined 11.4 millions, while cash in vault increased 15.6 millions. For all reporting banks the ratio of investments to deposits shows a decline from 126.9% to 126.6%. For the central reserve city banks this ratio remains unchanged at 118%. The ratio of combined reserve and cash to deposits for all reporting banks, 13.9%, shows no change since October 11, while for the central reserve city banks this ratio declined from 16 to 15.8%. "Excess reserves" of all reporting banks work out at 56.8 millions as against 85.3 millions the week before. For the banks in the central reserve cities a decline of this item from \$4.8 to 30.6 millions is noted.

1. Data for all reporting banks in each district Two niphers (00) omitted

Table with columns for Member Banks (Boston, New York, Philadela., Cleveland, Richm'd., Atlanta, Chicago, St. Louis, Minneap., Kan. City, Dulles, San Fran.) and Total. Rows include Number of reporting banks, U. S. bonds to secure circula'n, Liberty bonds, U. S. certifs. of indebtedness, Total U. S. securities, Loans sec. by U. S. bonds, etc., All other loans & investments, Reserve with Fed. Res. Bank, Cash in vault, Net demand deposits, Time deposits, Government deposits.

2. Data for banks in each Central Reserve city, banks in all other Reserve cities and other reporting banks

Table with columns for New York, Chicago, St. Louis, Total Central Res. Cities, Other Reserve Cities, Country Banks, Total. Rows include Number of reporting banks, U. S. bonds to secure circula'n, Liberty bonds, U. S. certifs. of indebtedness, Total U. S. securities, Loans sec. by U. S. bonds, etc., All other loans & investments, Reserve with Fed. Res. Bank, Cash in vault, Net demand deposits, Time deposits, Government deposits, Ratio of combined reserve and cash to total net deposits.

The Federal Reserve Banks.—Following is the weekly statement issued by the Federal Reserve Board on Oct. 26.

Heavy liquidation of discounted bills secured by United States war obligations following the redemption on Oct. 24 of the certificate issue of June 25, totaling 839 millions, and an increase of over 250 millions in the amounts of Treasury certificates on hand are indicated by the Federal Reserve Board's weekly bank statement issued as at close of business on Oct. 25 1918. These certificates are largely the equivalent of advances to the Government by the Federal Reserve banks pending the collection of items received in partial or full payment for Liberty Bonds. INVESTMENTS.—All the banks except Boston and Cleveland report net liquidation of war paper on a large scale, the New York Bank alone reporting a decrease of 71.4 millions in its holdings of this class of paper. Other discounted paper shows an increase for the week of 27.9 millions, largely at the Chicago Bank. Acceptances bought in the open market increased 28.5 millions, the New York, San Francisco and Philadelphia banks reporting the largest gains under this head. Increases in Government short-term securities shown by the New York, Philadelphia, Chicago and San Francisco banks represent approximately the amounts advanced by these banks to the Government. Total earning assets show an increase for the week of 140.3 millions.

DEPOSITS.—Government deposits declined 101.6 millions, all the Reserve banks except Richmond reporting substantial withdrawals of Government funds for the week. Members' reserve deposits increased 176.8 millions and net deposits 143.1 millions.

RESERVES.—A further gain of 9.8 millions in gold reserves and of 10.5 millions in total cash reserves is shown. The banks' reserve percentage, as the result mainly of the large increase in net deposits shows a decline from 51.1% to 49.6%.

NOTE CIRCULATION.—Federal Reserve Agents report a net increase of 30.1 millions in the actual circulation of Federal Reserve notes outstanding. The banks show an increase of 5.4 millions in the actual circulation of Federal Reserve notes besides an increase of 3.2 millions in their aggregate liabilities on Federal Reserve bank notes in circulation.

CAPITAL.—Admissions to the System and additions to capital stock by existing members are largely responsible for an increase of \$133,000 in the Reserve banks' paid-in capital, Philadelphia, Cleveland, Chicago and St. Paul reporting the largest increases under this head.

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. 25, consisted of "Foreign Government deposits," \$95,173,799; "Non-member banks deposits," \$7,268,812; and "Due to War Finance Corporation," \$8,707,374.

COMBINED RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT THE CLOSE OF BUSINESS OCT. 25 1918.

Table with columns for Oct. 25 1918, Oct. 18 1918, Oct. 10 1918, Oct. 4 1918, Sept. 27 1918, Sept. 20 1918, Sept. 13 1918, Sept. 6 1918, Oct. 29 1917. Rows include RESOURCES (Gold in vault and in transit, Gold settlement fund, Gold with foreign agencies, Total gold held by banks, Total gold reserves, Legal tender notes, Total reserves, Bills discounted, U. S. Government long-term securities, U. S. Government short-term securities, All other earning assets, Total earning assets, Uncollected items, 5% redemp. fund agst. F. R. bank notes, All other resources) and Total resources.

\* Includes amount formerly shown against items due from or due to other Federal Reserve banks net.

Main financial table with columns for dates from Oct. 25 1918 to Oct. 26 1917. Rows include LIABILITIES, Distribution by Maturity, Federal Reserve Notes, and Total. Includes sub-headers like Capital paid in, Surplus, Government deposits, etc.

WEEKLY STATEMENT of RESOURCES and LIABILITIES of EACH of the 12 FEDERAL RESERVE BANKS at CLOSE of BUSINESS Oct. 25 1918.

Detailed weekly statement table with columns for 12 Federal Reserve Banks (Boston, New York, Philad., Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kan. City, Dallas, San Fran.) and Total. Rows include RESOURCES (Gold coin and certifi., Gold settlement fund, etc.) and LIABILITIES (Capital paid in, Surplus, Government deposits, etc.).

\*Difference between net amounts due from and net amounts due to other Federal Reserve banks. † Net amount due to other Federal Reserve banks. ‡ Overdraft.

STATEMENT OF FEDERAL RESERVE AGENTS' ACCOUNTS at CLOSE of BUSINESS Oct. 25 1918

Statement of Federal Reserve Agents' Accounts table with columns for Boston, New York, Philad., Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kan. City, Dallas, San Fran., and Total. Rows include Federal Reserve notes, Chargeable to F. R. Agent, Issued to F. R. Bank, etc.



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. 26. 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.

Main table with columns: CLEARING HOUSE MEMBERS, Capital, Net Profits, Loans, Discounts, Investments, etc., Gold, Legal Tenders, Silver, National Bank and Reserve Notes, Reserve with Legal Depositaries, Additional Deposits with Legal Depositaries, Net Demand Deposits, Net Time Deposits, National Bank Circulation. Includes sub-sections for State Banks and Trust Companies.

a U. S. deposits deducted, \$281,939,000 b U. S. deposits deducted, \$474,381,000. c Includes capital set aside for foreign branches, \$6,000,000.

STATEMENTS OF RESERVE POSITION.

Table with columns: Averages, Actual Figures. Sub-columns include Cash Reserve in Vault, Reserve to Depositors, Total Reserve, Reserve Required, Surplus Reserve, Inc. or Dec. from Previous Week.

\* Not members of Federal Reserve Bank. a This is the reserve required on net demand deposits in the case of State banks and trust companies, but in the case of members of the Federal Reserve Banks, includes also amount of reserve required on net time deposits, which was as follows: Oct. 26, \$4,383,150; Oct. 19, \$4,376,700; Oct. 11, \$4,498,500; Oct. 5, \$4,531,350. b This is the reserve required on net demand deposits in the case of State banks and trust companies, but in the case of members of the Federal Reserve Bank includes also amount of reserve required on net time deposits, which was as follows: Oct. 26, \$4,434,330; Oct. 19, \$4,325,100; Oct. 11, \$4,405,220; Oct. 5, \$4,521,720. c Amount of cash in vault, which is no longer counted as reserve for members of the Federal Reserve Bank, was as follows: Oct. 26, \$108,163,000; Oct. 19, \$104,791,000; Oct. 11, \$102,956,000; Oct. 5, \$100,020,000. d Amount of cash in vaults, which is no longer counted as reserve for members of the Federal Reserve Bank, was as follows: Oct. 26, \$106,537,000; Oct. 19, \$104,414,000; Oct. 11, \$108,004,000; Oct. 5, \$100,372,000.

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.

Table with columns for item, dollar amount, and percentage change. Includes categories like Loans and investments, Specie, Currency and bank notes, etc.

RESERVE.

Table showing Reserve for State Banks and Trust Companies, including Cash in vaults and Deposits in banks and trust cos.

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.)

Table showing weekly results for various items: Loans and Investments, Demand Deposits, Specie, Legal Tenders, Total Cash in Vault, and Reserve to Depositors.

\*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" Apr. 4 1914 (V. 98, p. 1045).

STATE BANKS AND TRUST COMPANIES IN NEW YORK CITY.

Table comparing State Banks and Trust Companies for the week ended Oct. 26, 1918, with Oct. 26, 1917, and differences from previous weeks.

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.

Table showing Boston Clearing House members' circulation and deposits for Oct. 1918, compared with previous weeks and Oct. 1917.

Philadelphia Banks.—The Philadelphia Clearing House statement for the week ending Oct. 26, 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.

Table showing Philadelphia Banks' capital, surplus, and deposits for the week ending Oct. 26 1918, compared with Oct. 19 1918 and Oct. 12 1918.

\* Cash in vault is not counted as reserve for Federal Reserve 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.

Large table with columns for Capital, Net Profits, Loans, Discounts, Investments, Gold, Legal Tenders, Silver, National Bank & Federal Reserve Notes, Reserves with Legal Depositors, Additional Deposits with Legal Depositors, Net Demand Deposits, Net Time Deposits, and National Bank Circulation.

a U. S. deposits deducted, \$16,237,000.

Bankers' Gazette.

Wall Street, Friday Night, Nov. 1 1918.

The Money Market and Financial Situation.—Business at the Stock Exchange this week has been influenced chiefly by the Money Committee's new regulations intended to restrict marginal trading, by the steady progress being made by Germany and her allies in their efforts to hasten the end of the war, and by a reduction of the Steel Corporation's extra dividend rate from 3 to 2%. The immediate effect of the former was persistent liquidation of speculative accounts, which extended well into the week, and, of course, caused a substantial decline of values. This movement was accelerated by the dividend reduction referred to. On the other hand, the daily news from overseas has so persistently foreshadowed an early return of peace that bonds and high-grade stocks have been steadily absorbed by capitalists and investors in whose opinion this class of securities is now relatively low.

Although it was officially announced not long ago that "politics is adjourned," the subject has suddenly been revived and attracted wide attention and much discussion this week. Party feeling in the matter is very keen and the result of next Tuesday's elections is awaited eagerly.

The gold holdings of the Bank of England continue to increase, \$2,600,000 having been added during the week, and the total now held is nearly \$370,000,000. The local money market has been dull. But little money is offered on time, although the supply of funds for call loans has been fairly good, with some call loans made yesterday at 4%.

Foreign Exchange.—Sterling exchange continued without alteration. The neutral exchanges were weak and the continental belligerent exchanges firm as a rule.

To-day's (Friday's) actual rates for sterling exchange were 4 7/32 @ 4 7/8 for sixty days, 4 7/16 @ 4 7/8 for cheques and 4 7/16 @ 4 7/8 for cables. Commercial on bank sight 4 7/16 @ 4 7/8, sixty days 4 7/16 @ 4 7/8, ninety days 4 7/16 @ 4 7/8, and documents for payment (sixty days) 4 7/16 @ 4 7/8. Cotton for payment 4 7/16 @ 4 7/8.

To-day's (Friday's) actual rates for Paris bankers' francs were 5 5/32 @ 5 1/2 for long and 5 1/2 @ 5 1/2 for short. Germany bankers' marks were not quoted. Amsterdam bankers' guilders were 41 9-16 @ 41 5-16 for long and 41 13-16 @ 41 11-16 for short.

Exchange at Paris on London, 26.06 1/2; week's range, 26.06 francs high and 26.06 1/2 francs low. Exchange at Berlin on London not quotable. The range for foreign exchange for the week follows: Sterling, Actual—Sixty Days. Cheques. Cables. High for the week—4 7/32 4 7/8 4 7/8-16 Low for the week—4 7/32 4 7/16 4 7/16 Paris Bankers' Francs. High for the week—5 5/32 5 1/2 5 1/2 Low for the week—5 1/2 5 1/2 5 1/2 Amsterdam Bankers' Guilders—High for the week—41 13-16 42 1/4 42 1/4 Low for the week—40 13-16 41 1/4 41 1/4

Domestic Exchange.—Chicago, par. Boston, par. St. Louis, 25 @ 15c. per \$1,000 discount bid and 15c. discount asked. San Francisco, par. Montreal, \$20 per \$1,000 premium. Cincinnati, par.

State and Railroad Bonds.—Sales of State bonds at the Board are limited to \$2,000 New York 4s, 1960, at 97 1/2 and \$1,000 N. Y. Canal 4s, 1962, at 97 1/2.

The market for railway and industrial bonds has been moderately active and again strong. The investment demand has continued with the result that of a list of 12 notably active issues, selected at random, 10 have advanced and 2 are unchanged.

Am. Tel. & Tel. 6s, one of the two or three most active, closes 1 1/4 points higher than last week. Mo. Pac. gen. 4s, of the same group, are 1 1/2 higher and So. Pacific, Ches. & Ohio, and N. Y. Cent. are up between 1 and 2 points. In addition to the above the list referred to includes Atchison, Balt. & Ohio, Burlington, Inter. Mer. Mar., the Rubber and Steel issues.

United States Bonds.—Sales of Government bonds at the Board include \$3,500 4s, reg., at 106 to 106 1/2; Liberty Loan 3 1/2s at 99.78 to 100, L. L. 1st 4s at 97.10 to 97.48, L. L. 2d 4s at 96.84 to 97.28, L. L. 1st 4 1/2s at 97.14 to 97.58, L. L. 2d 4 1/2s at 96.80 to 97.30, and L. L. 3d 4 1/2s at 96.80 to 97.41. For to-day's prices of all the different issues and for the week's range see third page following.

Railroad and Miscellaneous Stocks.—On a fairly large volume of business the stock market has been less irregular in tone and character than might have been expected under existing circumstances.

In addition to the necessity for reducing bank loans, as noted above, a reduction in the extra dividend rate on Steel common caused a drop of over 10 points in that stock and a sympathetic decline almost as heavy in a few other issues. Mexican Petroleum continued to be the erratic feature. It covered a range of 20 points on Monday and later in the week sold 40 points below the highest quotation then recorded. Bethlehem Steel is down 9 points, Texas Co. 8 and Gen. Motors 12.

The railway list has been relatively steady. The market was strong in all departments on Monday and again to-day so that in many cases and in both groups net changes for

the week are unimportant. These changes are generally, however, to a higher level.

For daily volume of business see page 1740.

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 Nov. 1., Sales for Week, Range for Week (Lowest, Highest), and Rise or Fall since Jan. 1. (Lowest, Highest). Lists various stocks like Adams Express, Albany & Susquehan, American Express, etc., with their respective prices and changes.

Outside Market.—Trading on the "curb" this week was unsettled with the volume of business small.

Prices moved alternately up and down, though the close to-day shows a better tone, with the general trend of values upward. Oil stocks again featured the trading. In Standard Oil shares Prairie Oil & Gas advanced from 545 to 562 and reacted finally to 555. Standard Oil of N. Y. moved irregularly; opening at 278 it sold as low as 273 and as high as 285, with the close to-day at 278. Vacuum Oil lost 5 points to 375, then rose to 395, and sold finally at 370. In the other oil shares Midwest Refining was conspicuous for an advance of 12 points to 137, a new high record, then a drop back to 125 and a final upward movement to 134, with the close to-day at 131. Merritt Oil sold up a point early in the week to 23 1/4, reacted to 20 1/4 and reached 25 to-day, the final figure being 23. Oklahoma Prod. & Ref. improved from 9 1/2 to 10 1/8, fell to 9 and ends the week back to 9 1/4. Royal Dutch Co. from 78 reached 80, but reacted to 72, with a final recovery to 82. Sinclair Gulf lost about 2 points to 20 and finished to-day at 21 1/2. Texas Co. new stock sank from 178 1/2 to 174. The "rights" were active, advancing from 14 1/2 to 16. Houston Oil com. declined from 78 1/2 to 72, but recovered finally to 76. In the industrial group Aetna Explosives lost almost 2 points to 6 3/4, with the close to-day up to 7 3/4. Burns Bros. sold up early from 48 to 52 1/2, then down to 48. It moved upward again, reaching 53 1/2, the close to-day being 51. Chevrolet Motor improved from 148 to 155, dropped to 140 and sold finally at 145. United Motors fluctuated irregularly between 32 1/4 and 34 1/2 and ends the week at 33. Cities Service com. rose from 282 to 289 and reacted to 285. Curtiss Aerop. & M. com. was more active than for some time past and after a loss of almost 2 points to 28 sold up to 30 1/4. Wright-Martin Airc. com. lost a point to 5 3/4. The Amer. Tobacco serial 7s were the features in the bond division and all advanced, the 1922 maturity at one time showing a gain of almost 4 points to 103 1/2 and the 1923 issue a gain of nearly 3 points to 102 1/4, though both reacted and closed at 101 1/2 for the former and 102 for the latter.

A complete record of "curb" market transactions on the week will be found on page 1740.

1732 New York Stock Exchange—Stock Record, Daily, Weekly and Yearly

For record of sales during the week of stocks usually inactive, see preceding page.

Main table with columns: HIGH AND LOW SALE PRICES—PER SHARE, NOT PER CENT. (Saturday Oct. 26, Monday Oct. 28, Tuesday Oct. 29, Wednesday Oct. 30, Thursday Oct. 31, Friday Oct. 1); STOCKS NEW YORK STOCK EXCHANGE (Railroads, Par); PER SHARE Range since Jan. 1, On basis of 100-share lots (Lowest, Highest); PER SHARE Range for Previous Year 1917 (Lowest, Highest). Rows include various stock symbols and names like Atch Topoka & Santa Fe, Chicago & North Western, etc.

\*Bid and asked prices; no sales on this day. † Ex-rights. ‡ Less than 100 shares. § Ex-div. and rights. x Ex-dividend. b 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. 26, Monday Oct. 28, Tuesday Oct. 29, Wednesday Oct. 30, Thursday Oct. 31, Friday Nov. 1); Sales for the Week Shares; STOCKS NEW YORK STOCK EXCHANGE; PER SHARE Range since Jan. 1. On basis of 100-share lots. (Lowest, Highest); PER SHARE Range for Precedent Year 1917 (Lowest, Highest). Rows list various stocks like Industrial & Misc. (Con.) Par, Burns Bros., Butte Copper & Zinc v t e., etc.

