

STATE AND CITY SECTION.

A new number of our "State and City" Section, revised to date, appears to-day, and all readers of the paper who are subscribers should receive a copy of it. As previously announced, this Supplement is now issued in two parts, Part One containing the New England, Central and Middle States, being issued to-day, while Part Two embracing the rest of the country will be published next December. The change is due to the fact that with the growth and multiplication of the municipalities of the United States the demand for additional space has become too heavy to satisfy within the limits of a single number.

THE FINANCIAL SITUATION.

There was another period of tension in the call loan market this week, and on Wednesday the rate got up to 15%. But high call loan rates, such as experienced on several occasions the present month, are healthful, wholesome and corrective when allowed to work out their own cure. The rampant speculation which had prevailed for so many months on the Stock Exchange was arrested with the first sign of tenseness in call loans, and the present week the volume of business also dwindled, the day's sales on both Wednesday and Thursday dropping below one million shares, the smallest aggregate for a full day in several months. Yesterday there was a return to the normal again in interest rates, with call money obtainable at below 6%.

But while business on the Exchange was on a reduced scale, the undertone remained strong, and a number of stocks actually made new high records for the year. In all this, the market is acting in a perfectly normal way. Conditions favor higher prices and high money never interferes with a legitimate bull movement. Its tendency and function is to correct excesses of speculation.

In that sense this recent experience has been educational. A notion had grown up that under the operation of the Federal Reserve system, funds in unlimited amounts would be available at 6% for the carrying on of speculative operations on the Stock Exchange. But the Federal Reserve Board has taken pains to dispel this illusion. And the New York Clearing House institutions have co-operated with the Reserve Board in a whole-souled way. This is shown not alone in the contraction last week of \$205,606,000 in the loan item, with the result of converting the previous Saturday's deficit of \$656,050 into a surplus of \$30,408,530, but yet more in the scaling down of another item which rarely receives much notice by commentators, and which has been included in the Clearing House returns only since last February. We mean the item termed "Bills payable, rediscounts, acceptances and other liabilities." This is a tell-tale of the borrowings or rediscounts at the Federal Reserve Bank. The aggregate of that item last Saturday was only \$692,286,000, against \$727,116,000 the previous week, \$774,048,000 May 31, and \$843,033,000 May 17, showing a reduction in five weeks of over 150 million dollars.

The Fall River cotton mill dividend statement for the second quarter of 1919, in presenting a total sum to be disbursed very much below the total for any recent three months' period, simply reflects the changed conditions in the cotton manufacturing

industry that has followed the cessation of hostilities in Europe. While the war remained in progress the demand for cotton goods, as for many other articles needed for the armies abroad as well as for outfitting the men here, was urgent and mills were working to capacity on a handsome margin of profit. But with the war's end demand from that quarter ceased; furthermore, there was cancellation of orders already in hand, and prices declined decidedly. In fact, the Government price for 29 inch 64 by 64, taken in computing the wage margin for the mills was $16\frac{1}{8}$ cents, but following the signing of the armistice the price dropped steadily until the decline was arrested in early March with the quotation standing at $6\frac{3}{4}$ cents. There has of course been recovery since then with higher cotton and revival of demand. It will be remembered that the distribution for the first quarter of the year was, in volume, quite in line with the very satisfactory ones that had preceded it but, as we intimated at the time, it was based upon past earnings and, consequently, did not reflect the current situation. This latest statement, moreover, is probably better than could have been expected had not surplus accounts been drawn upon in making the dividend apportionments. In the dividend declarations of this second quarter, it is to be noted, all of the corporations included in our compilation (37 in number), have participated. Twenty-eight of the corporations, however, have decreased their rate of distribution and the remaining nine pursuing in most cases the usual conservative course, have maintained the status of preceding quarters. In all, the amount of cash already distributed or to be paid out in the second quarter of 1919 is \$767,609 (over \$360,000 less than for the first three months of the year), or an average of 2.33% on the capital invested, this comparing with no less than \$1,156,934, or 3.51% in the corresponding period last year, \$1,059,125 or 3.47% two years ago, and \$409,675 or 1.35% in 1916. For the elapsed half-year the shareholders in the 37 corporations have received or will get \$1,898,793, or an average of 5.76%, against \$2,111,993 or 6.41% last year, \$1,821,100 or 5.97% in 1917, and \$752,092 or 2.48% in 1916.

These have been strenuous days for the German Government and the German people. Events have followed one another with almost kaleidoscopic rapidity. A week ago this morning confirmation was received here of the reports that had been in circulation all the day before of the resignation of the Scheidemann Cabinet, because of its failure to reach an agreement with respect to the signing of the peace treaty. Apparently the members of the Cabinet presented their resignations to the Government at 2 o'clock Friday morning. Weimar advices, also published here Saturday morning, in announcing the resignation of the Cabinet, stated that it would continue in office temporarily until President Ebert should be able to form a new Ministry.