\* Bid and asked prices; no sales on this day. † Less than 100 shares. ‡ Ex-rights. § Ex-div. and rights. ¶ Par \$100 per share. \*\* Par \$100 per share. †† Ex-dividend









BONDS		Price		Week's		Range	Bonds	Range
N. Y. STOCK EXCHANGE		Friday		Range or				
Week ending Nov. 1		Nov. 1		Last Sale		Jan. 1	Since	Jan. 1
		Bid	Ask	Low	High			
Virginia 1st 5a series A	1922	M	N	91	84 1/2	91	84 1/2	93
Wabash 1st gold 5a	1939	M	N	94	95 1/2	90	90	95
2d gold 5a	1939	F	A	86	88	84 1/2	80	85 1/2
Debuture series B	1939	J	S	90	90	90	90	90
1st lien equip a fd g 5a	1921	M	S	90 1/2	98	97 1/2	96	100 1/4
1st lien 50-yr term 4a	1954	J	J	96	96	65	65	65
Det & Ch 5 1/2 1st g 5a	1941	F	J	87 1/2	102	99 1/2	99 1/2	102
Des Moines Div 1st g 4a	1939	J	J	77	80	75	75	80
Onv Div 1st g 3 1/2 1/2	1941	J	J	77	80	75	75	80
Tol & Ch Div 1st g 4a	1941	J	J	77	80	75	75	80
Wash Term 1st g 3 1/2 1/2	1941	J	J	77	80	75	75	80
1st 40-yr guar 4a	1945	F	A	84	84	82	82	82
West Maryland 1st g 4a	1952	A	O	100 1/2	100	99	99	100
West N Y & Pa 1st g 5a	1937	J	J	100	100	99	99	100
Gen gold 4a	1943	A	O	90 1/2	85 1/2	80	80	85 1/2
Income 6a	1943	Nov	J	45	45	45	45	45
Western Pac 1st ser A 5a	1946	M	S	83 1/2	86	83	83 1/2	86
Wheeling & L E 1st g 5a	1926	A	O	90	96	93	93	96
Wheel Div 1st gold 5a	1928	J	J	98 1/2	100	100	100	100
Exten & Impot gold 5a	1930	F	J	92	99 1/2	92 1/2	92 1/2	99 1/2
Refunding 4 1/2 1/2 series A	1949	M	S	62 1/2	75	67	67	75
RR 1st consol 4a	1949	M	S	62 1/2	75	67	67	75
Wilson-Salest 1st g 4a	1949	J	J	76	80	76	76	80
Wis Cont 50-yr 1st gen 4a	1949	J	J	76	80	76	76	80
Sup & Dist div & term lat 4a	1930	M	N	75	79 1/2	76	76	79 1/2

BONDS		Price		Week's		Range	Bonds	Range
N. Y. STOCK EXCHANGE		Friday		Range or				
Week ending Nov. 1		Nov. 1		Last Sale		Jan. 1	Since	Jan. 1
		Bid	Ask	Low	High			
Adams Ex coll tr g 4a	1943	M	S	64 1/2	67 1/2	63	63	67 1/2
Alaska Gold M deb 6a	1925	M	S	32 1/2	32	30	30	32
Conv deb 6a series B	1925	M	S	33	33 1/2	32	32	33
Am 88 of W Va 1st 5a	1920	M	N	80	80	80	80	80
Armour & Co 1st real est 4 1/2 1/2 '39	1939	J	D	80	80	80	80	80
Booth Fisheries deb a f 6a	1926	A	O	90	90	90	90	90
Bradley Corp M coll tr g 1 1/2 1/2	1931	F	A	92	93	94	94	94
Bush Terminal 1st 4a	1952	A	O	70 1/2	82	80	80	82
Colonel 5a	1955	J	J	80	80	80	80	80
Blider 5a guar tax 6a	1960	A	O	79 1/2	82 1/2	79 1/2	79 1/2	82 1/2
Chle C & Conn Rys a f 5a	1927	A	O	57	57	57	57	57
Chle Un 20-yr 1st g 4 1/2 1/2 A	1943	J	J	87 1/2	87 1/2	87 1/2	87 1/2	87 1/2
Chle Copper 10-yr conv 7a	1923	M	N	114	114	111 1/2	111 1/2	114
Reets (part paid) conv 6a ser A	1932	A	O	87 1/2	87 1/2	85 1/2	85 1/2	87 1/2
Coll tr & conv 6a ser A	1932	A	O	85 1/2	85 1/2	85 1/2	85 1/2	85 1/2
Computing Tab-Rec a f 65	1941	J	J	82 1/2	83	80	80	83
Granby Cons M S & P con 6a A	1928	M	N	93	93	94	94	94
Stamped	1928	M	N	93	93	94	94	94
Great Falls Pow 1st a f 5a	1940	M	N	91 1/2	95	93	93	95
Int. Mercan Machine a f 6a	1941	A	O	103 1/2	103 1/2	101	101	103 1/2
Montana Power 1st 5a A	1943	J	J	83 1/2	83 1/2	83 1/2	83 1/2	83 1/2
Morris & Co 1st g 4 1/2 1/2	1939	J	J	81	81	81	81	81
Mtza Bond (N Y) 4a ser 3	1966	A	O	85	85	85	85	85
10-20-yr 5a series 3	1932	J	J	85	85	85	85	85
N Y Dock 50-yr 1st g 4a	1951	F	A	69	69	67	67	69
Niagara Falls Power 1st 5a	1933	J	J	92 1/2	94	92	92	94
Ref & gen 6a	1932	A	O	99 1/2	99 1/2	99 1/2	99 1/2	99 1/2
Niag Lock & O Pow 1st 5a	1954	M	N	80	83 1/2	82	82	83 1/2
Nor States Power 25-yr 5a A	1941	A	O	85 1/2	87	85	85	87
Ontario Power N F 1st 5a	1943	F	A	86 1/2	86 1/2	86 1/2	86 1/2	86 1/2
Ontario Transmission 5a	1945	M	N	95	95	94	94	95
Am-Am-Petrol Tr 1st conv 6a	1927	J	J	105	105	105 1/2	105 1/2	105 1/2
Pat Serv Corp N J gen 5a	1959	F	A	78	79 1/2	78 1/2	78 1/2	79 1/2
Tennessee Coal 1st 5a	1925	M	N	94 1/2	95 1/2	95 1/2	95 1/2	95 1/2
Wash Water Power 1st 5a	1925	A	O	89 1/2	90 1/2	89 1/2	89 1/2	90 1/2
Wilson & Co lat 25-yr a f 6a	1941	A	O	95 1/2	95 1/2	95 1/2	95 1/2	95 1/2

\*No price Friday; latest bid and asked, a Due Jan., d Due April, e Due May, g Due June, h Due July, k Due Aug., l Due Oct., p Due Nov., q Due Dec., r Option sale.

SHARE PRICES—NOT PER CENTUM PRICES.

Table with columns for days of the week (Saturday Oct. 26 to Friday Nov. 1) and stock prices for various companies.

Main table with columns for 'Sales for the Week Shares', 'STOCKS BOSTON STOCK EXCHANGE', 'Range Since Jan. 1.', and 'Range for Previous Year 1917'. Includes sub-sections for 'Railroads' and 'Miscellaneous'.

\*Bid and asked prices. a Ex-dividend and rights. c Assessment paid. d Ex-stock dividend. h Ex-rights. g Ex-dividend. i Half-paid.

Outside Stock Exchanges

Boston Bond Record.—Transactions in bonds at Boston Stock Exchange Oct. 26 to Nov. 1, both inclusive:

Table with columns: Bonds, Friday Last Sale Price, Week's Range of Prices, Sales for Week, Range since Jan. 1. (Low, High). Includes entries like U S Lib Loan 3 1/2's 1932-47, 1st Lib Loan 4's 1932-47, etc.

Chicago Stock Exchange.—The complete record of transactions at the Chicago Stock Exchange from Oct. 26 to Nov. 1, 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, Sales for Week, Range since Jan. 1. (Low, High). Includes entries like American Radiator, Amer Shipbuilding, Preferred, Armour & Co. pref., Booth Fisheries, etc.

Philadelphia Stock Exchange.—The complete record of transactions at the Philadelphia Stock Exchange from Oct. 26 to Nov. 1, 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, Sales for Week, Range since Jan. 1. (Low, High). Includes entries like Baldwin Locomotive, Buff & Sang Corp v t c, Preferred v t c, Cambria Iron, etc.

Table with columns: Bonds, Friday Last Sale Price, Week's Range of Prices, Sales for Week, Range since Jan. 1. (Low, High). Includes entries like U S Lib Loan 2d 4's 1927-42, 3d Lib Loan 4 1/2's 1928, Amer Gas & Elec 5's 2007, etc.

Baltimore Stock Exchange.—Complete record of the transactions at the Baltimore Stock Exchange from Oct. 26 to Nov. 1, 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, Sales for Week, Range since Jan. 1. (Low, High). Includes entries like Arandel Sand & Gravel, Atlantic Petroleum, Baltimore Tube, Preferred, Commercial Credit of B. 25, etc.

Pittsburgh Stock Exchange.—The complete record of transactions at the Pittsburgh Stock Exchange from Oct. 26 to Nov. 1, 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, Sales for Week, Range since Jan. 1. (Low, High). Includes entries like American Sewer Pipe, Amer Wind Glass Mach, Preferred, Amer Wind Glass, pref. 100, 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 & Bonds, State, Man & Foreign Bonds, and U. S. Bonds.

Table showing sales at the New York Stock Exchange for the week ending Nov. 1, 1918, and Jan. 1 to Nov. 1, 1917. Columns include Stocks-No. shares, Par value, Bank shares, Government bonds, States mun. &c. bonds, and RR. 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 (Shares, Bond Sales), Philadelphia (Shares, Bond Sales), and Baltimore (Shares, Bond Sales).

New York "Curb" Market.—Below we give a record of the transactions in the outside security market from Oct. 26 to Nov. 1, 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.

The possibility that fictitious transactions may creep in, or even that dealings in spurious securities may be included, should, hence, always be kept in mind, particularly as regards mining shares.

Table of transactions in the New York "Curb" market from Oct. 26 to Nov. 1, 1918. Columns include Stock name, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week (Shares), and Range since Jan. 1 (Low, High).

Table of transactions in the New York "Curb" market from Oct. 26 to Nov. 1, 1918. Columns include Stock name, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week (Shares), and Range since Jan. 1 (Low, High).

Table of transactions in the New York "Curb" market from Oct. 26 to Nov. 1, 1918. Columns include Stock name, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week (Shares), and Range since Jan. 1 (Low, High).

\* Old lots. † No par value. ‡ Listed as a prospect. § Listed on the Stock Exchange this week, where additional transactions will be found. ¶ New stock. \*\* Unlisted. †† Ex-cash and stock dividends. ‡‡ When issued. ††† Ex-dividend. †††† Ex-rights. ††††† Ex-stock dividend.

CURRENT NOTICE

Caldwell & Co., well known as dealers in municipal and investment bonds, with offices in Nashville and St. Louis, have become successors to the business of Goulding, Marr & Bro., of Nashville, one of the leading brokerage firms in the South.

will be manager of the stock and bond department of the Nashville office. H. C. Alexander will continue as buyer for the municipal department.

The second edition of "Burnham's Manual of Chicago Securities," revised to Oct. 1 1918, has just come from the press.

The "Manual" consists of some 500 pages containing a wealth of data relative to leading companies, well known particularly in Chicago and the Middle West.

A. B. Leach & Co., 62 Cedar St., this city, and 105 So. La Salle St., Chicago, have in course of preparation a booklet giving a digest of the provisions of the new War Revenue bill.

There are 72 securities listed in the November investment circular of the National City Co., 55 Wall St., this city.

A new issue of \$750,000 Standard Gas & Electric Co. 3-year 7% collateral trust gold notes, due Sept. 1 1921, is jointly offered and advertised in to-day's "Chronicle" by Bonbright & Co., Inc., and H. M. Byllesby & Co., Inc.

A. B. Leach & Co., Inc., of this city and Chicago, are advertising in this issue \$500,000 city of Memphis, Tenn., River Terminal 5% bonds at 100.60 to 101.40 and interest.

Homer A. Vilas, formerly with L. M. Prince & Co., and Thomas J. Hickey, formerly with Kean, Taylor & Co., have formed a partnership under the name of Vilas & Hickey, 44 Pine St., to trade in active railroad and corporation bonds and notes.

C. M. Barr has been commissioned an officer in the United States Army and will discontinue the investment bond business of C. M. Barr & Co., Commonwealth Building, Pittsburgh, Pa., for the period of the war.

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 for Gold coin (including bullion), Gold certificates, Standard silver dollars, Silver certificates, Subsidiary silver, Treasury notes of 1890, United States notes, Federal Reserve notes, Federal Reserve bank notes, National bank notes, and Total.

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.

New York City Banks and Trust Companies

Table listing various banks and trust companies in New York City, including American, Amer Exch, Atlantic, Battery Park, Bowery, Bronx Boro, Bronx Nat, Bryant Park, Butch & Drov, Chase, Chat & Phen, Chemical, Citizens, City, Coal & Iron, Colonial, Columbia, Commerce, Comm'l Ex, Common-wealth, Continental, Corn Exch, Cosmopolitan, Cuba (Hk of), East River, Fifth Ave, First, Garfield, Gathman, Greenwich, Hanover, Hartman, Imp & Trad, Irving Tr, Liberty, Lincoln, Manhattan, Mech & Met, Merchants, Metropolitan, Mutual, New Nat, New York, Pacific, Public, Seaboard, State, Wash Hts, Westch Ave, Yorkville, Coney Island, Flatbush, Greenpoint, Hellgate, Jervis, Mechanic, Mott, Nassau, North Side, People's, First Nat Bank, Central Union, Columbia, Commercial, Empire, Equitable Tr, Farm L & Tr, Fidelity, Fulton, Guaranty Tr, Hudson, Irving Trust, Law Tr & Tr, Lincoln Trust, Mercantile Tr & Deposit, Metropolitan, Mutual (West-chester), N Y Life, N Y Trust, Scandinavian, Title Gu & Tr, Transatlantic, U S Mtg & Tr, United States, Westchester, Brooklyn, Brooklyn Tr, Franklin, Hamilton, Kings County, Manufacturers, People's, Queens Co.

\* 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, † Ex-rights.

New York City Realty and Surety Companies

Table listing various realty and surety companies with Bid and Ask prices.

Quotations for Sundry Securities

Large table listing various securities including Standard Oil Stocks, RR. Equipments, Ordnance Stocks, Public Utilities, and Industrial and Miscellaneous. Includes Bid and Ask prices for numerous companies like Anglo-American Oil, Atlantic Refining, Baitmore & Ohio, Buffalo & Pittsburgh, etc.

\* Per share, † Basis, ‡ Purchaser also pays accrued dividend, § New stock, † Price, † Nominal, † 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 Jan. 1 to Latest Date (Current Year, Previous Year). Includes roads like Alabama & Vicksburg, Ann Arbor, etc.

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.—For the third week of October our final statement covers 15 roads and shows 12.04% increase in the aggregate over the same week last year.

Table with 5 columns: Third Week of October, 1918, 1917, Increase, Decrease. Rows include various railroad companies like Colorado & Southern, Duluth & Mackinac, etc.

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.

Large table with 5 columns: Roads, Gross Earnings Current Year, Gross Earnings Previous Year, Net Earnings Current Year, Net Earnings Previous Year. Lists numerous railroad companies and their financial data.

Continuation of the large table from the previous block, listing railroad companies and their financial data in columns.

Table with columns: Roads, Gross Earnings (Current Year, Previous Year), Net Earnings (Current Year, Previous Year). Lists various railroads and utility companies with their financial data for the current and previous years.

Table with 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 Northampton Trac., Northern Ohio Elec., etc., with their monthly and cumulative earnings.

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 mlres. 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 columns: Companies, Gross Earnings (Current Year, Previous Year), Net Earnings (Current Year, Previous Year), Balance, Surplus. Lists companies like Chicago Telephone Co., Cincinnati Sub Teleg Co., etc., with their financial data.

a Net earnings here given are after the deduction of taxes. b Net earnings here given are before the deduction of taxes.

a Net earnings here given are after the deduction of taxes. b Net earnings here given are before the deduction of taxes.

Table with columns: Gross Earnings, Net after Taxes, Other Income, Gross Income, Fixed Charges, Balance, Surplus. Provides a summary of financial metrics.

ELECTRIC RAILWAY AND PUBLIC UTILITY COS.

Large table with 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 electric railway and public utility companies with their financial data.

Table with columns: Companies, Gross Earnings (Current Year, Previous Year), Net after Taxes, Fixed Chgs. & Taxes, Balance, Surplus. Lists companies like Aurora Elgin & Chicago, Dayton Pow & Lt., etc., with their financial data.

z After allowing for other income received.

Table with columns: Companies, Gross Earnings, Net Earnings, Fixed Chgs. & Taxes, Balance, Surplus. Lists companies like Harrisburg Railways, Twin City Rapid Transit, etc., with their financial data.







interests of your manufacturing divisions engaged in the production of commodities that will continue in demand subsequent to the war.

**Standard Roller Bearing Division, Philadelphia.**—This division, one of the largest producers of roller, ball and taper bearings in the United States, whose present field of sale is largely confined to motor trucks, tractors, airplane motors, &c., is, we feel, enjoying a constant and healthy growth. Our program contemplates specializing in types of bearings that will result in great economies to large consumers, as, for instance, the equipment of railway trains and trolley cars, &c., where decreased friction will offset increased power otherwise necessary. We anticipate a turnover of \$6,000,000 to \$8,000,000 in 1919 for this division, depending on the duration of the war.

**Rockwell Drake Division, Plainville, Conn.**—This division is producing high-grade bearings at a satisfactory profit; the demand warrants largely increasing the capacity and this matter is now being considered. The plant's product is capable of producing about \$1,500,000 annually.

**Wire Wheel Business.**—The Standard Roller Bearing Co. is the exclusive licensee of the Rudge-Whitworth motor wheel, which we believe to be the best wire wheel ever devised. Plans are prepared for promulgating this branch of the business on a broad scale when conditions permit. Prior to its being interrupted, the demonstrating effort of 1917 resulted in a turnover in excess of \$600,000.

**Mayo Radiator Division.**—This division, located in the Bronx, N. Y. City, is quadrupling last year's turnover, and next year, under any conditions, we feel should do a business of approximately \$3,000,000.

**Brachburn Steel Co., Pittsburgh.**—This subsidiary will insure us a supply of exceptionally high-grade steel for bearings. Its production is now at the rate of over \$3,000,000 per annum, and provisions are being made for additional equipment to fully meet the requirements of the bearings division.

**Machine Shop, Tucony, Pa.**—This new plant is well located and equipped for the manufacture of standard and special machine tools for our several after-the-war products.

**War Contracts, &c.**—We have at present approximately \$35,000,000 worth of contracts for munitions due for delivery to the Government by July 1919. After these are completed we shall have released for production in normal lines about 835,298 sq. ft. of floor space, a large amount of equipment and some thousands of trained employees.

Compare full statement to New York Stock Exchange as of Sept. 5, in V. 107, p. 1383.

GENERAL INVESTMENT NEWS

RAILROADS, INCLUDING ELECTRIC ROADS.

**Provisional Standard Returns.**—Approximate Figures Subject to Final Revision and Ratification.—The "Railway Review" of Chicago publishes a table containing the names of about 160 companies with "approximately the three year operating returns that will be certified by the Inter-State Commerce Commission plus any special allowances as extra compensation that may be allowed for extraordinary investment not included, freight in transit and other allowances that may be proper." These figures, it is understood, are subject in most, if not all, cases to final revision and ratification.—Ed. "Chronicle."

**Arkansas Valley Ry. Light & Power Co.**—Earnings, &c. See Standard Gas & Elec. Co. under "Industrials" below.—V. 106, p. 2449.

**Baltimore & Ohio RR.**—Dividend Again Deferred.—

At the Oct. 31 meeting of the directors action on the common dividend was again deferred.—V. 107, p. 1378, 1384.

**Bangor Railway & Electric Co.**—Common Div. Suspended.—Pres. E. C. Ryder in a letter to the common stockholders says:

On account of the abnormal conditions existing at the present time, the directors deem it advisable to suspend for the present payment of dividends on the common stock.

Stockholders may rest assured that payment of dividends on the common stock will be resumed as soon as conditions warrant.—V. 107, p. 801.

**Boonville RR. Bridge Co.**—Coupon Payment.—

See Missouri Kansas & Texas Ry. below.—V. 106, p. 1899.

**Chicago Burlington & Quincy RR.**—Contract With U. S. Government.—The "Chronicle" has been favored with a copy of the contract between the Chicago Burlington & Quincy Railroad Company and the Director-General of Railroads. This contract has been duly approved and ratified by the stockholders and directors of the companies concerned, and was executed by all parties under date of Oct. 8 1918. Vice-President T. S. Howland writes "We expect to continue paying our bond interest obligations and dividends as usual."

This contract fixed the annual compensation guaranteed to the companies under section 1 of the Federal Control Act shall be the sum of \$33,390,079 51 during each year and pro rata for each fractional part of a year of Federal control, subject, however, to any such "changes and corrections as the Commission may hereafter determine and certify to be requisite in order that the accounts and reports of the companies used by the Commission as the basis of computing said average annual railway operating incomes may be brought into conformity with the accounting rules or regulations of the Commission in force at the time of such accounting, or in order to correct computations based on such accounts or reports."

The compensation is payable in equal quarterly installments (Q.-M.) and is subject to certain possible deductions on account of (a) any unsettled accounts, taxes, &c., accumulating Jan. 1, 1918; (b) deferred maintenance items, if any; (c) amounts required to reimburse the U. S. Government for additions and betterments "not justly chargeable to the United States unless such matters are financed or otherwise taken care of by the companies to the satisfaction of the Director-General."

Such deductions, however, must not be so exercised as to prevent the payment of charges such as sinking fund installments, rentals, interest hereof regularly paid, interest on loans issued with the approval of the Director-General, &c. Nor shall deductions be made in respect of additions and betterments which are for war purposes and not for the normal development of the companies. There are also other provisions safeguarding the companies' interests, it being especially stipulated that the right to make the deductions referred to under (c) shall be an emergency power which shall be exercised by the Director-General "only when he finds that no other reasonable means is provided by the companies to reimburse the United States, and as contemplated by the President's proclamation (V. 105, p. 2509) and by the Federal Control Act (V. 106, p. 1091, 1193, 1421). It will be the policy of the Director-General to so use such power of deduction as not to interrupt unnecessarily the regular payment of dividends as made by the companies during the test period."

The following roads and properties are included in the contract:

1. The railroad of the Chicago Burlington & Quincy RR. Co., commencing at Chicago, Illinois, and St. Louis, Mo., and extending to Minneapolis, Minn.; Billings, Mont.; Denver, Colo.; and Kansas City, Mo.;
2. The railroad of the Quincy Omaha & Kansas City RR. Co., commencing at Quincy, Ill., and extending to Kansas City, Mo.;
3. The railroad of the Black Hills & Fort Pierre RR. Co., commencing at Lead, South Dakota, and extending to Calcite, in said state;
4. The railroad of the Deadwood Central RR. Co., commencing at Plunk, South Dakota, and extending to Lead, in said State; also from Kirk to Ben Hur mine, in said State; together with all branches, tracks, trackage, bridge and terminals owned by or leased to and operated by any of the companies.—V. 107, p. 1669, 1384.

**Columbus Ry. Light & Power Co.**—Litigation.—

A decision was handed down in the United States District Court at Columbus, O., on Oct. 27, by the terms of which the company must adhere

to the provisions of the 25-year franchise granted by the municipality. It was held that the extraordinary high costs of operation, due to war conditions was not a factor, despite the terms of this franchise, which calls for 8 tickets for 25 cts. The company recently raised its rates to 5 cts. with a rebate coupon.—V. 107, p. 1287, 1192.

**Dallas & Waco Ry.**—Coupon Payment.—

See Missouri Kansas & Texas Ry. below.—V. 106, p. 1800.

**Federal Light & Traction Co.**—Subsidiary Co. Notes.—

See Springfield Ry. & Light Co. below.—V. 107, p. 696.

**Fitchburgh RR.**—Proposal to Discontinue Electric Line.

Receiver Hustis of the Boston & Maine RR. on Oct. 28 filed a petition in the U. S. District Court at Boston for permission to discontinue the operation of the Conway & Deerfield Electric Street Ry., said to be now running at a loss. The majority of the company's stock is held by the Fitchburgh company.—V. 107, p. 1100.

**Fort Smith Light & Traction Co.**—Earnings, &c.—

See Standard Gas & Elec. Co. under "Industrials" below.—V. 106, p. 2559.

**Grand Trunk Ry. of Canada.**—No Dividends on the Guaranteed or Preference Stocks for the Half-Year.—

The company announces that, owing to the exceptionally severe weather in Canada during January, February and March and the consequent decrease in the receipts and increase in working expenses arising therefrom, added to the enormous increase in the prices of labor and materials, owing to war conditions, the net earnings for the half-year to June 30 showed a decrease of \$955,000. Under these circumstances, the board regret it is not possible to pay dividends on the Guaranteed or Preference Stocks for the half-year.

As stated at the annual meeting in April last, the company was unable to obtain authority from the Railway Commission of Canada to increase rates to meet the increased expenses until March 15 1918, when the inadequate advance of 15% was allowed. This has been followed by a further increase of 25% on Aug. 12, and these increases are being reflected in the weekly traffic returns. Last year no dividends were paid for the corresponding half-year.—V. 107, p. 1384, 1287.

**Hocking Valley Railway.**—Extension of \$5,000,000 6% Gold Notes, Due Nov. 1 1918 Until Feb. 1 1919.—

The company, with the approval of the Director-General of Railroads, has authorized Kuhn, Loeb & Co., and the National City Co. to offer to the holders of the above notes the privilege of extending the same at 6% per annum, so that they shall mature on Feb. 1 1919. The holders accepting the privilege of extension should present their notes promptly at the office of the company, 71 Broadway, N. Y. City, where the notes will be appropriately stamped, and the interest to Feb. 1 1919, namely, \$15 per \$1,000 note, paid to extending noteholders. The coupon for interest due Nov. 1 1918 should be detached for collection.

An advertisement on another page says in substance:

The provision of the present trust indenture is to remain in full force in accordance with which the railway company covenants that it will not create any mortgage upon the lines of railroad owned by it at the date of said indenture, or upon any part thereof, unless effective provision be made in such mortgage that all of the notes of said issue then outstanding and unpaid shall be secured under such mortgage by a lien prior to that of any bonds or obligations issued under and secured by such mortgage.

The Director-General has agreed with the company to advance to it the funds necessary to provide at maturity for any of the notes, the holders of which do not accept the above privilege of extension. As it is the desire of the Railroad Administration that all railroad corporations, as far as practicable, shall provide for their own financial requirements, it is hoped by the company that the noteholders will extend their notes so that the Government will not be asked to provide the funds at this juncture, pending the perfecting of plans for more permanent financing the company.

**Litigation.**—

The suit involving the guaranty of bonds of the Kanawha & Hocking Coal & Coke Co. and the Continental Co. is still pending in the courts and appears likely to remain unsettled for some time to come. The order reported as granted by Justice Finch in the N. Y. Supreme Court on Oct. 23 was, we understand, merely an incident in the litigation without special significance. Compare V. 105, p. 2542.—V. 107, p. 181.

**Illinois Central RR.**—Provisional Dividend.—

The directors have declared the usual quarterly dividend of 1 1/4% on the capital stock, payable Dec. 2 to shareholders of record Nov. 6, providing funds are available from the Government, or on a later date when such funds are received.—V. 107, p. 1003, 802.

**Interborough Rapid Transit Co.**—Sale of Notes.—

It was stated during the week that slightly less than 60% of the company's new issue of \$3,400,000 3-year Secured Convertible 7% notes, recently offered for subscription at 98 1/2 and interest, have been sold.—V. 107, p. 1384, 1295, 1287.

**Lake Charles (La.) Ry. Light & Waterworks Co.**—Fares.

Judge Overton at Lake Charles, La., on Oct. 22, ordered a preliminary injunction issued to the city of Lake Charles, La., against the company, which has raised its street car fare to 7 cents.—V. 89, p. 919.

**Lake Superior Terminal & Transfer Ry.**—President.—

G. R. Martin, Vice-President of the Great Northern Ry., has been also elected President of this company.—V. 107, p. 696.

**Louisville Railway.**—Wage Settlement.—

This company's employees have agreed to accept an increase of 7% in wages effective Sept. 1. The men to receive from 34 to 38 cents in the city and from 35 to 39 cents on interurban lines. The men originally asked for an increase of 14%.—V. 107, p. 1385, 1101.

**Maine Central RR.**—Treasurer.—

Arthur P. Foss, Comptroller, has been elected Treasurer of this company and the Portland Terminal Co., the Rangeley Lake RR. and the Bridgeton & Saco River RR.—V. 107, p. 1679.

**Memphis Street Ry.**—Wages Fixed.—Fares.—

The War Labor Board has fixed the wages of motormen and conductors for this company at 36 cents per hour for three months service, 38 cents for the next nine months, and 40 cents thereafter. Shop and barn men are to be increased 8 cents per hour; other repair men are not to be paid less than 36 cents. The award is to take effect as of Aug. 1, the company being allowed until Feb. 1 next, to make the back pay allowance. Because of the financial condition of the company, the Board recommends that the fares be increased from 5 to 6 cents.—V. 107, p. 501.

**Missouri Kansas & Texas Ry.**—Coupon Payment.—

Notice is given that coupons for interest matured May 1 1918 on the following bonds will be paid upon presentation at the office of agent for receiver, 61 Broadway, New York City, on and after Oct. 30 1918: Missouri Kansas & Oklahoma RR. 1st Mtge. 5% bonds, due May 1 1942. (The) Boonville RR. Bridge Co. 1st Mtge. 4% bonds, due Nov. 1 1951. The Dallas & Waco Ry. Co. 1st Mtge. 5% bonds, due Nov. 1 1940.—V. 107, p. 1004, 802.

**Montgomery (Ala.) Light & Traction Co.**—Sale.—

A press report from Montgomery, Ala., states that ownership of this company has been sold to Isador Newman & Sons of New Orleans at a price of about \$2,000,000 which includes the electric lighting plant and contracts, as well as the street railway system.—V. 107, p. 1101.

**New York New Haven & Hartford RR.**—Compensation

Matters.—The following statement first published in Boston, has been officially revised for the "Chronicle."

This company has laid before the Railroad Administration a petition setting forth what it believes it should receive as annual compensation during period of Government control. Primarily, the road is entitled to at least \$16,800,000 per annum, according to the reports of the I. S. C. Commission, this sum representing the average net operating income for the three years ended June 30 1917—the test period. After interest charges and taxes this would leave a balance of about \$3,200,000, equivalent to a little over 2% of the \$167,000,000 capital stock.

The company, however, requests additional compensation by virtue of expenditures made and charged into earnings during the three years taken by the Government as an average. These expenditures totaled about \$14,000,000, of which about \$7,500,000 represented expenditures to fit the property for the economies to be realized from the use of the heavy Santa Fe type of locomotives. These locomotives were not delivered till last month when the property was under Federal control. As a consequence the Director-General will obtain all the operating economies from the use of this heavy motive power while the corporation will receive no repayment of the interest on these expenditures unless it is allowed an addition to its operating revenue during the three-year period.

In addition, there is the matter of car hire calling for adjustment. The New Haven is a terminal road, 86% of the freight cars moved over its lines stay in New Haven territory, and 14% go through. Six out of every ten cars moved by the New Haven during the three-year period were foreign cars that demanded a per diem charge on entering the system, demurrage charges while being unloaded and a charge while being returned. Under Government control no such expenses are permissible. All equipment and facilities are pooled for the common good.

The New Haven claims some cognizance should be taken of this fact, particularly when the Government as the lessee, does not have to pay any such charges, but derives the benefits of the full earnings.

Because of these and various other extraordinary expenditures made during the test period the New Haven believes it is entitled to an additional sum of \$2,000,000 per annum, or a total rental of \$18,800,000. But even this would leave only a lean surplus for division among stockholders. Indeed, after fixed charges, taxes, &c., the total net would amount to but \$5,200,000, or only 3.30% on the \$157,000,000 capital stock.—V. 107, p. 1482, 1385.

New Orleans Great Northern RR. Co.—Earnings.—

Table with columns for Calendar Years (1917, 1916, 1915, 1914) and rows for Operating revenues, Operating expenses, Uncollectible rev. & tax, Operating income, Other income, Gross income, Joint facilities—rents, Int. on funded debt, Discount on securities, Miscellaneous, Income for year.

N.Y. Ontario & Western Ry.—Standard Return.—

In reply to our inquiry we are advised that this company's standard return as approved by the Inter-State Commerce Commission is in amount of \$2,103,589. There are no restrictions as to the use of this rental and no reductions for deferred maintenance or other purposes. [The shareholders voted yesterday to approve the Government contract containing this figure.]—V. 107, p. 1670, 1004.

Norfolk & Western Ry.—Government Compensation to Approximate \$20,700,000.—Pres. L. E. Johnson, in a letter dated Oct. 23 referring to the adjourned meeting to have been held Oct. 31 for vote on the Government interest, says:

The general terms, designated "Standard Clauses," of an agreement between the railroad companies and the Government, formulated after several months' negotiation conducted by a committee from the Railway Executives' Advisory Committee, representing more than 90% of the entire railroad mileage of the country, have been recommended by that body for adoption and have the approval of the Director-General of Railroads. These standard clauses have been approved by your board of directors. The company's annual compensation for the use of its property while under Federal control has not been definitely determined, but will approximate \$20,700,000, which will care for the company's corporate expenses and fixed charges, and will provide for the usual dividends and leave a surplus for appropriations for additions, betterments and equipment.

In addition to the standard clauses, the contract when executed will also embody specific terms applicable to your company. The consideration of these may necessitate further adjournment of the meeting of stockholders. In its final form, the contract will come before the adjourned meeting for ratification. V. 107, p. 1482, 1580.

Northern Ohio Traction & Light Co.—Earnings.—

Table with columns for Earnings 12 Months ending Sept. 1918 (1918, 1917) and rows for Gross earnings, Operating exp., Gross income, Fixed charges.

Ottumwa Ry. & Light Co.—Earnings, &c.—

See Standard Gas & Elec. Co. under "Industrials" below.—V. 106, p. 2450.

Pittsburgh Railways.—Overdue Coupon Payments.—

Having secured permission of the U. S. District Court to pay a portion of fixed charges, the receivers have announced that the following interest coupons will be met at the Fidelity Title & Trust Co., Pittsburgh:

Coupons due July 1 1918—Allegheny & Belleuve Street Ry., Allegheny Street Ry., Federal Street & Pleasant Valley Passenger Ry., General Mtge., Federal Street & Pleasant Valley Passenger Ry., Consolidated Mtge., Perry Street Ry. Co., Troy Hill Passenger Ry. Coupons due Oct. 1 1918—Pittsburgh Allegheny & Manchester Traction Co., Pittsburgh Traction Co. Interest due July 1 last on bonds of the Washington & Canonsburg Ry. will be paid at the office of the Colonial Trust Co., Pittsburgh. Compare V. 107, p. 1670, 1385.

San Fran.—Oakland Terminal Rys.—Coupon Payment.—

Announcement is made that funds for the payment of coupons from the Oakland Traction Co. General Consolidated Mortgage 5% gold bonds have been deposited with the Wells Fargo-Nevada Nat. Bank, San Francisco. The coupons being paid were due July 18 1917.—V. 107, p. 1288, 907.

Springfield (Mo.) Ry. & Light Co.—Note Exchange.—

We are advised that the \$265,000 5% 2-yr. gold notes of this company have been retired, having given in exchange 3-yr. 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 the same are presented to the trustee at the Rhode Island Hospital Trust Co. of Providence, R. I. (This item was incorrectly published under the heading of the Federal Light & Traction Co. in last week's issue.)—V. 106, p. 608.

Tennessee Central RR.—Secretary.—

D. R. Carpenter succeeds H. C. Lassing as Secretary.—V. 107, p. 152.

Wabash RR.—Treasurer—Vice-President.—

J. C. Otteson, Vice-President, Secretary and Assistant Treasurer, has also been elected Treasurer, succeeding F. L. O'Leary. H. Rogers Winthrop has been made Vice-President.—V. 107, p. 1103, 1005.

Western Ohio Ry. Co.—Int. Not Paid.—Holders of the 1st Mtge. 25-year 5% gold bonds, due Nov. 1921, have received the following from Pres. F. D. Carpenter, dated Oct. 24:

As a result of the continuing increases in the cost of labor, fuel and supplies, the company has been unable to accumulate sufficient funds to meet the installment of bond interest which will be due Nov. 1 next (1918). Every effort will be made to pay this interest at the earliest possible date, and as soon as the funds are available notice will be published and also mailed to all known bondholders to forward their coupons for collection.—V. 107, p. 1288.

INDUSTRIAL AND MISCELLANEOUS.

Aetna Explosives Co.—Reorganization Status.—

A meeting of the stockholders' and other interests for the purpose of hearing reorganization plans proposed, has been called for Nov. 4 by Judge Mayer. It is believed that this is the preliminary step with a view of lifting the receivership. Compare V. 107, p. 907, 503.

Allis-Chalmers Mfg. Co.—Earnings to Sept. 30.

Table with columns for Sales Billed, Net before War Tax, War Tax, Reserve, Net Profits, Sales Billed, Net Profits for months from January to September, and quarterly totals for 1918 and 1917.

Peace Products.—Dow, Jones & Co. give the following as indicating the degree to which peace products predominate in the company's current output:

Table with columns for Sales Invoiced (August, 8 Months) and Orders Booked (August, 8 Months) and rows for Gas and oil engines, Steam engines, Forging, Electrical, Air brakes, Hydraulic turbine, Centrifugal pumps, Flour mill, Saw mill, Steam turbine, Pumping engines, Mining machinery, Crushing and cement, Farm tractors, Miscellaneous.

American Hide & Leather Co.—Earnings for Sept. Quar.

Table with columns for 3 Mos. (Sept. 30, 1918, 1917) and 1918, 1917, and rows for Net earnings, Bond interest, Sinking fund.

Total \$3,167,442 \$21,954,498 \$5,080,640 \$25,723,605. In excess of \$5,000,000 of orders was booked in August. This represents the maximum the management can see its way clear to accept under conditions governing labor and raw material market.

"As output and orders have increased, working capital has expanded more than sufficiently to care for the larger volume. Working capital (excess of current assets, including inventories, over current liabilities) was \$16,889,000 in January and \$21,743,000 in August, an increase of approximately \$5,000,000.

"A summary of inventories shows that out of \$17,204,923 inventories \$13,436,726 represents work in process of manufacture or manufactured material, all of which has already been sold. It merely remains to be completed to be turned into cash. Eliminating this \$13,436,726, there remains \$3,768,197 actual unsold inventories, in itself not a large balance for a company of Allis-Chalmers' size. This sum is furthermore protected by a more than 25% special inventory reserve, amounting to \$1,060,000.

"The company is paying regularly 7% on the prof. and 3% annually on account of deferred dividends. There is 4 1/2% in arrears, which at present rate of payment will not be fully liquidated before Jan. 1 1920. Earnings, however, appear to warrant clearing up of this accumulation at any time directors wish.—V. 107, p. 1005, 605.

American Tobacco Co.—Allotment of Notes.—

Due to the large oversubscription of this company's \$25,000,000 7% Serial notes offered last week the following allotments were made:

16% on subscriptions of over \$10,000 to the 1919 maturity. 13% on subscriptions of over \$5,000 to the 1920 maturity. 7 1/2% on subscriptions of over \$15,000 to the 1921 maturity. 9% on subscriptions of over \$16,000 to the 1922 maturity. On subscription totals for the respective maturities for the amounts listed above or less allotments of \$1,000 will be made. It is expected that definitive notes will be ready for delivery on Nov. 4.—V. 107, p. 1670, 1259.

American Writing Paper Co.—Listed.—

The New York Stock Exchange on Oct. 18 admitted to list \$600,000 Old Colony Trust Co. and Central-Union Trust Co. of N. Y. certificates of deposit for 1st M. 5s due July 1 1919, with authority to add \$10,400,000 of such certificates of deposit on issuance in exchange for outstanding bonds deposited, making the total amount authorized to be listed \$11,000,000.

The financial plan under which these bonds are being deposited preparatory to exchange for bonds of new issue was given at length in V. 107, p. 1671.

American Zinc, Lead & Smelting Co.—Prices.—

The Zinc Committee of the War Industries Board has entered into an agreement with producers relative to a new basis for settlement of zinc ore purchases. The new schedule to hold Jan. 1.—V. 107, p. 1006, 908.

Anaconda Copper Mining Co.—Copper Price 26 Cents.—

President Wilson has officially approved the price of 26c. for copper, to be in effect from Nov. 1 to Jan. 1 1919, when the price may be revised.—V. 107, p. 1103, 1006.

Armour & Co.—Definitive Debenture Ready.—

The interim certificates issued for 6% serial convertible gold debentures may now be surrendered in exchange for the definite engraved debentures, either at Continental & Commercial Trust & Savings Bank, No. 208 South LaSalle St., Chicago, Ill., or at the Bankers Trust Co., 16 Wall St., N. Y. (V. 106, p. 2561).—V. 107, p. 1194, 1103.

Beatrice Creamery Co., Chicago.—Balance Sheet.—

Table with columns for Assets (Feb. 28 '18, Feb. 28 '17) and Liabilities (Feb. 28 '18, Feb. 28 '17) and rows for Real est., bldgs., New coldstor. bldg., Invest. in oth. cos., Cash, U.S. Liberty bonds, Notes, acct., &c., receivable, Inventories, Prepaid int., &c., Preferred stock, Common stock, Notes payable, Accounts payable, Patrons' cream acct., Taxes accrued, Reserves, Surp. & undivided profits.

Total 7,758,588 6,614,084. Dividends totalling 7% on pref. stock and 21% on common stock were paid in 1917, against 7% and 17%, respectively, in 1917.—V. 106, p. 2124.

Bethlehem Steel Corporation.—Ship Contracts Canceled.

The United States Shipping Board has canceled the \$60,000,000 contract, awarded to the Bethlehem-Union shipyards of this company at Alameda, Cal.—V. 107, p. 1671, 908.



This compares with the quarterly dividend of \$2 and the extra \$2 per share payable Aug. 10 last. It is stated that the reduction of the dividend was brought about because of pending taxation legislation. The company will invest the amount saved in Govt. cfs. of indebtedness.—V. 107, p. 407.

(S. S.) Kresge Co.—Earnings.—

Table with 2 columns: Periods ending Sept. 30 and 3 Months, 9 Months. Rows include Sales, Cost of merchandise, Gross profit, Expenses, and Net earnings.

Lake Superior Corporation.—Output.—For quarter ended Sept. 30, as follows, in tons:

Table with 3 columns: 1918, 1917, and 1916. Rows include Maple ore, Coke, Pig iron, Steel ingots, and Finished materials.

Lawrence (Massachusetts) Gas Co.—Price Increased.—

Massachusetts Gas & Electric Light Commission has granted this company permission to advance the price of gas to \$1.15 per 1,000 cu. ft., an increase of 20 cts. over the rate established in April last.

Lincoln (Nebraska) Telep. & Teleg. Co.—Rates.—

The Nebraska Ry. Commission has granted this company permission to increase its rates in 66 of the 106 exchanges by 25%, and to extend the day toll rate from 6 to 9 p. m., when the half-rate for service becomes effective.—V. 102, p. 349.

Louisville Gas & Electric Co.—Earnings, &c.—

See Standard Gas & Electric Co. below.—V. 107, p. 1104, 1007.

Ludlow Manufacturing Associates, Boston.—Special Dividend.—

The directors have declared a special dividend of \$1.00 per share on the outstanding capital stock, along with a quarterly dividend of \$1.50 per share, payable Dec. 2 to shareholders of record Nov. 1 1918.—V. 107, p. 909, 700.

Manomet Mills.—Special Dividend of \$2 per Share.—

The directors have declared a special dividend of \$2 per share along with the quarterly disbursement of \$2 payable Nov. 5, to shareholders of record Oct. 29. Similar amounts were paid in Aug. last.—V. 107, p. 610.

Mark Manufacturing Co.—Offering of 6% Notes Assumed by Steel & Tube Co. of America.—The Continental & Commercial Trust & Savings Bank, Kean, Taylor & Co. and Halsey, Stuart & Co., Inc., are offering by advertisement on another page, at 97 3/4 and int., yielding about 7 1/2%, the 6% Secured gold notes of this company, dated June 1 1917, due June 1 1920, assumed by the Steel & Tube Co. of America. Total authorized issue, \$6,000,000.

Data from Letter of Pres. & Treas. A. A. Schlesinger, Chicago, Oct. 28. Security.—The direct obligation of the Steel & Tube Co. of America (V. 107, p. 297), the latter having acquired, by conveyance, all of the assets of the Mark Manufacturing Co. and the Iroquois Iron Co. The payment of principal and interest of the notes was specifically assumed by the Steel & Tube Co. of America, under an indenture filed Aug. 2 1918.

The notes are secured by a mortgage and deed of trust, subject only to \$4,000,000 First Mfg. bonds (closed mtg.) and a \$98,110 real estate mtg. on all physical property formerly owned by the Mark Mfg. Co., and all additions to said property, as well as sundry securities of subsidiary companies specifically pledged under this mortgage.

The assets directly covered by the lien of these notes are valued at over \$23,000,000. Such assets include physical properties alone valued in excess of \$20,000,000, the new steel plant at Indiana Harbor, Ind., having actually cost to date over \$17,500,000.

The Steel & Tube Co. of America covenants in its trust agreement securing its 3-year notes, due July 1 1921, that so long as any of said notes are outstanding, it will maintain net working capital of at least \$7,500,000.

Company.—The business of the Mark company was established in 1888, and until 1916 consisted principally of the manufacture, at Evanston, Ill., and Zanesville, O., of steel and galvanized pipe, miscellaneous supplies for water and oil wells and other finished steel products. The company also operated, through subsidiaries, zinc mines and a concentrating plant in Northwestern Wisconsin. The business enjoyed a continuous growth and of its assets on June 1 1918 approximately \$9,000,000 were accumulated entirely from earnings.

The Iroquois Iron Co., located at South Chicago, Ill., was established in 1899, has been a large producer of merchant pig iron and ferro-manganese and at the present time has five blast furnaces in full operation. In 1916 the Mark company began the enlargement of its operations and has since constructed a blast furnace, steel mill and additional pipe mills at Indiana Harbor.

Capitalization.—The capital stock of the Steel & Tube Co. of America is approximately \$20,000,000, of which \$3,000,000 has been sold for cash at par since the company was organized last June. The funded indebtedness is shown below:

Table listing various debts and mortgages of the Steel & Tube Co. of America, including Mark Mfg. Co. 1st M. 6s, du serially June 1 1919-30, and Iroquois Iron Co. 1st M. 6s, du serially Dec. 1 1918-29.

Assets.—The tangible assets of the Steel & Tube Co. of America, including its net working capital of about \$10,000,000, amount to approximately \$45,000,000, as compared with total funded debt of only \$17,256,110.

Earnings.—Combined profits of the Mark company and the Iroquois company after deducting all expenses, including interest charges, Federal income taxes and depreciation were in excess of \$2,940,000 in 1916 and were more than \$3,645,000 in 1917. Total annual interest on present funded debt aggregates approximately \$1,070,000. The above figures, while including a full year's interest on all bonds and notes issued to build the Indiana Harbor Steel plant, do not include the earning power of that plant, inasmuch as its principal units were placed in operation only during the present calendar year.

Officers.—Clayton Mark, Chairman of the Board; Ferdinand Schlesinger, Chairman of the Executive Committee; A. A. Schlesinger, President and Treasurer; C. P. Wheeler, O. T. Boynton, Anson Mark, Clarence Mark, Vice-Presidents; C. D. Caldwell, Secretary.

For a complete description of this issue, the properties and history of the company, see V. 105, p. 293. For particulars re Steel & Tube Co., see V. 107, p. 297, 186.—V. 107, p. 295, 185.

Massachusetts Gas Co.—Wage Settlement.—

See Boston Consolidated Gas Co. above.—V. 107, p. 1671.

Mountain States Power Co.—Earnings, &c.—

See Standard Gas & Electric Co. below.—V. 106, p. 1131.

Nashawena Mills.—Special Dividend.—

The directors have declared a special dividend of \$2 per share along with the regular quarterly disbursement of \$2, payable Nov. 5 to shareholders of record Oct. 29. Similar amounts were paid in Aug. last.—V. 107, p. 610.

National Lead Co.—“War Work Campaign” Dividend.—

The directors have declared a “United War Work Campaign” stock dividend of 1/4% on the common stock, payable Nov. 15 1918 to stockholders of record Nov. 8 1918.

Record of Common Dividends Since 1866 in Percentages. DIVIDENDS.—'06. '07. '08. '09. '10. '11-15. '16-17. 1918. Common % 3 4 3 5 5 4 3 3 4 4 3 4 3 3 4. Also in July 1917 and 1918 1% extra to aid Red Cross distributions. On Mar. 30 1918 the quarterly dividend on common was increased to 1 1/4% (V. 106, p. 826).—V. 106, p. 2233.

New England Co.—Guaranteed Notes.—

See Connecticut River Power Co. above.—V. 104, p. 2238.

New England Power Co. System.—Guaranteed Notes.—

See Connecticut River Power Co. below.—V. 107, p. 809, 700.

Niagara Falls Power Co.—Incorporation.—

Articles of incorporation have been filed at Albany, N. Y., by this corporation with an authorized capital stock of \$26,000,000. The corporation is organized by the consolidation of the Cliff Electrical Distributing Co., the Niagara Falls Power Co. and the Hydraulic Power Co. of Niagara Falls. Directors are Edward D. Adams, Nicholas Biddle and Ogden Mills, New York City; Frederick Chramann, Morris Cohn Jr., Frederick L. Lovelace, Niagara Falls; Carlton M. Smith and George W. Olmstead, Buffalo, and Delancy Rankins of Milwaukee.—V. 107, p. 1672, 1489, 1281.

Nonquitt Spinning Mills.—Special Dividend.—

The directors have declared a special dividend of \$2 per share along with the quarterly disbursement of \$2, payable Nov. 5 to holders of record Oct. 29. Similar amounts were paid in Aug. last.—V. 107, p. 507.

North Butte Mining Co.—Quarterly Output.—

The company's statement for the quarter ending Sept. 30 is reported as showing production as follows: 5,508,313 lbs. of copper (comparing with 5,312,761 lbs. in previous 3 months), 231,860 ozs. of silver against 240,877 ozs., and 366 ozs of gold against 356 ozs.—V. 107, p. 507.

North Michigan Water Co., Scranton, Pa.—Sale.—

This company has given the town of Escanaba, Mich., an option to purchase its entire water works system plant at \$298,650. Election will be held Nov. 5 in this matter.—V. 101, p. 618.

Ohio State Telephone Co.—Extension of Bonds.—

This company has applied to the Ohio P. U. Commission for authority to extend for three years from maturity Jan. 1 1919 the underlying bonds of the Cuyahoga Telephone Co. and the United States Telephone Co., amounting to \$2,678,000 and \$2,150,000, respectively, and to increase the interest rates from 5 to 7%.—V. 106, p. 2762.

Ohio Utilities Co.—Earnings.—

Table with 3 columns: 1917-18, 1916-17, and 1915-16. Rows include Gross income, Operating expenses, Net earnings, Interest on bonds, and Balance surplus for dividends.

Oklahoma Gas & Electric Co.—Earnings, &c.—

See Standard Gas & Electric Co. below.—V. 107, p. 296.

Remington Typewriter Co.—Dividend Plan Contemplated.

A plan for the liquidation of dividends accumulated on the first and second preferred stock of this company is being discussed, although at the present time no definite announcement may be made.—V. 106, p. 1340, 1236.

San Diego Consolidated Gas & Electric Co.—

See Standard Gas & Electric Co. below.—V. 107, p. 910, 807.

Savage Arms Corporation.—Earnings—Stock Retired.

Table with 4 columns: 3 Mos. end. Sept. 30, 9 Mos. end. Sept. 30, 1918, 1917, 1916. Rows include Total earnings, Interest, Res. in 1918 for State & Fed. taxes and special depreciation, Balance for dividends, First preferred, Second preferred, Common, and Balance surplus.

\* After deducting all operating expenses including those for ordinary repairs and maintenance, ordinary taxes and ordinary deprec. charges. The official statement says: "Future earnings will reflect the lowering of prices to the United States Government, notwithstanding increasing production." "The quarterly statements are subject to correction of reserve for Federal taxes or other reserves and adjustments." Since June 30 1918 the company has bought in and now holds in its treasury all except \$10,000 of its \$500,000 7% 1st pref. stock. Of common stock also there is outstanding now only \$8,158,000 as against \$8,715,500 in Dec. 31 1917 and \$9,000,000 Feb. 29 1916, the stock retired being held in the treasury. The 2nd pref. stock originally \$500,000, but amounting in Dec. 31 last to \$417,500, has also been further reduced, all but \$260,700 having been converted into common stock \$ for \$.

Savannah (Georgia) Gas Co.—Rate Hearing.—

This company's petition to increase its rates 15 cts. per \$1,000 cu. ft. has come before the Georgia R. Commission, which has the case under advisement, and will render the decision at a later date.—V. 107, p. 1485.

Sears, Roebuck & Co., Chicago.—Sales.—

Table with 3 columns: 1918, 1917, and Increase. Rows include October and Ten months.

Standard Gas & Electric Co.—Offering of Notes.—

Bonbright & Co., Inc., New York, and H. M. Bylesby & Co., Inc., Chicago, are offering at 97 1/2 and int., yielding 8%, a new issue of \$750,000 Three-Year 7% Collateral Trust gold notes, dated Sept. 3 1918, due Sept. 1 1921, but redeemable as a whole or by lot at the option of the company upon 60 days' notice at 101 and interest prior to Sept. 1 1920 and thereafter at 100 1/2 and interest. (See also advertising pages.)

"Passed by the Capital Issues Committee as not incompatible," &c. Interest M. & S. in N. Y., or in Chicago. Principal payable in N. Y. Coupon notes in denom. \$1,000, \$500 and \$1000\*. The New York Trust Co., N. Y., Trustee.

Digest of Letter from V.-P. Arthur S. Huey, Date Chicago, Oct. 21. Company.—Owns \$5,674,000 par value of bonds, \$2,085,000 face value of notes and accounts receivable of subsidiaries, \$8,442,400 par value of preferred stocks and \$23,135,500 par value and 21,227 shares without par value of common stocks of companies operating electric, gas and other public utilities. The common and preferred stocks owned represent a controlling majority interest in each subsidiary, excepting Northern States Power Co. and Mountain States Power Co.

Subsidiary Companies.—These operate under satisfactory franchises in widely separated parts of the country and serve 450 cities and towns with a total population estimated at over 2,100,000, include:

The Ark. Valley Ry., Lt. & Pow. Co. Oklahoma Gas & Electric Co.
Fort Smith Light & Traction Co. The Ottumwa Ry. & Light Co.
Louisville Gas & Electric Co. Puget Sound Gas Co.
Mississippi Valley Gas & El. Co. San Diego Consol. Gas & El. Co.
Mobile Electric Co. Southwestern General Gas Co.
Mountain States Power Co. Tacoma Gas Co.
Northern States Power Co. Western States Gas & Electric Co.

The total gross earnings of the subsidiary companies for the year ended June 30 1918 were \$1 036 672 and the net earnings \$8 585 959.
Partial List of Principal Cities in which the Subsidiary Companies Operate.—
Minneapolis, Minn.; San Diego, Cal.; Fort Smith, Ark.; Fargo, N. Dak.;

Table showing Authorized and Outstanding amounts for Collateral Trust 7% notes and other securities.

\* Of the \$10,300,000 6% bonds, due 1926, issued to date \$4,599,000 have been cancelled from sinking fund payments, treasury cash and the proceeds received from the sale of securities pledged under the Collateral Trust Agreement...

Table showing Total Issued, Pledged, and Appraisals for various companies like Arkansas Valley Ry., Ft. Smith Light & Traction Co., etc.

Purpose of Issue.—To reimburse the company for advances made or to be made to its subsidiaries for improvements and extensions.
Withdrawal of Collateral.—Any or all bonds and stocks pledged as collateral may be withdrawn at the appraised value shown above...

Taxes.—The company covenants to pay the normal Federal income tax, deductible at the source, not in excess of 2%, and will refund the State tax in Penna. to the extent of the present rate of four mills.
Income From Collateral.—The annual income from the \$750,000 bonds, \$750,000 pref. stocks and \$500,000 common stocks pledged as specific security...

Income Statement for Twelve Months ended Aug. 31 1918.
Gross earnings: Int. on bonds, \$370,290; divs. on pref. stocks, \$315,958...

Standard Sanitary Manufacturing Co.—Extra Div.—
The directors have declared an extra dividend of 1% on the \$6,000,000 common stock along with the regular quarterly 1 1/2% on the common and 1 1/4% on the \$4,000,000 outstanding preferred stock...

Steel & Tube Co. of America.—Offering of Assumed Notes of Mark Manufacturing Co.—
See Mack Manufacturing Co. above.—V. 107, p. 297, 186.

Texas Company.—New Stock Circular.—
The company has issued a circular under date of Nov. 1 in which the terms of subscription, &c., to the new stock are described, as given in these columns last week. Compare V. 107, p. 1673, 1583.

Table showing Earnings for Texas Power & Light Co. for 1918-1919 period, comparing gross earnings, operating expenses, net income, etc.

Outstanding capitalization as of Sept. 30 1918: Pref. stock, 7%, \$3,550,000; 2d pref. stock, 7%, \$1,500,000; common stock, \$10,000,000; bonds, 1st M. 5%, \$1,205,000 (\$1,250,000 pledged to secure Gold Notes); 2-year 6% secured gold notes, \$900,000.

Union Cotton Mfg. Co. (Fall River, Mass.).—Div.—
The directors have declared a quarterly dividend of \$8 per share, payable Nov. 1 to stockholders of record Oct. 23. Last quarter \$20 a share was paid. T. E. Bryanton is Treasurer.—V. 97, p. 1050.

United Cigar Stores Co.—Price Raised.—
This company will advance the price of about 50 of its cigar brands, ranging from 12 to 20%.—V. 107, p. 1389, 1291.

United States Steel Corp.—Earnings for Quarter ended Sept. 30.—Quarterly Dividend on Common Stock Reduced from 1 1/4% with 3% Extra to 1 1/4% and 2% Extra.—
See "Financial Reports" on a preceding page.—V. 107, p. 1673, 1583.

United States Telephone Co.—Extension.—
See Ohio State Telephone Co. above.—V. 99, p. 347.

United Verde Extension Mining Co.—Production.—
An official statement dated Nov. 1 signed by Sec. C. P. Sands says in substance: "The smelter treated in August 10,388 tons of ore and in Sept. 12,688 tons of ore. The estimated production for the year to Sept. 30 is 42,236,387 pounds of copper. Cash on hand, as of Sept. 30, \$1,600,882. Estimated copper shipped, returns on which have not been received, 20,493,142 pounds.

Utah Apex Mining Co.—Litigation.—
This company has brought suit against the Utah Consolidated Mining Co. for alleged extraction of ores from certain sections claimed to be owned by the plaintiff company. In addition to the restraining order, the plaintiff asks damages of \$1,750,000.—V. 107, p. 576.

Table showing Earnings for Utah Power & Light Co. for 1918-1919 period, including net income, interest on bonds, and other income.

Outstanding capitalization as of Sept. 30 1918: Pref. stock, 7%, \$7,400,000; 2d pref. stock, 7%, \$4,937,000; common stock, \$30,000,000; bonds, 1st M. 5%, \$23,566,000, including \$2,847,000 bonds pledged to secure the Gold Notes & \$4,000 held in treasury; 2-year 6% secured notes, \$2,500,000.—V. 107, p. 612.

Virginia Iron, Coal & Coke Co.—Initial Cash Dividend.—
The directors have declared an initial cash dividend of 6% on this company's capital stock, payable Dec. 6 to stockholders of record Nov. 15. The company declared a 3% dividend, payable in stock in August 1917. A press report is quoted as saying that in the 18 months ending Dec. 31 1917 the company earned \$1,736,992 net for stock or at annual rate of \$12 per share on the 90,736 shares outstanding. Earnings this year are understood to have been about the same as in 1917, although the taxation is, of course, heavier.—V. 107, p. 80.

Vulcan Iron Works.—Stock Increase.—
This company has filed a certificate with the Secretary of State at Trenton, N. J., increasing the authorized capital stock from \$500,000 to \$3,000,000 divided into 60,000 shares of class A stock, and the same number of shares of class B stock. The address of the company is 15 Exchange Place, Jersey City.—V. 104, p. 670.

Wages.—Anthracite Wage Increase.—
Fuel Administrator Garfield has granted an increase in wages for anthracite coal miners averaging \$1 per day, effective Nov. 1.—V. 107, p. 1583.

West Penn Power Co.—Contract Awarded.—
This company has awarded a contract to Sanderson & Porter of New York for the construction of the \$5,000,000 power plant at Springdale, Pa. For further particulars see V. 107, p. 1486, 808.

Westfield (Mass.) Manufacturing Co.—Bond Redemp.—
All the outstanding 6% Serial Debenture gold bonds dated Aug. 25 1915 will be redeemed at 101% and interest on Dec. 1 next at the Equitable Trust Co., N. Y.—V. 106, p. 928.

Western States Gas & Electric Co.—Earnings, &c.—
See Standard Gas & Electric Co. above.—V. 107, p. 1389, 1009.

Winchester Repeating Arms Co., New Haven, Conn.—Financial Plan—Diversification of Business—\$3,500,000 New Funds—New Interests to Be Associated with Management—Exchange of Present \$1,000,000 Stock for \$7,500,000 Cum. First Pref. Stock.—
A committee of directors, consisting of President Thomas G. Bennett, George E. Hodson and James T. Moran, in circular of Oct. 26, say in substance:

War Loans, &c.—In the early days of the European war the company entered into large contracts for arms and ammunition with certain foreign governments, notably the British Government, and greatly expanded its plant and facilities for the purpose of these contracts. It became necessary to obtain loans upon the company's notes to the extent of some \$16,000,000. These loans have been reduced by repayments from time to time, so that at present the company has outstanding notes payable of about \$5,000,000. In addition the company has other direct liabilities aggregating over \$9,000,000, of which \$4,000,000 is an advance from the United States Government against Government contracts.

Status as to Earnings.—The company's earnings prior to the war may be taken as an indication of the earning power of its commercial business. There seems little likelihood that the company's normal commercial business can be materially increased after the war. The company will, therefore, find itself with a large investment in plant facilities subject to taxation, insurance, depreciation and interest upon money invested therein, without existing business sufficient to carry these charges, and at the same time pay adequate dividends to the present stockholders.

New Lines Necessary.—It becomes necessary, therefore, to divert the plant facilities in substantial degree to the manufacture of articles other than those previously manufactured, involving the rearrangement of the existing machinery, and the purchase and installation of machinery suited to the new purposes. In addition to making provision for the manufacture of new products, it will be necessary to make arrangements for their sale and distribution involving expenditures for sales promotion and advertising. It will require time and money to develop these new manufacturing and sales facilities. The present stockholders who have not received dividends for some time face a further deferring of their dividends by reason of the necessity of devoting the company's earnings to the purposes of this new development. This seems inevitable unless additional funds are obtained.

Dividends Must Be Further Deferred unless New Funds Are Made Available.—The company has heretofore borrowed on short-term notes, and still has \$8,000,000 of these notes outstanding. These notes mature March 1 1919 and it is expected that a portion of them will be retired out of the company's earnings and surplus; but to insure the payment of the remainder of the notes, and at the same time provide working capital for the development outlined above, it is desirable that there should be invested in the business a large additional sum in cash, and that there be associated with the company's management a strong financial interest.

In order to insure a development of the company's business in the broad and extended sense necessary for its success, it is necessary to provide an aggressive executive management, and to have associated with that management business and commercial connections that make available to it the counsel and experience of other large business developments. It will be appreciated that this undertaking on the development side is of necessity somewhat speculative, and the profits accruing therefrom depend entirely upon its successful conduct. It is desirable to find

The Commercial Times

COMMERCIAL EPITOME

Friday Night, November 1 1918.

Government orders still largely dominate trade, but there are beginning to be signs that war orders will decrease as time goes on if the present indications of an early armistice are verified. Some big shipping contracts have already been cancelled. This, however, is as yet the exception rather than the rule. Government buying is still on a large scale in various branches of trade. Unseasonably warm weather and the influenza have undoubtedly hurt civilian trade in many parts of the country. But civilian business is expected to increase as the epidemic disappears and the weather becomes more bracing. It is pointed out that the fact that there are some 2,000,000 soldiers abroad naturally militates against retail and other business to a certain extent. But as it is now understood that on the conclusion of peace the army will be rapidly returned to this country, this will have the effect of stimulating business along civilian lines. Production, too, is natural to suppose, will be larger as the supply of labor increases from demobilizing the army and discharging munition workers. Scarcity of labor undoubtedly, however, still militates against production in a good many industries. Meanwhile, there is a certain note of conservatism noticeable in various parts of the country. The readjustment from a war to a peace basis is awaited with keen interest, perhaps not altogether mixed with a certain solicitude. The big decline in war shares at the Stock Exchange during the week has, of course, not escaped the notice of the mercantile world. Meanwhile the demand for civilian consumption is not so keen. There are said to be some efforts to secure a cancellation of orders given a while ago at high prices. Drygoods are more freely offered and the demand is certainly less active. Many retail merchants are well stocked with various supplies. Yet Christmas trade is beginning to increase somewhat. And one of the signs of the times is that furs are selling well in spite of the existing high prices. Railway tonnage is enormous. The winter wheat acreage will be the largest on the record and conditions in the belt are good. The cotton crop increased somewhat in October contrary to the usual experience. The price has declined during the week some \$13 to \$14 a bale as a result of big supplies and a deficient demand. Since early in September cotton has fallen some \$40 to \$50 per bale. Collections are generally good. There are some complaints of the scarcity of raw material. Meanwhile the war news is of a kind to suggest that the end is not far off, although a few months ago the prediction that it would come this year would have been generally considered too good to be true. The Liberty Loan, it is stated, was oversubscribed some \$850,000,000. The local Federal Food Board announced yesterday a 50% increase in the allowance of sugar to consumers, clubs, hotels, restaurants, boarding houses, dining cars and steamship restaurants. This means that beginning Nov. 1 the housewife who has been able to buy sugar only at the rate of 2 lbs. a month for each person in the family may purchase 3 lbs. That there is steadily increasing interest in the movement to augment our already mounting foreign trade is evidenced by the record-breaking attendance at the first session here of the ninth convention of the American Manufacturers' Export Association and its 1,500 delegates. American exporters have gamed during the world war advantages which five years ago would have seemed incredible. We shall have large merchant fleet and better banking facilities abroad. But much educational and development work remains to be done. The weather has for a time been oppressively warm for this time of the year, aggravated by persisting humidity. Wednesday was the warmest Oct. 30th here on record. The temperatures reached 73 at 11:50 a. m., with a humidity percentage of 75. The previous high record was 71 degrees at 3 p. m. on Oct. 30 1912. It is a matter of congratulation, of course, that the unceasing weather of Oct. 1 1881 when the thermometer reached 88 degrees, has not been reached in October this year. But of late there has been some rain, and it is now much cooler. The latest announcement is that influenza is fast disappearing here. At the camps the number of new cases has been reduced one-half. It looks as though food exports from this country will have to be unusually large for some years to come. The Federal Food Administration estimates that food shipments for Europe will have to be increased 50% to take care of 220,000,000 of our allies, our own armies and 250,000 German prisoners captured on the Western front. Meanwhile, so great is the demand on British commerce for the transportation of American troops that the British Food Controller has ordered a reduction of the fresh meat ration from one pound to three-quarters of a pound weekly, and an increase of 4 cents a pound in retail prices. Moreover, according to some indications, the coming winter will be one of the worst that the Russian people have experienced in all their history. For six months past the food situation in Russia, especially in Moscow, Petrograd and other large cities has been growing steadily worse. The political upheaval is responsible for the loss of the greater part of the crops. Some of the time, at least, it appears that the middle class at Petrograd have had a fresh food allowance, incredible as it may sound, of only three herrings a day.

method for accomplishing these things that will relieve the present stockholders of the hazards of this undertaking, and at the same time offer them the opportunity of a restoration of dividends indicated by the company's previous experience.

**Conditions on Which Bankers Participate.**—To this end the management has conferred with Messrs. Kidder, Peabody & Co., who have heretofore arranged the company's loans (V. 102, p. 615, 810, 891; V. 106, p. 614, 720, 1371), and otherwise assisted in the company's financial plans, and they have agreed to endeavor to make the financial arrangements in connection with this matter, and to form such syndicate as may be necessary for its proper handling, provided J. E. Otterson, 1st V. P., and Gen. Mgr. for the company, will continue in active management of the company's business, and Louis K. Liggett, Pres. of the United Drug Co., will associate himself with the undertaking, and provided the present stockholders indicate their approval by deposit of their stock. These things Mr. Otterson and Mr. Liggett have on their part consented to do, and Messrs. Kidder, Peabody & Co., Otterson and Liggett will become, therefore, associately interested in the company's future development.

**Committee.**—The directors on Aug. 7 1918 appointed this committee to formulate and perfect a plan such as that now presented.

**Plan for New Company—Proposed Capitalization—Par, \$100 a Share.**

It is proposed to organize a new company of substantially the same name as the present company to take over the property and business of the latter through the medium of a purchasing intermediary or otherwise; the original issue of capital stock of this new company to be \$10,000,000 of 7% cum. 1st pref. stock, \$2,000,000 of 6% non-cum. 2d pref. stock, and \$1,000,000 of common stock; all of this stock to be issued as fully paid for the assets of the present company, subject to its liabilities, and the sum of \$3,500,000 in cash, which is to be contributed as new capital.

**First Preferred 7% Cumulative Stock,** preferred both as to assets and cumulative semi-annual dividends, and redeemable in whole or in part at \$115 per share. The company will agree that no mortgage or other indebtedness maturing later than one year after being incurred shall be created by it without the consent of two-thirds in amount of the outstanding first preferred stock. Total original issue, \$10,000,000.

**Second Preferred Stock,**—6% non-cumulative. Original issue, \$2,000,000.

**Common Stock.**—Alone to have voting powers, except that if the full cumulative dividends on the First Preferred stock be unpaid and shall have at any time accumulated in excess of 7%, the First Preferred stock shall have full voting powers except as to the redemption of the said first preferred stock. Original issue, \$1,000,000.

Under the proposed plan \$7,500,000 par value of the first pref. stock of the new company will be delivered to the stockholders of the present company in exchange for their stock in the latter. That is, each stockholder of the present company will be entitled to receive for each share of stock now held by him 7 1/2 shares of the new first pref. stock of \$100 each.

The balance of the original issue of stock of the new company, namely, \$2,500,000 of First Preferred Stock, \$2,000,000 of non-cumulative 6% Second Preferred stock, and \$1,000,000 of Common stock, will be delivered to Kidder, Peabody & Co. and their associates upon completion of the arrangements for the contribution of \$3,500,000 of new capital in cash as above stated.

The committee appointed by the directors has been informed by Kidder, Peabody & Co. that it is expected that the annual 7% dividend on the first preferred stock will be paid regularly.

**Deposit of Stock—Majority Has Already Assented.**—In order to put the plan into effect provision has been made for the deposit of the stock of the present stockholders with the Union & New Haven Trust Co. of New Haven, Conn., on or before Nov. 15 1918, under a deposit agreement, copies of which may be obtained from the trust company. A majority of the outstanding stock has already assented to plan, and been deposited.

**Importance of Plan.**—We believe that if the plan is adopted the outstanding indebtedness will be taken care of and better provision made for future prospects, and that the stockholders will begin at once to receive regular dividends from the payment of the contemplated dividends on the new first preferred stock; whereas, in the absence of some such plan the financial situation of the company will be exceedingly unsatisfactory, and for a long time to come it is doubtful if the stockholders would receive any dividends as the earnings of the company should be used in the business.

On behalf of the board of directors, therefore, we strongly recommend the deposit of stock under the proposed plan.

In view of the fact that Mr. Sargent is a member of the firm of Kidder, Peabody & Co., and that Mr. Liggett and Mr. Otterson will be associated with Kidder, Peabody & Co. in this plan, these gentlemen, although directors of your company, have taken no part in the above recommendation.

**Plan Subject to Approval.**—The consummation of this plan is subject to the approval of the Capital Issues Committee. Compare V. 107, p. 1105; V. 106, p. 2661.

**Wright-Martin Aircraft Corp.—Earnings.**

Results for 13 Months ended June 30 1918 (Subsidiaries Included).

Income from operations and royalties	\$2,216,574		
Deduct—Depreciation of plant and equipment in addition to deprecia-			
tion charged to costs under cost-plus contracts	366,669		
Part of royalties earned, applied in amortization of patents	329,650		
Hispano-Suiza motor development, amount written off	479,577		
Reserve for war profits, income and other taxes	500,000		
Balance, net profits for the 13 months	\$540,678		
This result was obtained notwithstanding a loss of \$189,007 in first 7 mos.			
Consolidated Balance Sheet as of June 30 1918 and May 31 (as Adjusted).			
Assets—	Liabilities—		
Cash	\$2,103,682	Preferred stock	\$5,000,000
Acc'ts & notes receivable, &c.	584,604	Common stock	4,002,175
Chargeable to U.S. Government	4,388,038	Acc'ts payable	1,634,735
Inventories	384,924	Acc'd wages, commissions, &c.	669,206
Lib. Ln bds., &c.	50,883	Simplex Auto. stk	1,800
Deferred charges	73,114	Reserve for war profits, income & other taxes	500,000
Patents	675,337	Surplus	540,678
Devel't Hispano-Suiza motor	659,704		
Land, bldgs., &c.	3,408,504	Total each side	\$12,356,797
	2,332,932		\$9,298,173

The report says in part: "During this period, practically the entire resources of the company have been used in the manufacture of Hispano-Suiza aeronautical motors for the United States Government. Production of Simplex automobiles was discontinued about a year ago and the order from the French Government for 450 Hispano-Suiza motors was completed a short time later.

"Since July 1917 orders have been received from the United States Government for 7,500 motors of the same general specifications, to be produced at the company's factory at New Brunswick, N. J., and for 5,000 of the new 300 h. p. motors, of similar design, to be produced in another factory prepared by the company for this purpose, at the expense of the Govt.

"Including the original French order, the company has produced to date something over 4,000 Hispano-Suiza motors, with spare parts. At the present time, about 600 motors per month are being turned out at New Brunswick. The ultimate volume of 750 per month, with spare parts contemplated for the New Brunswick factory, will probably be reached early in 1919.

"In order to obtain the output of 150 h. p. and 180 h. p. motors required, extensive additions to the company's factory at New Brunswick have been necessary. The last of this development work will be completed by December of this year and will provide one of the best equipped aeronautical motor factories in the world.

"When this work is completed, the company will have a plant investment of something over \$5,500,000, made up of about \$2,000,000 pre-war plant and the remainder of increased facilities provided for the performance of these contracts. The contracts with the Government provide for either special depreciation or liquidation of such increased facilities, so that when final adjustments under the company's contracts have been completed the company will not be burdened with an undue plant investment.

The report of Charles E. Hughes on the airplane production will be reviewed more or less briefly on preceding pages in this issue or that of next week.—V. 107, p. 1389, 87.

**Yolo Water & Power Company.—Deposit Agreement.**

The committee of holders of 1st M. 40-year gold 5s of 1912, Edward O. Stokes, Chairman, and Franklin Trust Co., N. Y., depository, has issued its deposit agreement of Oct. 21 1918 in pamphlet form. The authorized issue of the bonds was \$10,000,000, of which there are now outstanding an amount not exceeding \$2,500,000, interest due July 1 1918 being in default. Compare V. 107, p. 1486.



Not a few believe that there will be big Government buying for our army and our allies, even for a time after the war. The coal situation is gradually improving. Certainly Fuel Administrator Garfield is quoted as saying that there will be no coal famine this winter, nor even an approach to the hardships of last winter. It is to be hoped not. The labor problem continues about as acute as ever. Strikes are frequent. One of the latest in this city is that of 15,000 clothing workers. They want an increase of 20% in their wages. On a smaller scale, but still attracting not a little attention, was the strike of 650 waiters, who suddenly, without warning, walked out at the Hotels Waldorf-Astoria, McAlpin and Claridge on Oct. 28. The men had been receiving \$40 a month and meals, and their tips, it is stated, brought their actual receipts up to \$40 or \$50 a week, or in other words, \$50 to \$60 a week in all with free meals. Now they demand \$60 to \$72 a month straight pay. Women are now taking their places. How long they will continue to do so remains to be seen. In parts of the West, following the harvests, labor is rather more plentiful. Shipbuilding goes on apace, though, possibly, it may ease up in the near future, especially if it should look like peace at an early date. This easing up would apply to steel as well as wooden ships. Wages have been revised to provide for a uniform national rate for practically all ship yards. This averages an increase of 15% in eastern yards and 20% on Pacific Coast. The basic rate for the principal skilled trades is fixed at 80 cents per hour. This will effect 400,000 men. Meanwhile U-boats it appears have ceased attacks on passenger steamships. It is declared that German submarine activity has recently reached so low a stage as to become for the time being at least negligible as a war measure. A \$60,000,000 steel contract has been cancelled. Also plans for the extension of the New York Shipbuilding Company's Plant at Camden, N. J., authorized last summer, have been abridged by the Shipping Board. Steps in this direction already have been taken by the Emergency Fleet Corporation. This looks on its face like a gradual preparation for peace and a natural slowing down at least for a time, although the ultimate aim is to bring about a further large increase in the American merchant marine.

LARD steady; prime Western, 27.30@27.40c.; refined for the Continent, 28.25c.; South America, 28.65c.; Brazil in kegs, 29.65c. Futures advanced on a sharp rise in hogs. On Oct. 28 hogs advanced at Chicago 75 cents to \$1.25 with some showing an advance of \$3 above last Friday's opening. Lard futures advanced on the 28th instant 50 points and on the next day Nov. reached 26.20, as against a closing price last Friday of 24.70c. Later in the week hogs weakened, however, and lard quotations also declined especially as corn was lower. The hog packing in the West for the summer season up to date is 18,643,000, against 15,618,000 for the same time last year. Some think that product is now on the parity with hogs. To-day prices advanced. They are higher for the week. Nov. lard, pork and ribs are up to the highest level allowed under present regulations.

DAILY CLOSING PRICES OF LARD FUTURES IN CHICAGO.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
October delivery... cts.	26.00	26.50	26.75	26.50	26.75	
November delivery...	25.20	25.70	26.20	25.80	25.90	26.37

PORK firm; mess \$40@41; clear \$42@42.50; family \$53@55. Chicago cash ribs, firmer, \$22.50@23.50. Beef products steady; mess \$35@36; packet \$36@37; family \$40@41; extra India mess \$58@59. No. 1 canned roast beef \$4.25; No. 2, \$3.25. Cut meats steady; pickled hams, 10 to 20 lbs., 29 1/2@31 1/2c.; pickled bellies, 35@36c. To-day November pork closed at \$34.90, a decline of 20c. for the week. Butter, creamery, 56@59c. Cheese, flats, 31 1/2@32 1/2c. Eggs, fresh, 45@61c.; nearby white 72@90c.

COFFEE nominal; No. 7, Rio, 10 1/2c.; No. 4 Santos 15 1/2c.; fair to good Ceuca, 15 1/2@15 3/4c. Trading in futures is still suspended. About the only business is on Government orders for both Brazil and mild grades. It is said that some business in No. 7 spot Rio has been done at 10 3/4c. and even more. But it was light, it seems, and nominal quotations remain unchanged. Of late the Rio market has advanced somewhat. The trade has been awaiting an announcement from the Section of the Food Administration of the basis on which outstanding contracts are to be liquidated.

SUGAR firm; centrifugal, 96-degrees test, 7.28c.; granulated 9c. Trading has been light both for raw and refined. The Chapara has been sunk in a collision or by mine off Barnegat with a cargo of 14,000 bags of Cuban sugar or about 2,000 long tons, consigned to the Federal Sugar Refining Co. The weather in Cuba is favorable for the crop. All the beet factories at Detroit are in operation. The week's meltings of raw sugar have increased.

PETROLEUM steady and in good demand; 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. Gasoline stocks are below the average monthly yield. On Aug. 31 stocks were 285,446,528 gallons and the August production was 330,335,046 gallons. On March 31 stocks were 526,382,386 gallons. Field work is being pushed as vigorously as possible, but it is hampered by the shortage of labor aggravated by the influenza. One of the largest of the late producers was a 7,000-barrel strike in the Vinton Pool of the Calcasieu Parish in

Southern Louisiana. In the new district southeast of Hull, Liberty County, Texas, the fourth producer has been drilled, coming in at 700-barrel from about 2,250 feet.

Pennsylvania dark	\$4.00	South Lima	\$2.38	Illinois, above 30	
Cabell	2.77	Indiana	2.28	degrees	\$2.42
Orichon	1.40	Princeton	2.42	Kansas and Okla-	
Corning	2.85	Somerset, 32 deg.	2.60	home	2.25
Wooester	2.58	Ragland	1.25	Caddo, La., light	2.25
Phral	2.25	Electra	2.25	Caddo, La., heavy	1.55
Strawn	2.25	Moran	2.25	Canada	2.78
De Soto	2.15	Plymouth	2.33	Hendton	1.45
North Lima	2.38			Henrietta	2.25

OILS.—Linseed lower, city raw, carload lots \$1.53@1.55; five barrel lots, \$1.57@1.60. Lard, prime, edible, \$2.25@2.50. Cocoanut, Ceylon, barrels, 17@17 1/2c.; Cochin, 18@18 1/2c.; Soya bean, 18@18 1/2c. It is reported that Manila oil can be had at 15 1/2@15 3/4c. for shipment from the Coast over the balance of the year in sellers tanks. Corn oil, crude barrels, 17 1/4@18c. Olive, \$4.25. Cod, domestic, \$1.45@1.50. Prime crude cottonseed oil, Southeast, \$17.50. Spirits of turpentine, 69@69 1/2c.; strained rosin, common to good, \$15.30@15.50.

TOBACCO has been quiet and without features of particular interest. A fair business has been done in Sumatra tobacco at steady prices. In Havana leaf too a pretty good trade has taken place at firm quotations. The Census reports the quantity of leaf tobacco on hand Oct. 1 as 264,883,788 pounds, against 1,154,056,034 on Oct. 1 1917. On hand, Oct. 1, unstemmed, 1,111,214,072 pounds; stemmed, 153,669,716 pounds.

COPPER remains at 26c. and it is not believed that a change will be made in the near future. Some look for a big export demand when peace comes. The feeling in the trade is cheerful. Business is largely, of course, in Government hands, for the time being. Tin quiet, buyers expecting an announcement shortly of Government regulations. These are expected to inure to the benefit of the consumer, quoted on the spot 76c. Lead 8.05c. spot. But the market is dominated by the Government. Spelter rather firmer at 9.05@9.20c. on the spot. But distant deliveries are regarded as weak, and there is little business. November, 8.60@8.70c.; December, 8.45@8.55c.; first quarter of 1919, 8@8.30c.

PIG IRON is still dull as far as civilian business is concerned. The Government absorbs the current output. Producers in some cases are apparently more inclined to sell for the first half of next year delivery though others are not. But in any case many consumers hold back. The uncertainties of the outlook in Europe hurt business apart from other considerations. But it is also true that when a Virginia producer offered 25,000 tons of foundry for delivery in the first half of 1919 it was snapped up by foundrymen who would it seems have taken much more if they could have got it. The October production of pig iron in spite of influenza exceeded it is stated that of September. Italy it is stated has asked for 100,000 tons more of pig iron. And 15,000 tons of Bessemer pig iron was bought for the first half of 1919 with the proviso that if no Government price exists at the time of delivery the present maximum shall apply.

STEEL is still being bought freely by the Allies. England wants new tonnages of shell steel. Italy has placed orders for nearly 90,000 tons more. Orders for 360,000 tons of rails for the American forces have just been distributed; 20,000 more army trucks have been allotted and 40,000 cars and several hundred locomotives. As to the effects of peace, now believed by many to be not far off, some think it will be depressing; others stimulating. Much civilian construction has been held up for several years. Peace, many think, will be the signal for a great outburst of activity along this line. Prices, they think, will advance under this demand rather than decline. Shipbuilding may be gradually curtailed; it would not be surprising. But there will be, not a few argue, a big and compensating demand from other quarters. The railroads will also need large supplies.

COTTON

Friday Night, Nov. 1 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 152,254 bales, against 169,230 bales last week and 163,647 bales the previous week, making the total receipts since Aug. 1 1918 1,509,237 bales, against 2,023,161 bales for the same period of 1917, showing a decrease since Aug. 1 1918 of 513,924 bales.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.	Total.
Galveston	5,939	5,007	8,851	4,815	8,303	7,758	40,673
Texas City					11,995		11,995
Port Arthur, &c.						497	497
New Orleans	4,200	7,286	9,181	9,039	13,234	2,138	45,081
Mobile	374	43	183	426	1,032	213	2,271
Pensacola							
Jacksonville						818	818
Savannah	3,193	3,930	6,968	3,399	3,269	2,357	23,116
Brunswick						7,500	7,500
Charleston	1,760	1,013	1,749	1,124	1,070		7,537
Wilmington	992	332	764	394	331	448	3,261
Norfolk	683	2,352	1,247	1,545	217	1,900	7,944
N'port News, &c.						101	101
New York				60			60
Boston		1	39		163		204
Baltimore						1,136	1,136
Philadelphia							
Totals for week	17,160	19,957	28,982	20,802	39,604	25,759	152,254



FUTURES.—The highest, lowest and closing prices at New York for the past week have been as follows:

Table with columns for days of the week (Saturday, Monday, Tuesday, Wednesday, Thursday, Friday) and closing prices for various months (November, December, January, February, March, April, May, June, July, August, September).

1 30c, 1 20c, 1 25c, 1 20c.

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.

Table showing cotton supply data for various locations including Liverpool, London, Manchester, and various European and Asian ports, with columns for 1918 and 1917 figures.

Table showing visible supply and deductions for American, European, and Asian regions, including sub-totals for American and East Indian & Ceylon supplies.

Continental imports for past week have been 32,000 bales. The above figures for 1918 show an increase over last week of 130,553 bales, a gain of 263,001 bales over 1917, a loss of 759,927 bales from 1916 and a decline of 1,221,100 bales from 1915.

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:

Table showing closing quotations for middling cotton at various ports (Galveston, New Orleans, Mobile, Savannah, Charleston, Wilmington, Norfolk, Baltimore, Philadelphia, Augusta, Memphis, Dallas, Houston, Little Rock) from Saturday to Friday.

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.

Large table comparing movement to Nov. 1 1918 and Nov. 2 1917 for various towns, including Receipts, Shipments, and Stocks, with sub-columns for Week and Season.

The above totals show that the interior stocks have increased during the week 74,879 bales and are to-night 262,355 bales more than at the same time last year. The receipts at all town have been 103,630 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:

Table showing overland movement statistics for various routes (St. Louis, Mounds, Rock Island, Louisville, Cincinnati, etc.) for 1918 and 1917, including shipped amounts and deductions.

The foregoing shows the week's net overland movement has been 59,100 bales, against 48,311 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 25,699 bales.

Table showing In Sight and Spinners' Takings for various weeks (Nov. 1, Nov. 3, Nov. 5, Nov. 6) for 1918 and 1917, including receipts and net overland figures.

MOVEMENT INTO SIGHT IN PREVIOUS YEARS: Table showing Bales for Nov. 3, Nov. 5, Nov. 6 in 1916 and 1915.

NEW ORLEANS CONTRACT MARKET.—The closing quotations for leading contracts in the New Orleans cotton market for the past week have been as follows:

Table showing New Orleans contract market prices for various months (November, December, January, March, May, July) and options.

**WEATHER REPORTS BY TELEGRAPH.**—Advices to us by telegraph this evening indicate that temperature has been lower as a rule during the week, with frosts reported in northern Texas and at some points elsewhere. Rain has been general, with the precipitation heavy in some districts along the Gulf. The movement of the crop continues upon a rather restricted scale.

**Galveston, Tex.**—Low temperatures prevailed during the last days of the week, with freezing temperatures and frost occurring in the northern section. There has been rain on three days of the week, to the extent of sixty-four hundredths of an inch. The thermometer has averaged 64, the highest being 80 and the lowest 48.

**Abilene, Tex.**—We have had rain on one day of the past week, the rainfall being ninety-six hundredths of an inch. The thermometer has averaged 57, ranging from 40 to 74.

**Brenham, Tex.**—There has been rain on one day during the week, the rainfall being forty-six hundredths of an inch. The thermometer has ranged from 42 to 80, averaging 61.

**Brownsville, Tex.**—The week's rainfall has been one inch and thirty-four hundredths, on one day. Average thermometer 68, highest 86, lowest 50.

**Cuero, Tex.**—We have had rain on two days the past week, the rainfall being one inch and forty-four hundredths. The thermometer has averaged 62, the highest being 80 and the lowest 43.

**Dallas, Tex.**—We have had rain on one day of the past week, the rainfall being two inches and sixty-six hundredths. The thermometer has averaged 58, ranging from 42 to 74.

**Henrietta, Tex.**—There has been rain on two days during the week, to the extent of three inches and forty hundredths. The thermometer has ranged from 37 to 74, averaging 56.

**Huntsville, Tex.**—We have had rain on two days during the week, the precipitation reaching eighty-two hundredths of an inch. Average thermometer 62, highest 81, lowest 43.

**Kerrville, Tex.**—We have had rain on one day the past week, the rainfall being five hundredths of an inch. The thermometer has averaged 53, the highest being 77 and the lowest 29.

**Lampasas, Tex.**—There has been no rain during the week. The thermometer has averaged 59, ranging from 40 to 77.

**Longview, Tex.**—There has been rain on one day during the week, to the extent of sixty hundredths of an inch. The thermometer has ranged from 42 to 75, averaging 59.

**Luling, Tex.**—The week's rainfall has been two inches and ninety-nine hundredths, on two days. Average thermometer 61, highest 78, lowest 43.

**Nacogdoches, Tex.**—There has been rain on one day of the week, to the extent of thirteen hundredths of an inch. The thermometer has averaged 55, the highest being 75, and the lowest 35.

**Palestine, Tex.**—We have had rain on one day of the past week, the rainfall being eighty-six hundredths of an inch. The thermometer has averaged 60, ranging from 42 to 78.

**Paris, Tex.**—There has been rain on one day during the week, to the extent of one inch and sixty-three hundredths. The thermometer has ranged from 37 to 73, averaging 55.

**San Antonio, Tex.**—It has rained on two days of the week, the precipitation being eighty-eight hundredths of an inch. Average thermometer 60, highest 78, lowest 42.

**Weatherford, Tex.**—We have had rain on two days the past week, the rainfall being one inch and eighteen hundredths. The thermometer has averaged 56, the highest being 73 and the lowest 38.

**Ardmore, Okla.**—We have had rain on two days of the past week, the rainfall being two inches and seventy-five hundredths. The thermometer has averaged 55, ranging from 37 to 74.

**Muskogee, Okla.**—There has been rain on one day during the week, to the extent of two inches and seventy-eight hundredths. The thermometer has ranged from 39 to 71, averaging 55.

**Brinkley, Ark.**—The week's rainfall has been eighty-four hundredths of an inch on two days. Average thermometer 58, highest 78, lowest 37.

**Eldorado, Ark.**—We have had rain on one day the past week, the rainfall being fifty hundredths of an inch. The thermometer has averaged 56, the highest being 75 and the lowest 37.

**New Orleans, La.**—We have had rain on two days of the past week, the rainfall being five inches and twenty-one hundredths. The thermometer has averaged 69.

**Shreveport, La.**—There has been rain on one day during the week, to the extent of ninety-five hundredths of an inch. The thermometer has ranged from 40 to 78, averaging 59.

**Greenwood, Miss.**—The week's rainfall has been one inch and forty hundredths, on two days. Average thermometer 61, highest 79, lowest 42.

**Vicksburg, Miss.**—There has been rain on four days of the week, to the extent of five inches and twenty-six hundredths. The thermometer has averaged 58, the highest being 71 and the lowest 39.

**Mobile, Ala.**—River bottoms flooded. Very little cotton lost, as picking was practically over. Considerable corn lost.

There has been rain on four days of the week, to the extent of five inches and eighty-six hundredths. The thermometer has averaged 70, ranging from 53 to 81.

**Selma, Ala.**—There has been rain on four days during the week, the rainfall being two inches and ninety hundredths. The thermometer has ranged from 37 to 79, averaging 63.5.

**Madison, Fla.**—The week's rainfall has been one inch and fifty hundredths, on two days. Average thermometer 73, highest 88, lowest 58.

**Augusta, Ga.**—We have had rain on three days the past week, the rainfall being one inch and twenty hundredths. The thermometer has averaged 70, the highest being 82 and the lowest 58.

**Savannah, Ga.**—We have had rain on two days of the past week, the rainfall being sixty-four hundredths of an inch. The thermometer has averaged 74, ranging from 63 to 84.

**Charleston, S. C.**—There has been rain on three days during the week, to the extent of forty-three hundredths of an inch. The thermometer has ranged from 64 to 81, averaging 73.

**Spartanburg, S. C.**—The week's rainfall has been four inches and thirteen hundredths, on four days. Average thermometer 59, highest 76, lowest 42.

**Charlotte, N. C.**—There has been rain on three days of the week, to the extent of one inch and twenty-four hundredths. The thermometer has averaged 67, the highest being 78 and the lowest 56.

**Memphis, Tenn.**—Killing frost reported this morning, two days earlier than average date. We have had rain on one day of the past week, the rainfall being seventeen hundredths of an inch. The thermometer has averaged 59, ranging from 43 to 76.

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:

	Nov. 1 1918.	Nov. 2 1917.
	Feet.	Feet.
New Orleans.....	Above zero of gauge.	4.4
Memphis.....	Above zero of gauge.	3.0
Nashville.....	Above zero of gauge.	12.7
Shreveport.....	Above zero of gauge.	6.4
Vicksburg.....	Above zero of gauge.	4.5
*Below		3.9

**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. 13.....	104,110	142,000	182,331	661,407	261,941	411,183	137,334	150,836	267,946
20.....	130,758	160,421	230,375	736,904	287,143	542,558	215,253	185,622	361,750
27.....	156,587	185,430	295,561	808,094	355,449	693,590	227,777	253,736	436,693
Oct. 4.....	159,431	208,398	324,221	865,570	439,165	830,931	217,907	292,114	461,452
11.....	169,334	207,209	322,759	942,219	544,591	964,082	244,933	312,455	457,820
18.....	163,847	235,539	340,497	1,011,610	673,994	1,053,374	231,018	394,942	428,889
25.....	169,230	224,873	325,991	1,066,369	878,891	1,158,599	228,987	328,981	379,421
Nov. 1.....	152,254	224,873	325,991	1,141,246	878,891	1,158,599	227,133	328,981	379,421

The above statement shows: 1.—That the total receipts from the plantations since August 1 1918 are 1,953,867 bales; in 1917 were 2,547,110 bales, and in 1916 were 3,674,546 bales. 2.—That although the receipts at the outports the past week were 152,254 bales, the actual movement from plantations was 227,133 bales, the balance going to increase stocks at interior towns. Last year receipts from the plantations for the week were 328,981 bales and for 1916 they were 379,421 bales.

**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. 25.....	3,824,244		3,499,927	
Visible supply Aug. 1.....		3,027,450		2,814,776
American in sight to Nov. 1.....	366,233	3,353,734	457,292	4,028,676
Bombay receipts to Oct. 31.....	98,000	373,000	9,000	187,000
Other India shipments to Oct. 31.....		2,000		1,000
Alexandria receipts to Oct. 30.....	640,000	125,000	46,000	194,000
Other supply to Oct. 30*.....	64,000	47,000	3,000	32,000
Total supply.....	4,242,477	6,928,184	4,016,219	7,284,452
Deduct.....				
Visible supply Nov. 1.....	3,954,797	3,954,797	3,691,796	3,691,796
Total takings to Nov. 1a.....	287,680	2,973,387	324,423	3,592,656
Of which American.....	240,680	2,432,387	240,423	2,884,656
Of which other.....	47,000	541,000	84,000	708,000

\* Embraces receipts in Europe from Brazil, Smyrna, West Indies, &c.  
a This embraces the total estimated consumption by Southern mills, 1,117,000 bales in 1918 and 1,173,000 bales in 1917—takings not being available—and the aggregate amounts taken by Northern and foreign spinners, 1,856,387 bales in 1918 and 2,419,656 bales in 1917, of which 1,315,387 bales and 1,711,656 bales American. b Estimated.

**EXPORTS OF COTTON GOODS FROM GREAT BRITAIN.**—Below we give the exports of cotton yarn, goods, &c., from Great Britain for the month of September and since Aug. 1 in 1918 and 1917, as compiled by us from the British Board of Trade returns. It will be noticed that we have reduced the movement all to pounds.

000's omitted.	Yarn & Thread.		Cloth.				Total of All.	
	1918.		1917.		1918.		1917.	
	lbs.	yards.	lbs.	yards.	lbs.	yards.	lbs.	yards.
August.	9,665	18,786	267,620	469,083	50,022	87,679	59,687	106,445
Sept.	8,170	11,074	247,790	420,448	46,316	73,671	54,492	89,746
Stockings and socks							233	282
Sundry articles							9,182	7,594
Total exports of cotton manufactures							123,594	204,066

The foregoing shows that there have been exported from the United Kingdom during the two months 123,594,000 pounds of manufactured cotton, against 204,066,000 pound last year, a decrease of 80,472,000 pounds.

**BOMBAY COTTON MOVEMENT.**—The receipts of India cotton at Bombay for the week ending Oct. 10 and for the season from Aug. 1 for three years have been as follows:

In a 26. Receipts at—	1918.		1917.		1916.	
	Week.	Since Aug. 1.	Week.	Since Aug. 1.	Week.	Since Aug. 1.
	Bombay	10,000	232,000	7,000	160,000	9,000

**ALEXANDRIA RECEIPTS AND SHIPMENTS OF COTTON.**—The following are the receipts and shipments for the week ending Oct. 9 and for the corresponding week of the two previous years:

Alexandria, Egypt, October 9.	1918.	1917.	1916.
Receipts (cantars)—			
This week	180,000	234,863	208,379
Since Aug. 1.	496,539	713,074	825,512

Exports (bales)—	1918.		1917.		1916.	
	Week.	Since Aug. 1.	Week.	Since Aug. 1.	Week.	Since Aug. 1.
To Liverpool	46,701	9,184	34,166	3,828	28,299	7,972
To Manchester, &c.	20,416	10,249	19,119	3,511	9,217	2,233
To Continent and India	22,988	19,119	350	350	2,233	2,233
To America	—	—	—	—	—	—
Total exports	90,105	11,309	63,534	7,689	47,721	10,438

Note.—A cantar is 99 lbs. Egyptian bales weigh about 750 lbs. This statement shows that the receipts for the week ending Oct. 9 were 180,000 cantars and the foreign shipments 11,309 bales.

**MANCHESTER MARKET.**—Our report received by cable to-night from Manchester states that the market is irregular and quiet. We give prices for to-day below and leave those for previous weeks of this and last year for comparison:

	1918.						1917.					
	32s Cop	8 1/4 lbs. Stri-	Col'n	32s Cop	8 1/4 lbs. Stri-	Col'n	32s Cop	8 1/4 lbs. Stri-	Col'n	32s Cop	8 1/4 lbs. Stri-	Col'n
Sept. 6	54 1/4	30 3	24.38	25 1/4	30 3	24.38	25 1/4	30 3	24.38	25 1/4	30 3	24.38
13	54 1/4	30 3	25.10	25 1/4	30 3	25.10	25 1/4	30 3	25.10	25 1/4	30 3	25.10
20	55 1/4	30 3	23.34	25 1/4	30 3	23.34	25 1/4	30 3	25.10	25 1/4	30 3	25.10
27	55 1/4	30 3	23.23	25 1/4	30 3	23.23	25 1/4	30 3	25.10	25 1/4	30 3	25.10
Oct. 4	55 1/4	30 3	23.43	25 1/4	30 3	23.43	25 1/4	30 3	25.10	25 1/4	30 3	25.10
11	55 1/4	30 3	23.02	25 1/4	30 3	23.02	25 1/4	30 3	25.10	25 1/4	30 3	25.10
18	51 1/4	30 3	23.10	25 1/4	30 3	23.10	25 1/4	30 3	25.10	25 1/4	30 3	25.10
25	51 1/4	30 3	21.63	25 1/4	30 3	21.63	25 1/4	30 3	25.10	25 1/4	30 3	25.10
Nov. 1	52	29 3	21.25	25 1/4	30 3	21.25	25 1/4	30 3	25.10	25 1/4	30 3	25.10

**LIVERPOOL.**—By cable from Liverpool we have the following statement of the week's sales, stocks, &c., at that port:

	Oct. 11.	Oct. 18.	Oct. 25.	Nov. 1.
Sales of the week	14,000	9,000	9,000	7,000
Of which speculators took	—	—	—	—
Of which exporters took	—	—	—	—
Sales, American	8,000	4,000	4,000	2,000
Actual export	—	—	—	—
Forwarded	52,000	70,000	75,000	52,000
Total stock	184,000	207,000	199,000	183,000
Of which American	89,000	104,000	100,000	99,000
Total imports of the week	110,000	66,000	43,000	41,000
Of which American	99,000	51,000	40,000	33,000
Amount afloat	194,000	177,000	215,000	—
Of which American	126,000	114,000	163,000	—

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.	Quiet.
Mid. Upl'd Good Mid. Uplands	21.77	21.99	21.75	21.44	21.26	21.26
Sales	2,000	2,000	2,000	2,000	2,000	2,000
Futures.	Steady	Steady	Steady	Steady	Weak	Weak
Market opened	24@31 pts. advance.	23 pts. dec. to 5 pts. adv.	unch. to 10 advance.	14@26 pts. decline.	42@62 pts. decline.	—
Market, 4 P. M.	Steady	Steady	Quiet	Barely st'y	Unsettled	Unsettled
	13@18 pts. advance.	unch. to 32 pts. decline.	4@25 pts. decline.	50@55 pts. decline.	97@100 pts. dec.	—

The prices of futures at Liverpool for each day are given below.

Oct. 25 to Nov. 1.	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
	12 1/4 p. m.	12 1/4 p. m.	12 1/4 p. m.	12 1/4 p. m.	12 1/4 p. m.	12 1/4 p. m.
New Contracts	d.	d.	d.	d.	d.	d.
October	22.39	22.35	22.37	22.35	22.38	22.19
November	21.72	21.64	21.47	21.50	21.46	21.00
December	21.21	21.12	20.88	20.86	20.85	20.72
January	20.85	20.74	20.48	20.45	20.38	20.26
February	20.44	20.33	20.03	20.01	19.90	19.76
March	—	—	—	—	—	18.68

**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.

**BREADSTUFFS**

Friday Night, Nov. 1 1918.

Flour has remained quiet although there has been a trifling increase in business of late. Yet the sum total of transactions is unsatisfactory. Stocks here are still very heavy. Yet to all appearance it will be increased before long. The quantity in transit for this market is believed in some quarters to be larger than it is generally supposed to be. Moreover the report that the storedoor delivery plan will go into effect before long undoubtedly causes more or less anxiety. A good many are disposed to think that it may be disadvantageous to the general interest of the trade. Others are inclined to watch it for a time before they make up their mind on this point. It is certain however whatever the momentary effect that the trade will gradually adjust itself to the new conditions. There are those who believe that before long there will be an improvement in the flour trade here. It is only a question of time when supplies here will be digested or largely so. Not improbably conditions are now at their worst. Better times are no doubt ahead. Meanwhile rye flour sells rather more readily especially the pure white rye, but some of the mills complain that bids are often below the cost of production.

Wheat acreage in the winter wheat belt will, it is believed, be the largest on record. Meanwhile the visible supply in the United States continues rapidly to increase. Last week the increase was 5,996,000 bushels, against an increase in the same week last year of 4,812,000. This brings the total up to 113,508,000 bushels, against only 14,524,000 a year ago. In other words, the stock is nearly ten times as large as it was then. The New York stock is 2,282,521 bushels, against 1,774,709 a year ago. Reports from the West say that cars are growing scarce. There is a tightening of the car situation, it is stated, on all Western roads. Mr. McAdoo has been asked for help in the matter of supplying box cars for grain. According to the Department of Agriculture on Oct. 1 1918, commercial stocks of wheat were 195,997,839 bushels, against 114,331,842 Sept. 1. These figures refer to stocks actually reported and do not represent total commercial stocks, nor stocks on farms. Stocks reported for Oct. 1 were held by 2,979 firms, consisting of elevators, warehouses, grain mills and wholesale dealers. These holdings, like those of September 1, were nearly three times as large as stocks held by same firms a year earlier, actual percentage for October 1 being 297.6% of 1917 stocks. In Argentine the weather has become clear and cold, and there are fears of frosts in some parts. Export demand for wheat there is on a limited scale. In France, the weather has become somewhat cooler. Threshing has been completed in many sections and the quality of the wheat is considered excellent. The yield is estimated at approximately 184,000,000 bushels which compares with 140,000,000 bushels in 1916-17. In Italy continued progress is being made in preparation for the autumn seeding. Efforts are being made to increase the acreage of wheat this year; to facilitate this, the use of tractors is being encouraged. In Spain preparations for the new crop are going forward but these operations have been hindered somewhat by the attitude of farmers who are dissatisfied with the Government method of handling the last crop. Supplies are still reported scanty. In the United Kingdom the weather has not been favorable for the completion of harvesting and gathering in the northern sections. Reports from the South and Midlands, however, are generally favorable, and these tend to offset the

pessimistic outlook in the North. In North Africa this year's harvest is considered excellent and it is expected there will be a good surplus for France. In Sweden some damage has been done to late crops by frost recently. Only moderate progress has been made so far in winter sowings. In Australia there is a decrease in the acreage. The Farmers' and Settlers' Association has been officially informed that a sale of the 1917-18 wheat crop would not be easily effected. Good rains have fallen in many parts of the country and proved very beneficial. Reports from South Australia mention the expectation of the possibility of an eleven bushel per acre harvest being realized; this compares with 12.18 per acre last year and 15.80 the previous year. The average yield for the seven years 1911-17 amounts to 9.77 per acre. The final official estimate gives the yield of the last crop at approximately 122,000,000 bushels, against 152,000,000 bushels last year. Home consumption is generally reckoned at about 40,000,000 bushels. In India a fair fall of rain has occurred in the Punjab, but only scanty rains in the United Provinces. The present rainfall is regarded as sufficient to enable growers to put in the new crops, but it will not furnish any reserve supply of moisture, so that if the winter rainfall is short, the crops may easily suffer considerably. Arrivals at the ports have decreased but this is to be expected at this time of the year. Shipments continue moderate owing to the limited supply of tonnage available. Good progress is being made in ploughing and seeding where rainfall was ample.

**DAILY CLOSING PRICES OF WHEAT IN NEW YORK.**

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
No. 2 red.....	237 1/4	237 1/4	237 1/4	237 1/4	237 1/4	237 1/4
No. 1 spring.....	240 1/4	240 1/4	240 1/4	240 1/4	240 1/4	240 1/4

Indian corn has declined sharply on general liquidation, peace talk and dulness of the cash demand. The weather has also been better. On any rallies selling pressure has increased. November longs have liquidated a good deal of corn. There has been much uneasiness over the rapid turn of events across the water pointing, as many believe, to an early armistice if not peace itself. November has been thrown over freely owing to the regulations which require those who have open contracts in a current month to be prepared to make or take delivery. A good deal of this selling out of November has been accompanied by purchases of December at a sharp narrowing of the differences. Furthermore, there has been little promise of an improvement in the near future in the export trade. In fact, the pendulum has swung to the opposite extreme. For many months war dominated the market and raised it to an unexpected height. Now peace is the paramount factor. It is almost as powerful in its tendency to lower prices as war was to raise them. The visible supply in the United States is 5,108,000 bushels, against 1,492,000 bushels a year ago. On the other hand, the visible supply last week decreased 132,000 bushels, and, after all, the total stock is not very heavy. Some think the Government is to a certain extent sustaining prices. At any rate, not a few have been buying of late on the theory that it will. How? By buying for export it is suggested or by controlling the hog trade. Also some are not entirely convinced that peace is such a bearish factor as so many assume it is. And of late the market has at times shown rather better resisting power. Some think that the recent decline discounts peace, even assuming that peace would be a bearish influence. Liquidation, moreover, has been quite severe. The technical position of the market must be better. In Argentine corn is in somewhat better request but export offers are liberal and of good quality. The outturn in France is fair. To-day prices declined sharply on peace talk and snow. Crop estimate of over 2,800,000,000 bushels, though Clement Curtis & Co. put it 2,651,000,000 bushels. Prices are decidedly lower for the week.

**DAILY CLOSING PRICES OF CORN IN NEW YORK.**

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
No. 3 yellow.....	158 1/4	158 3/4	158 3/4	158 3/4	154	154

**DAILY CLOSING PRICES OF CORN FUTURES IN CHICAGO.**

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Nov. del. in elev. (new contr't) cts.	125 1/4	122 3/4	121 1/4	117 3/4	118	115 1/4
Dec. del. in elev. (new contr't) cts.	120 1/4	119 1/4	118 1/4	114 1/4	116 1/4	113 1/4

Oats have declined partly in sympathy with corn. Peace, it is generally assumed, would have a depressing effect on prices. The cash demand has been light. Neither the Government nor the exporter has bought at all freely. In fact, for the most part they seem to have held aloof. Tonnage is too scarce for a big export trade. That fact is generally recognized. Therefore there is little new export business. It seems, however, that some permits are being issued on old business through Newport News. The visible supply in this country increased last week 420,000 bushels, as against

a decrease for the same week last year of 52,000 bushels. Just now the total is about 5,500,000 larger than a year ago, i. e., 22,211,000 bushels, against 16,624,000 a year ago. Of late there has been some selling on stop orders. The domestic demand has been light and premiums have been easier. On the other hand not a few think that the Government will make good purchases of cash oats from time to time. The position of cash oats is considered better than that of cash corn regardless of the fact that for the moment cash oats are quiet. It is argued that the crest of the crop movement wave has passed, or at any rate that the first big swell of receipts is over, even though it is a fact that receipts continue to be very large. Country offerings of late have been rather small; certainly they have not been large. At times cash interests have been fair buyers of November. In Argentine oats have been absorbed in fair amounts at present prices, which are comparatively low. Tonnage supply has not improved materially. In France the outturn of barley and rye is fair, but oats are deficient. The unsettled weather damaged barley and oats to some extent in the United Kingdom. To-day prices declined, with corn, and they are noticeably lower for the week.

**DAILY CLOSING PRICES OF OATS IN NEW YORK.**

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Standards cts. 78 1/2 @ 79	78 1/2 @ 79	78 @ 78 1/2	76 1/2 @ 77	77 1/2 @ 78	77	77 1/2
No. 2 white.....	79	79	78	76 @ 76 1/2	77 1/4	77 1/4

**DAILY CLOSING PRICES OF OATS FUTURES IN CHICAGO.**

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Nov. del. in elev. (new contr't) cts.	69 1/2	69 3/4	69	67 1/2	68 1/4	67 1/2
Dec. del. in elev. (new contr't) cts.	68 1/2	68 3/4	68 1/2	66 1/2	68	66 1/2

The following are closing quotations:

**FLOUR.**

Spring.....	\$10 50 @ \$10 95	Barley flour (to arrive).....	\$7 42 @ \$7 75
Winter.....	10 00 @ 10 25	Taploca flour.....	nom.
Kansas.....	10 50 @ 10 95	Hominy.....	\$3 85 @ 4 42 1/2
Rye flour.....	8 50 @ 9 50	Yellow granulated.....	\$4 30
Corn goods, all sacks 100 lbs.		Barley goods—Portage barley:	
White.....	\$4 40 @	No. 1.....	6 00
Bolted.....	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 cwt. 10 00 @ 10 25	Oats goods—Carload, spot delivery.....	9 75

**GRAIN.**

Wheat—		Oats—	
No. 2 red.....	\$2 37 1/2	Standard.....	77 1/2 @ 78
No. 1 spring.....	2 40 1/2	No. 2 white.....	78
		No. 3 white.....	77 @ 77 1/2
Corn—		No. 4 white.....	76 1/2
No. 2 mixed.....	1 61 1/2	Barley—	
No. 2 yellow.....	1 64 1/2	Feeding.....	1 03
No. 3 yellow.....	1 54	Malting.....	1 10
Argentine.....		Rye—	
		No. 2.....	1 77

**EXPORTS OF BREADSTUFFS, PROVISIONS, COTTON AND PETROLEUM.**—The exports of these articles during the month of September and nine months for the past three years have been as follows:

Exports from U. S.	1918.		1917.		1916.	
	September	9 Months	September	9 Months	September	9 Months
Quantities						
Wheat, bu.	26,848,308	48,687,256	2,612,762	11,412,812	13,108,248	113,312,453
Flour, bbls.	363,148	17,802,438	1,015,292	8,891,721	1,123,611	11,470,472
Wheat *bu.	28,347,474	128,798,227	7,181,580	31,425,556	18,159,997	164,929,877
Corn, bush.	2,469,466	34,863,665	980,074	46,500,470	3,761,131	44,376,460
Total bush values \$	30,816,940	183,861,892	8,161,654	177,926,026	21,921,128	209,405,037
Provisions \$	87,656,279	570,028,343	30,050,658	470,000,735	38,077,100	325,568,806
Br' desufs \$	56,254,407	719,331,961	32,114,704	331,947,077	22,639,744	199,455,579
Cotton.....	62,981,966	447,377,318	59,817,408	371,938,119	44,547,302	324,412,309
Petrol. &c.	30,304,963	257,775,115	16,809,054	171,740,585	20,987,053	155,216,048
Cot's d'oil	495,098	18,555,370	696,899	15,558,872	956,897	15,019,026
Total val.	236,792,713	1,201,306,610	139,188,723	1,361,182,388	127,208,696	1,019,611,954

\* Including flour reduced to bushels.

The statements of the movements 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. 106 lbs.	bush. 60 lbs.	bush. 56 lbs.	bush. 32 lbs.	bush. 48 lbs.	bush. 56 lbs.
Chicago.....	192,000	1,678,000	1,995,000	2,555,000	775,000	96,000
Minneapolis.....	5,018,000	95,000	584,000	508,000	153,000	—
Duluth.....	4,752,000	—	41,000	94,000	543,000	—
Milwaukee.....	21,000	477,000	163,000	2,000,000	529,000	158,000
Toledo.....	—	268,000	28,000	175,000	—	—
Detroit.....	—	122,000	160,000	119,000	—	—
Cleveland.....	—	—	No Report	—	—	—
St. Louis.....	50,000	590,000	373,000	424,000	21,000	7,000
Peoria.....	57,000	48,000	528,000	167,000	41,000	2,000
Kansas City.....	—	1,372,000	339,000	303,000	—	—
Omaha.....	—	331,000	301,000	480,000	—	—
Indianapolis.....	—	95,000	407,000	353,000	—	—
Total wk. '18	320,000	14,741,000	4,389,000	7,201,000	1,968,000	857,000
Same wk. '17	357,000	7,239,000	1,560,000	7,038,000	2,384,000	844,000
Same wk. '16	330,000	9,012,000	1,729,000	7,952,000	3,251,000	695,000
Since Aug. 1—						
1918.....	4,682,000	221,231,000	61,176,000	103,437,000	13,105,000	9,885,000
1917.....	4,014,000	71,652,000	30,291,000	104,728,000	31,497,000	9,809,000
1916.....	4,835,000	144,886,000	43,720,000	102,825,000	33,578,000	9,147,000

The exports from the several seaboard ports for the week ending Oct. 26 are shown in the annexed statement:

Exports from—	Wheat.	Corn.	Flour.	Oats.	Rye.	Barley.	Peas..
	Bushels.	Bushels.	Barrels.	Bushels.	Bushels.	Bushels.	Bushels.
New York.....	1,081,757	—	58,940	269,877	—	—	—
Boston.....	261,503	—	—	—	—	—	—
Baltimore.....	973,333	—	—	143,812	—	—	—
Newport News.....	—	—	23,000	280,000	—	—	—
Total week.....	2,316,593	—	81,940	693,689	—	—	—
Week 1917.....	1,871,604	—	83,618	1,300,943	371,800	82,851	—



## State and City Department

### NEWS ITEMS.

**Bismarck, Penn.—Name Changed.**—This town has changed its name from Bismarck to Quentin, in honor of former President Roosevelt's son, who died fighting in France.

**California (State of).—Proposed Constitutional Amendments.**—At the general election to be held Nov. 5 the following proposed constitutional amendments will be voted upon:

1.—**Liquor Regulation.**—Initiative Act. After July 1, 1919 prohibits keeping drinking saloons or similar places, regulates the traffic in and various acts relating to alcoholic liquors, prohibiting sales and various other dispositions thereof (except in specified cases or under specified conditions, some articles to stores of malt liquors containing distilled spirits or more than certain percentages of alcohol, and others to alcoholic liquors generally, or to other particular kinds thereof), limits number of municipal licenses for sale of vinous or malt liquors for consumption elsewhere than on premises where sold, permits further municipal regulations, and prescribes penalties.

2.—**Deposit of Public Moneys.**—Senate Constitutional Amendment 34. Amends Section 16½ Article XI of Constitution. Authorizes State, county or municipality to deposit moneys in national banks within State, or banks organized under laws thereof, as permitted by any law adopted by initiative or by two-thirds vote of each House of Legislature approved by Governor and subject to referendum, and, when issuing bonds, in banks outside State to pay principal or interest thereof where payable; eliminates provisions requiring security for deposits, interest thereon and limited amounts thereof, continuing present laws governing deposits until amended or repealed.

3.—**Usury Law.**—Initiative act restricting and regulating rates of interest upon the loan or forbearance of money, goods, things in action, accounts and judgments; limits fees, charges and commissions in connection with loans of money; provides penalties for violation of law and repeals Sections 1917, 1918, 1919 and 1920 of the Civil Code and all conflicting laws.

4.—**Absent Voters.**—Assembly Constitutional Amendment 1. Adds proviso to Section 1, Article II of Constitution authorizing legislative provision permitting registered voters, absent from their voting precincts at any primary or general election because of occupation requiring travel or military or naval service other than in United States regular army or navy to vote in home precinct prior to election, or in any municipality within State on election day, and those in such service wherever in United States at least fifty thereof are stationed on election day, and providing for counting such votes by such methods as Legislature may prescribe.

5.—**Organization Within County of Consolidated City and County Government.**—Senate Constitutional Amendment 13 adding Section 73½ to Article XI of Constitution. Authorizes any county having 200,000 population or over, not a consolidated city and county nor operating under county charter to frame charter for consolidated city and county government, with or without boroughs; including therein incorporated municipalities and unincorporated territory comprising whole or lesser area of county, requiring publication of such charter before submitting question of consolidation to electors of each municipality separately; prescribes procedure for consolidation and adoption of charters.

6.—**Courts.**—Assembly Constitutional Amendment 61. Amends Section 1, Article VI of Constitution. Omits from enumeration of courts, in which judicial power is by that section declared vested, "district courts" of appeal, superior courts and such inferior courts as the Legislature may establish in any incorporated city or town, township, county or city and county," and substitutes therefor "such other courts as the Legislature by general law (subject to referendum) may establish." Declares remaining provisions of same article, except section 19, relating to charging juries, to have same effect as general laws and Legislature may repeal or amend same.

7.—**Los Angeles County Funds.**—Assembly Constitutional Amendment 67. Adds Section 18½ to Article XI of Constitution. Authorizes Los Angeles County, out of succeeding years' revenue or income, to reimburse any funds officially held by its treasurer which have been diminished by payment therefrom, during the sixty-fourth to sixty-eighth fiscal years inclusive, of claims or demands representing its indebtedness or liability exceeding the income and revenue provided for the year, in which same was incurred, whenever electors thereof so decide at election for that purpose, called by supervisors and held in accordance with State election laws.

8.—**University of California.**—Senate Constitutional Amendment 20. Amends Section 9 Article IX of Constitution. Provides for administration of University of California by present corporation "The Regents of the University of California," and for composition of governing board thereof, continuing present appointive members for their terms. Prescribes corporation's powers, vesting therein title, management and disposition of university property. Provides for investing proceeds from public land sales, appropriating income therefrom to agricultural college, requiring State to replace such funds when lost or diminished; university to be independent of political or sectarian influence and no person refused admission because of sex.

9.—**Appellate Court Divisions.**—Senate Constitutional Amendment 45. Amends Section 4 Article VI of Constitution. Divides first and second district courts of appeal, each into two divisions of three justices each, present officers and terms of justices unaffected, such justices constituting division one of their respective districts. Governor appointing three justices for each division two thereof to serve until successors are elected; requires two justices present to transact business and two to concur in judgment; whenever Judge of Supreme or Appellate Court can not act therein authorizes remaining justices thereof to select Appellate or Superior Judge to act pro tempore.

10.—**Borough Government Permanency.**—Assembly Constitutional Amendment 2. Amends Section 8½ of Article XI of Constitution. Adds provision thereto declaring that whenever a borough is established in a consolidated city and county pursuant to provisions of charter thereof, in connection with annexation of other territory, or otherwise, there shall thereafter be no change in the boundaries or governmental powers of such borough without the consent of a majority of the electors of such borough voting at an election held for that purpose.

11.—**Exempting Cemeteries from Taxation.**—Assembly Constitutional Amendment 10. Adds Section 1b to Article XIII of Constitution. Exempts from assessment and taxation the grounds, buildings and equipment

within same, securities and income of any cemetery used exclusively for human burial and cemetery purposes and not conducted for profit.

12.—**Reimbursing Cities for Revenue Losses from Taxation Exemptions for Military Service.**—Assembly Constitutional Amendment 23. Adds Section 5 to Article XIII of Constitution. Authorizes appropriations by State from general revenues, after legislative investigation, to reimburse any city for loss of revenue resulting from taxation exemptions allowed by Section 13½ of same Article on account of military service, provided the value of the property so exempted is not less than 5% of total assessed valuation of property in such city.

13.—**Condemnation of Right of Way for Public Use.**—Assembly Constitutional Amendment 31. Amends Section 14 Article I of Constitution. Exempts counties from provisions requiring compensation be first made or paid into court for owner before right of way is appropriated; adds proviso authorizing State, political subdivision thereof or district, upon commencement of condemnation proceedings for right of way, to take immediate possession thereof upon making money deposits in such amounts as court may determine adequate to secure to owner immediate payment as compensation therefor, permitting court on motion and upon notice to alter amount of such security.

14.—**Taxation Exemptions.**—Assembly Constitutional Amendment 35. Adds Section 1b to Article XIII of Constitution. Exempts from taxation all Young Men's Christian Association buildings and Young Women's Christian Association buildings, with their furniture and equipment and lots on which they stand used therewith and necessary thereto when owned by said associations; declares any part thereof when used for other than association purposes and a valuable consideration received therefor shall be subject to taxation, rented furnished rooms being considered used for association purposes.

15.—**State Budget Board.**—Senate Constitutional Amendment 15. Amends Section 34 Article IV of Constitution. Creates State Budget Board, consisting of board of control, State Controller and Lieutenant Governor, to ascertain needs of State offices, departments and institutions for each biennial period, and report to Legislature budget therefor to be introduced in general appropriation bill and in omnibus appropriation bill carrying special items for improvements and betterments; budget board member to sit with each house of legislature when considering same; any other bill appropriating money to contain but one appropriation item and for single and certain purpose expressed therein.

16.—**City of Venice Indebtedness.**—Assembly Constitutional Amendment 62. Amends Section 18, Article XI of Constitution, relating to limitations upon county, municipal and district indebtedness, by adding proviso authorizing city of Venice to pay all its indebtedness incurred during years 1914 to 1916 inclusive exceeding the income and revenue therefor, amount to be paid in full of said indebtedness not to exceed in the aggregate sixty thousand dollars, whenever two-thirds of voters thereof so decide at election held for that purpose, and declaring that no statute of limitations shall apply in any manner.

17.—**Tax Levy Limitations.**—Act submitted to electors by referendum. Requires each county officer to file financial statement with governing body of county which, before making tax levy, shall submit same with budget to State board of authorization created by the Act; regulates amounts produced by tax levies in the aggregate by counties, limiting yearly increase therein to 5% of amount produced preceding year unless greater amount authorized by such board of electors; declares governing body of any city, city and county, or other political subdivision as therein defined, may by resolution subject same to provisions hereof.

18.—**County and School Tax Limitations.**—Initiative Act. Creates State board of authorization; requires each county officer to file financial statements with governing body of county, which shall submit same with budget to such State board before making tax levy; limits yearly increase in amounts raised thereby to 5% of amount produced preceding year, unless greater amount authorized by such board or electors; makes special provisions for school matters, regulating such 5% increase by average daily attendance; declares governing body of any political subdivision may subject same to provisions hereof; authorizes Legislature to amend or repeal Act.

19.—**Land Values Taxation.**—Initiative measure adding Section 15 to Article XIII of Constitution. On and after Jan. 1 1919 requires all public revenues, State, county, municipal and district, be raised by taxation of value of land irrespective of improvements thereon; declaring war veteran, college and church exemptions in Sections 13½, 1½ and 1a of same Article not affected hereby; asserts intent of amendment to prevent holding land out of use for speculation and to apply to community purposes land values which community creates. Repeals all constitutional provisions and laws conflicting herewith.

20.—**Health Insurance.**—Senate Constitutional Amendment 26. Adds Section 22 to Article XX of Constitution. Authorizes legislature to establish health insurance system applicable to persons, and their dependents, whose incomes it deems insufficient to meet hazards of sickness and disability; provide support for such system by contributions, voluntary or compulsory, from such persons, from employers and by State appropriation; and confer upon any commission or court, now or hereafter created, power and authority necessary to effectuate provisions of this section. Declares this section not controlled or limited by other than the referendum provisions of constitution.

21.—**Dentistry.**—Initiative Act amending dental law. Requires dentist, hereafter appointed member of Board of Dental Examiners, have degree of Doctor of Dental Surgery or Dental Medicine, and some other degree from recognized institution; limits member to one four-year term in six years; as exception to present requirements, declares any applicant of good moral character, with five years practice, and examined and licensed by any State dental board, shall receive license without examination upon paying twenty-five dollars; forbids administering anesthetic, in practicing dentistry, except when adult third person present; declares advertising or charging low fees not unprofessional conduct.

22.—**Prohibition.**—Initiative Act. Declares that every person, firm or corporation, which manufactures, imports or sells intoxicating liquors after Dec. 31 1918 except denatured alcohol, shall be guilty of misdemeanor punishable by twenty-five dollars fine and twenty-five days imprisonment for first offense, and by fifty dollars fine and fifty days imprisonment for second offense, and by one hundred dollars fine and one hundred days imprisonment for each subsequent offense.

23.—**Workmen's Compensation.**—Senate Constitutional Amendment 30. Amends Section 21 Article XX of Constitution. Specifies matters included within complete system of workmen's compensation. Empowers Legislature to establish such system and require any or all persons to compensate their workmen for injury or disability, and dependents thereof for death of said workmen incurred in employment, irrespective of any party's fault, provide for settling disputes by arbitration, industrial accident commission, courts or any combination thereof, procedure therefor, making decisions of such tribunals reviewable by Appellate Courts. Declares Industrial Accident Commission and State Compensation Insurance Fund unaffected hereby, confirming functions vested therein.



24.—*Stockholder's Liability.*—Assembly Constitutional Amendment 37. Amends Section 3, Article XII of Constitution. Eliminates therefrom provisions relative to ex-position companies and liabilities of stockholders thereof. Adds paragraph to section declaring that provisions thereof imposing upon stockholders proportionate liability for debts and upon directors liability for moneys misappropriated shall not apply to any corporation, hereafter organized under laws of this State, which adopts and uses as last word of its corporate name the word "Limited" or "Ltd.", but that stockholders thereof shall be subject to such liabilities as Legislature may provide.

25.—*Eminent Domain.*—Senate Constitutional Amendment 16. Adds Section 20 to Article XI of Constitution. Declares that the State, any county, city and county or municipality may acquire, by eminent domain, title in fee simple to property, in excess of that actually needed for use in an improvement, such property to be deemed acquired for a public use, and that the procedure for such acquisition and the use and sale, lease or other disposition thereof shall be prescribed by general law.

**Centralia, Lewis County, Wash.—Bond Sale Held Illegal.**—The city of Centralia, the City Commission and Carstens & Barles of Seattle are made defendants in a suit filed on Oct. 24 by E. D. Cuddy, a local water consumer, who seeks to prevent payment of the \$300,000 bonds issued by the city in 1913 to pay for its water system, and sold to the Seattle concern. Cuddy says the bonds were sold at a figure approximately \$13,000 below par, which is illegal. These bonds bear 6% interest, payable semi-annually. Due in gold from 1919 to 1938 incl. These bonds are not a direct obligation of the city, but against the water system and its income. Interest is payable at fiscal agency (Equitable Trust Co., New York).

**Denver Reservoir & Irrigation Co.—Chicago Committee of Note Holders.**—In our "General Investment News" columns we make reference to the action of this committee in conjunction with the Denver committee in the settlement of the debt of the Denver Reservoir & Irrigation Co. The collateral consists of the bonds of the following irrigation districts embraced in the project: Denver-Greeley Valley Irrigation Dist., North Denver Municipal Irrigation Dist. and the Denver-St. Vrain Municipal Irrigation District—V. 107, p. 1495.

**Mississippi (State of).—Proposed Constitutional Amendment.**—A concurrent resolution to amend Section 112 of the constitution of the State of Mississippi so as to provide for a classified property tax will be voted upon at the general election to be held Nov. 5 and Sec. 117 of the State constitution will be amended to read as follows:

Sec. 117. The Governor shall be at least twenty-one years of age, and shall have been a citizen of the United States twenty years, and shall have resided in this State five years next preceding the day of his election.

**New York City.—1919 Budget Adopted by Board of Estimate.**—The Board of Estimate and Apportionment on Thursday (Oct. 31) adopted the budget for 1919, amounting to \$248,024,434 88, an increase of \$9,901,675 68 over the budget for 1918, which was for \$238,123,759 20. On Oct. 31, after which date no changes other than reductions can, according to the charter, be made in the budget, its total stood at \$248,108,487 38, reference to which was made in these columns last week. Various reductions, however, cut it by \$83,052 80. The chief reductions decided upon were in the estimates of the Department of Docks and Ferries and in the Public Service Commission. In the former the reduction amounted to \$16,125, and in the latter \$48,970, mostly in the personal service account, including salaries, &c. Small amounts, it is said, were cut from a number of other departments.

The budget now goes to the Board of Aldermen, and may be considered by that body for 21 days. No increases are allowed, but the members of the Board may make any reductions they deem advisable. After the Board has passed on it it goes to the Mayor, who has authority to veto the decreases, but the Board of Aldermen may override the veto by a two thirds vote.

**BOND PROPOSALS AND NEGOTIATIONS**  
this week have been as follows:

**ALLIANCE, Stark County, Ohio.—FINANCIAL STATEMENT.**—We are in receipt of the following financial statement issued in connection with the offering on Nov. 4 of the two issues of 5 1/4% bonds, aggregating \$22,500 (V. 107, p. 1592):

Financial Statement.	
Assessed valuation.....	\$20,901,230 00
Tax rate, 13.9; city rate, 5.104.	
Debt Statement—	
General bonds.....	1,001,890 00
Water debt.....	\$677,000 00
Special assessment.....	104,630 43
	781,630 43
	\$1,783,520 43
Bonds, cash, sinking fund.....	60,000 00
	\$1,723,520 43

Official circular states that the City of Alliance has never defaulted in payment of its bonds and interest.

**ASHEVILLE, Buncombe County, No. Caro.—BOND OFFERING.**—Sealed bids will be received until 12 m. Nov. 14 by E. L. Conder, Secretary-Treasurer, for \$64,000 gold funding bonds. Denom. \$1,000. Date Oct. 1 1918. Prin. and semi-ann. int. (A. & C.) payable in New York. Due \$6,000 yearly on Oct. 1 from 1919 to 1924 incl. and \$7,000 yearly on Oct. 1 from 1925 to 1928 incl. All bonds will bear one rate of interest, not exceeding 6%, and bidders are requested to name the rate. The bonds are to be prepared under the supervision of the U. S. Mfg. & Trust Co., New York, which will certify as to the genuineness of the signatures of the city officials and the seal impressed thereon. The legality of the bonds will be examined by Caldwell & Masslich, New York, and the purchaser will be furnished without charge the opinion of said attorneys. Bids are desired on blank forms which will be furnished by the city or the above trust company. Bonds to be delivered and paid for on Nov. 27 1918 in New York City. Cert. check (or cash) on an incorporated bank or trust company for \$1,280, payable to the above Sec.-Treas., required. Purchaser to pay accrued interest.

**ASTORIA, Clatsop County, Ore.—BONDS AUTHORIZED.**—The Reclamation Board has passed a resolution authorizing, it is stated, \$200,000 5% Franklin Street improvement bonds.

**BEVERLY, Essex County, Mass.—BOND OFFERING.**—Proposals will be received by Tracy A. Wallis, City Treasurer, until 5 p. m. Nov. 4 for \$11,000 4 1/2% coupon water bonds (Loan No. 2, Act of 1913). Denom. \$1,000. Date Aug. 1 1918. Prin. and semi-ann. int. (F. & A.) payable at the Old Colony Trust Co. of Boston. Due \$2,000 Aug. 1 1919 and \$1,000 yearly on Aug. 1 from 1920 to 1928 incl. These bonds will be engraved under the supervision of and certified as to their genuineness by the above trust company, which will further certify that in the opinion of Messrs. Ropes, Gray, Boyden & Perkins of Boston this issue is a valid obligation of the City of Beverly. These bonds have been approved by the Capital Issues Committee.

Financial Statement Nov. 1 1918.	
Average assessed valuation 1916, 1917, 1918.....	\$41,823,947
Total bond indebtedness.....	\$669,000
Bonds outside debt limit (water, \$85,000; sewer, \$192,000; school, \$76,500; street, \$15,000; park and playground, \$6,000; miscellaneous, \$11,000).....	385,500
Net indebtedness.....	\$583,500
Borrowing capacity.....	\$462,000

**BIG HORN COUNTY SCHOOL DISTRICT NO. 12 (P. O. Kane), Wyo.—BOND OFFERING.**—According to reports, proposals will be received until Nov. 12 by A. A. Smith, Clerk Board of School Trustees, for \$10,000 6% 25-year school bonds.

**CALHOUN COUNTY (P. O. Marshal), Mich.—BONDS VOTED.**—On Oct. 27, according to reports, the Board of County Supervisors voted to issue \$100,000 road bonds.

**CANTON, Haywood County, No. Caro.—DESCRIPTION OF BONDS.** The \$45,000 6% 30-year water-works bonds recently awarded to John Nuyeen & Co. of Chicago at par (V. 107, p. 1592) are dated Sept. 1 1918. Int. M. & S.

**CARROLL COUNTY (P. O. Delphi), Ind.—NO BIDS RECEIVED.**—No bids were received for the two issues of 4 1/2% road bonds, aggregating \$10,400, offered on Oct. 30. V. 107, p. 1685.

**CHESAPEAKE CITY, Cecil County, Md.—BONDS VOTED.**—Reports state that a proposition to issue \$5,000 street bonds was favorably voted at a recent election.

**CLAY COUNTY SUPERVISORS DISTRICT NO. 2 (P. O. West Point), Miss.—BOND OFFERING.**—Sealed bids will be received until 2 p. m. Nov. 6 by L. J. Howard, Clerk Board of County Supervisors, for \$15,000 6% tax-free registered road bonds. Denom. \$500. Date Nov. 1 1918. Interest annually on Nov. 1, payable in New York. Due \$1,000 yearly on Nov. 1 from 1919 to 1933, inclusive. Certified check for \$500, payable to the County Treasurer, required. Purchaser to furnish blank bonds and to pay their own attorney fee and accrued interest to date of delivery. Bonded debt (including this issue) Oct. 26 1918, \$145,000.

This item was inadvertently reported under the caption of Clay County, La., in last week's issue of our paper.

**COAL GROVE, Lawrence County, Ohio.—BOND OFFERING.**—Sealed bids will be received until 12 m. Nov. 16 by R. A. Gregory, Village Clerk, for \$5,000 6% 10-year coupon refunding bonds. Denom. \$500. Date Dec. 1 1918. Int. semi-ann., payable at the office of the Village Treasurer. Due \$500 vly. for 10 yrs. Purchaser to pay accrued interest. Bonded debt (including this issue) Oct. 28 1918, \$28,500; sinking fund, \$1,200. Assessed valuation, \$1,128,000. Total tax rate (per \$1,000), \$15.

**COLUMBIA IRRIGATION DISTRICT (P. O. Kennewick), Benton County, Wash.—BOND OFFERING.**—Proposals will be received until 10 a. m. Nov. 8 by M. M. Moulton, District Secretary, for the \$250,000 6% 11-20-year serial canal improvement bonds recently voted (V. 107, p. 1592). Denom. to suit purchaser. Int. J. & J. Certified check for \$2,500 required.

**COLUMBUS, Ohio.—BONDS AUTHORIZED.**—Local newspapers state that the City Council passed an ordinance authorizing the issuance of \$5,000 bonds.

**COOK COUNTY (P. O. Grand Marais), Minn.—BOND SALE.**—The \$100,000 6% refunding bonds, offered on Sept. 16 (V. 107, p. 1116), have been awarded to Kalman, Matteson & Wood, of St. Paul, at par. Denom. \$1,000. Date Sept. 1 1918. Principal and semi-annual interest (M. & S.) payable at the American Exchange National Bank, New York. Due \$10,000 yearly on Sept. 1 from 1928 to 1937, inclusive.

**COURTLAND, Republic County, Kan.—BONDS DEFEATED.**—By a vote of 93 to 65 a proposition to issue \$45,000 water-works-system bonds was defeated, it is stated, at a recent election.

**DADE COUNTY (P. O. Miami), Fla.—BONDS VOTED.**—At a recent election the question of issuing \$98,000 6% road bonds dated Jan. 11 1919 was, it is stated, favorably voted.

**DENVER, Colo.—NO BONDS TO BE ISSUED.**—We are advised that the \$3,000,000 water bonds mentioned in V. 107, p. 1592, will not be issued.

**DETROIT, Mich.—BOND OFFERING.**—Proposals will be received until 11 a. m. Nov. 11 by George Enzel, City Controller, for \$988,700 4 1/2% 30-year tax-free coupon (with privilege of registration) public sewer bonds. Denoms. 988 for \$1,000 and 7 for \$100. Date Aug. 15 1918. Principal and semi-annual interest payable at the office of the City Treasurer, or at the current official bank in the City of New York, at the option of the holder. Certified check or a deposit on any national bank in the United States or on any State bank in the city of Detroit for 2% of the amount of bonds bid for, required. The bonds, which have been approved by the Capital Issues Committee, can only be delivered at the office of the City Treasurer, and accrued interest, if any, will be charged on delivery.

**FERNDALE, Oakland County, Mich.—BOND ELECTION PROPOSED.**—It is reported that the Ferndale Board of Commerce has requested the Village Commission to call an election immediately to vote on a proposition to issue \$99,000 water mains connection bonds.

**FREMONT, Wayne County, No. Caro.—BOND OFFERING.**—Proposals will be received until 3 p. m. Nov. 15 by L. H. Mumford, Town Clerk, for \$25,000 6% coupon (with privilege of registration) public imp. bonds. Denom. \$1,000. Date Sept. 15 1918. Prin. and semi-ann. int. (M. & S.) payable at the National Bank of Commerce, N. Y. Due \$2,000 yearly on Sept. 15 from 1919 to 1928 incl. and \$1,000 yearly on Sept. 15 from 1929 to 1933 incl. The bonds, which have been approved by the Capital Issues Committee, will be prepared under the supervision of the U. S. Mfg. & Trust Co., N. Y., which will certify as to the genuineness of the signatures of the town officials and the seal impressed thereon. The purchaser or purchasers will be furnished with the opinion of Reed, McCook & Hoyt of New York that the bonds are valid and binding obligations of the Town of Fremont. Bonds will be delivered upon Nov. 25 1918 unless a different date is mutually agreed upon. Cert. check (or cash) on an incorporated bank or trust company for 2% of the amount of bonds bid for, payable to the "Town of Fremont," required. Purchaser to pay accrued interest.

**GRAND FORKS, Grand Forks County, No. Dak.—PURCHASER OF BONDS.**—The \$30,000 5-20-year (opt.) water-works refunding bonds



Date July 1 1918. Int. semi-ann. (J. & J.) payable at the County Treasurer's office (Stockton). Due yearly on July 1 as follows: \$62,250 1928 \$50,000 1929 to 1934 incl., and \$39,000 1935. These bonds are parts of an authorized issue of \$447,250.

**SEATTLE, Wash.—BONDS PROPOSED.**—An ordinance has been prepared providing, it is reported, for the issuance of \$1,050,000 bonds to take up outstanding light department warrants and give the department working capital for necessary extensions.

**BONDS APPROVED.**—According to reports, the Capital Issues Committee has approved the issuance of \$120,000 Empire way condemnation bonds.

**SEWICKLEY TOWNSHIP SCHOOL DISTRICT (P. O. Herminie), Westmoreland County, Pa.—BONDS OFFERING.**—Further details are at hand relative to the offering on to-day (Nov. 2) of the \$50,000 5% coupon rebuilding bonds (V. 107, p. 1687). Proposals for these bonds will be received until 3 p. m. on that day by B. F. Bungard, District Secretary. Denom. \$500 and \$1,000. Date Oct. 1 1918. Prin. and semi-ann. int. (A. & O.) payable at the First Nat. Bank of Herminie. Due yearly from Oct. 1 1920 to Oct. 1 1933, incl. Cert. check for \$1,000 payable to the above Secretary required.

**STAMFORD, Jones County, Tex.—BONDS TO BE OFFERED SHORTLY.**—W. B. Johnson, City Secretary, advises us that the city will probably offer about Jan. 1, \$200,000 water and \$35,000 sewer bonds.

**TAYLOR COUNTY (P. O. Abilene), Tex.—BOND OFFERING.**—It is reported that E. N. Overshiner, County Judge, will receive bids until 12 m. Nov. 11 for the following 5% road bonds: \$25,000 1-20-year serial, \$20,000 5-25-year serial (opt.), \$15,000 1-30-year serial and \$15,000 1-30-year serial bonds.

**TERRA BONITA SCHOOL DISTRICT, Los Angeles County, Cal.—BOND SALE.**—On July 22 \$5,000 5½% school bonds were awarded to F. M. Brown & Co. of San Francisco at 100.26. Denom. \$500. Date July 1 1918. Int. J. & J. Due \$500 yearly from 1919 to 1928, incl..

**TEXAS.—BONDS REGISTERED.**—The following bonds have been registered by the State Comptroller:

Amount.	Place and Purpose of Issue.	Rate.	Due.	Date Reg.
\$1,000	Rusk Ind. Sch. Dist.	5%	10-20 years	Oct. 21
3,000	Delta Co. C. S. D. 4	5%	5-20 years	Oct. 21
1,000	Delta Co. C. S. D. 11	5%	5-20 years	Oct. 21
700	Delta Co. C. S. D. 40	5%	5-20 years	Oct. 21
2,400	Delta Co. C. S. D. 30	5%	5-20 years	Oct. 21
1,200	Delta Co. C. S. D. 14	5%	5-20 years	Oct. 21
3,000	Delta Co. C. S. D. 9	5%	5-20 years	Oct. 21
1,600	Delta Co. C. S. D. 32	5%	5-20 years	Oct. 21
2,000	Delta Co. C. S. D. 16	5%	5-20 years	Oct. 21
1,800	Delta Co. C. S. D. 23	5%	5-20 years	Oct. 21
\$60,000	Corpus Christi sea wall	5%	*note	Oct. 21
4,600	Delta Co. C. S. D. 17	5%	5-10 years	Oct. 21
3,500	Milam Co. C. S. D. 31	5%	\$175 yearly	Oct. 21
5,000	Tarrant Co. C. S. D. 47	5%	40 years	Oct. 21
1,600	Dawson Co. C. S. D. 26	5%	20 years	Oct. 21
1,600	Dawson Co. C. S. D. 20	5%	20 years	Oct. 21
600	Leon Co. C. S. D. 8	5%	5-20 years	Oct. 21
5,000	Johnson Co. C. S. D. 40	5%	5-20 years	Oct. 21
5,000	Johnson & Hill Cos. C. S. D. 19	5%	5-20 years	Oct. 21

\* Corpus Christi sea wall bonds, \$15,000 due Mar. 1 1919, \$20,000 each year thereafter.

**THE DALLES, Wasco County, Ore.—BOND SALE.**—Recently the Lumbermen Trust Co. of Portland was awarded, it is reported, \$21,929 62 street impt. bonds for \$22,504 62 equal to 102.622.

**TRUMBULL COUNTY (P. O. Warren), Ohio.—BONDS NOT SOLD.**—No sale was made of the \$30,000 5% 1-5-year serial road impt. bonds, dated June 1 1918, offered on Sept. 3 (V. 107, p. 825). We are further advised, by M. H. Evans, Clerk Board of County Commissioners, that the above bonds will not be reoffered at present.

**UNION TOWNSHIP RURAL SCHOOL DISTRICT, Fayette County, Ohio.—BOND ELECTION.**—On Nov. 5 a proposition to issue \$12,000 school-bldg. completion bonds will be voted upon. R. R. Maddox is District Clerk.

**WALLA WALLA COUNTY SCHOOL DISTRICT NO. 16 (P. O. Walla Walla), Wash.—BOND OFFERING.**—It is reported that Guy Allen Turner, County Treasurer, will receive bids until Nov. 7 for \$5,000 2-10-year school bonds. Bids to state rate of interest desired. Certified check for 1% required.

**WARREN, Trumbull County, Ohio.—BOND SALE.**—The four issues of 6% coupon sewer bonds, aggregating \$107,000 offered on Oct. 12 (V. 107, p. 1025) were purchased by the State Industrial Commission of Ohio.

**WEST ALLIS, Milwaukee County, Wisc.—BOND OFFERING.**—Sealed bids will be received until 2 p. m. Nov. 23 by M. C. Henka, Deputy City Clerk, for \$20,000 5% storm-sewer bonds. Denom. \$1,000. Date Sept. 1 1918. Int. semi-ann. (M. & S.), payable at the First National Bank, West Allis. Due \$2,000 yearly on Sept. 1 from 1919 to 1923 (incl.) and \$1,000 yearly on Sept. 1 from 1924 to 1933 (incl.). Cert. check for 5% of the amount of bonds bid for, required. Purchaser to pay accrued int. and furnish blank bonds. Bonded debt Oct. 24 1918, \$496,550. Assess. valuation 1918, \$21,877,096. Debt limit, \$1,093,893 50.

**WEYMOUTH, Norfolk County, Mass.—LOAN OFFERING.**—It is stated that proposals will be received until 10 a. m. to-day (No. 2) by the Town Treasurer for a temporary loan of \$50,000, dated Nov. 4 1918, and maturing May 15 1919.

**YOUNGSTOWN, Mahoning County, Ohio.—BOND OFFERING.**—Sealed bids will be received until 12 m. Nov. 25 by J. R. Edwards, City Auditor, for \$55,000 5½% 2-12-year serial impt. and \$5,000 3¼-year average fire bonds. Int. semi-ann. Cert. check for 2% required.

**CANADA, its Provinces and Municipalities.**

**EAST WHITBY TOWNSHIP SCHOOL DISTRICT (P. O. Columbus), Ont.—DEBENTURE OFFERING.**—Proposals will be received by Wm. Purves, Clerk, until 12 m. Nov. 4 for \$8,000 6% 20-year schoolhouse debentures.

**HAMILTON, Ont.—DEBENTURES PROPOSED.**—It is reported that the Board of Education will ask the City Council for authority to issue approximately \$100,000 school-improvement debentures.

**MARKHAM TOWNSHIP, Ont.—DEBENTURES AUTHORIZED.**—On Oct. 8 the Council passed a by-law authorizing the issuance of \$10,000 hydro-electric debentures, it is reported.

**MOOSE JAW, Sask.—DEBENTURES VOTED.**—At a recent election a proposition to issue \$110,000 pipe-line debentures carried, it is stated, by a vote of 340 to 182.

**SANDWICH, Ont.—DEBENTURES AUTHORIZED.**—A by-law authorizing an issue of sewer-construction debentures was passed, it is reported, by the Council Oct. 17.

**VICTORIA, B. C.—DEBENTURES AUTHORIZED.**—In response to a general demand, the City Council has authorized the sale over the counter, it is stated, at the City Hall, of a maximum of \$100,000 worth of bonds ranging from one to fifty years at prices to yield the investors 6%.

**WHITBY, Ont.—DEBENTURES DISAPPROVED.**—It is reported that the Ontario Railway & Municipal Board has refused to sanction the \$6,475 sewerage-system and \$6,250 electric-light and water-system-extension debentures (V. 107, p. 1594).

**WELLAND, Ont.—DEBENTURES AUTHORIZED.**—It is reported that the Council on Oct. 8 passed a by-law authorizing an issue of \$25,000 6% 10-installment water-works improvement debentures.

**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 00 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.

**FINANCIAL**

**Girard Trust Company**

PHILADELPHIA

Chartered 1836

**CAPITAL and SURPLUS, \$10,000,000**

Member of Federal Reserve System

E. B. Morris, President

Acts as  
Executor  
Trustee,  
Administrator,  
Guardian,  
Receiver,  
Registrar and  
Transfer Agent.

Interest allowed  
on deposits.



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**WILLIAM B. DANA CO.,**

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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	1,135,785.43
<b>Total Premiums</b>	<b>\$12,241,404.89</b>
Premiums marked off from 1st January, 1917, to 31st December, 1917	\$11,171,853.93
Interest on the investments of the Company received during the year	\$404,411.18
Interest on Deposits in Banks and Trust Companies, etc.	123,991.53
Rent received less Taxes and Expenses	93,474.66
<b>Total</b>	<b>\$624,877.34</b>
Losses paid during the year	\$3,513,653.20
Less: Salvages	\$336,896.32
Re-insurances	503,857.68
<b>Total</b>	<b>\$840,754.00</b>
<b>Net Losses</b>	<b>\$2,672,899.20</b>
Re-insurance Premiums and Returns of Premiums	\$1,913,710.65
Expenses, including compensation of officers and clerks, taxes, stationery, advertisements, etc.	\$ 857,596.09

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.

G. STANTON FLOYD-JONES, Secretary.

- By order of the Board,
- |  |   |  |
|--|---|--|
| <b>EDMUND L. BAYLIES,</b><br>JOHN N. BEACH,<br>NICHOLAS BIDDLE,<br>JAMES BROWN,<br>JOHN CLAPLIN,<br>GEORGE C. CLARK,<br>FREDERIC A. DALLETT,<br>CLEVELAND H. DODGE,<br>CORNELIUS ELBERT,<br>RICHARD H. EWART,<br>G. STANTON FLOYD-JONES,<br>PHILIP A. S. FRANKLIN, | <b>TRUSTEES</b><br>HERBERT L. GRIGGS,<br>SAMUEL T. HUBBARD,<br>LEWIS CASS LEDYARD,<br>WILLIAM H. LEFFERTS,<br>CHARLES D. LEVERICH,<br>NICHOLAS F. PALMER,<br>WALTER WOOD PARSONS,<br>CHARLES A. PEABODY,<br>WILLIAM R. PETERS,<br>JAMES H. POST,<br>CHARLES M. PRATT,<br>DALLAS B. PRATT, | <b>ANTON A. RAVEN,</b><br>JOHN J. RIKER,<br>DOUGLAS ROBINSON,<br>JUSTUS RUPERTI,<br>WILLIAM JAY SCHIEFFELIN,<br>SAMUEL SLOAN,<br>WILLIAM SLOANE,<br>LOUIS STERN,<br>WILLIAM A. STREET,<br>GEORGE E. TURNURE,<br>GEORGE C. VAN TUYL, Jr.,<br>RICHARD H. WILLIAMS. |
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- A. A. RAVEN, Chairman of the Board.  
CORNELIUS ELBERT, 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	\$ 4,432,959.00
Stock of the City of New York and Stocks of Trust Companies & Banks	1,445,550.00	Premiums on Unterminated Risks	1,069,550.98
Stocks and Bonds of Railroads	3,287,129.85	Certificates of Profits and Interest Unpaid	301,406.72
Other Securities	205,410.00	Return Premiums Unpaid	121,989.95
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	3,000,000.00	Re-insurance Premiums on Terminated Risks	365,867.87
Real Estate on Staten Island (held under provisions of Chapter 431, Laws of 1887)	75,000.00	Claims not Settled, including Compensation, etc.	183,517.10
Premium Notes	1,009,577.74	Certificates of Profits Ordered Redeemed, Withheld for Unpaid Premiums	22,750.16
Bills Receivable	1,038,460.86	Income Tax Withheld at the Source	2,135.95
Note Receivable	5,122.26	Certificates of Profits Outstanding	5,722,590.00
Cash in hands of European Bankers to pay losses under policies payable in foreign countries	598,675.87	Balance	5,318,322.52
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	\$5,318,322.52		
Accrued Interest on the 31st day of December, 1917, amounted to	75,724.01		
Rents due and accrued on the 31st day of December, 1917, amounted to	22,201.50		
Re-insurance due or accrued, in companies authorized in New York, on the 31st day of December, 1917, amounted to	583,467.90		
Note: The Insurance Department has estimated the value of the Real Estate on Staten Island in excess of the Book Value given above, at	\$ 63,700.00		
The Insurance Department's valuation of Stocks, Bonds and other Securities exceeds the Company's valuation by	\$2,303,587.87		
On the bank	\$3,367,203.33		

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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

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