No time was lost in the taking up of this highly important task. Naturally there was much speculation from the start as to the probable personnel of the new Cabinet. The assertion was made with much positiveness that Matthias Erzberger would have a new portfolio bearing the pretentious and significant title "Minister of Reconstruction and Fulfillment of the Treaty." Gustav Noske, Minister of Defense, and Dr. Hermann Mueller, Under Secre-

tary of the War Food Bureau, were spoken of as the most probable appointees for the Premiership, and it was said that their chances were about equal. Coblenz was reported to have heard positively from Weimar that Herr Noske would win the race for the head of the Cabinet and that Matthias Erzberger would succeed Count von Brockdorff-Rantzau as Foreign Secretary. Prominent among the members of the old Cabinet that were expected to be reappointed to the new Ministry were Eduard David and Colonial Minister Bell. As the Scheidemann Cabinet fell on the question of signing the treaty, naturally none of the six members, conspicuous among whom was Count von Brockdorff-Rantzau, who voted for an absolute rejection of the peace terms, could be expected to have a place in the new Government.

The personnel of the new Cabinet became known here Saturday night through advices direct from Berlin. Apparently most of the guesses of the two days previous regarding its makeup went astray. Neither Noske nor Dr. Mueller received the portfolio of Premier. Instead Gustav Adolf Bauer, formerly Minister of Labor, won the race for that highly important, and at this time equally difficult, post. Dr. Mueller, the Majority Socialist leader, was named as Minister of Foreign Affairs, while Matthias Erzberger was set down as Minister of Finance and Vice-Premier. Gustav Noske was continued as Minister of National Defense and Dr. Schmidt as Minister of Food. The selection of Herr Bauer as Prime Minister caused considerable surprise in Berlin and Weimar, as well as in Peace Conference circles in Paris. In fact, he was generally spoken of as a successful "dark horse." According to all the advices from the various centres, he had been "scarcely mentioned for Philipp Scheidemann's post." Prior to being appointed Minister of Labor he had served as Secretary of the labor unions of Germany, and was characterized in Berlin dispatches as "a long headed, conservative Socialist, who is reputed to have much influence with the workingmen." It developed that Herr Bauer had made another and unsuccessful effort to form a ministry, which was said to have been in existence only an hour. He had appointed Count von Bernstorff Minister of Foreign Affairs, but after having received the appointment on Saturday morning the Count is reported to have "refused to accept it or to have anything to do with the matter." His action and the determined stand of the Democrats against the surrender of the former Emperor, von Hindenburg and Ludendorff to the Entente for trial caused the death of the first Bauer Ministry almost before its birth. The second attempt was successful and the new Cabinet on Sunday received a vote of confidence in the National Assembly of 236 to 89, 68 members failing to cast their ballots.

It was rumored a week ago yesterday that the National Assembly had voted to accept the peace terms. The advices from Berlin and Weimar received here on Saturday and Sunday were not absolutely definite with respect to this point, but a dispatch from the latter centre on the following day stated that "a poll of the various parties in that body seems to show that the peace terms cannot fail to be accepted." Monday the word came from Berlin that the afternoon before, the Assembly, by a vote of 237 to 138, had "decided to sign the treaty,"

25 members failing to vote. In announcing the decision of the Government to sign the treaty, Premier Bauer made a long address to the National Assembly, in the course of which he declared: "The Allied and Associated Powers cannot expect the German people to agree, from an inner conviction, to a peace instrument whereby, without the people being consulted, members are severed from the German Empire, German sovereign power violated and unbearable economic and financial burdens imposed upon the German people." He also asserted that, by agreeing to sign the treaty, "the Government yielded to force in order to spare suffering Germany from a new war and disruption of national unity by further occupation, and women and children from further suffering."

With a new Cabinet formed, the next step taken by the German Government was to dispatch four notes to the Council of Five, which were "supposed to have been prepared in advance and withheld to await advices from Weimar on the result of the effort to form a new Ministry." Apparently the notes were first delivered to President Wilson. They were placed in his hands at 7:45 Sunday evening. Proceeding at once to the residence of Lloyd George, a meeting of the Council of Five was called. The note to which first and special attention was given was the one in which the new Government signified its willingness to sign the treaty "if the clauses making Germany responsible for the war, and calling for the trial of the former Emperor, were eliminated." The first session of the Council lasted only a few minutes, when adjournment was taken until 9 o'clock for dinner. The Council came together again at that hour and the advices stated that "after further brief consideration it was decided to reject the German request." According to the same advices, the understanding in Paris was that "the Allies insist on an absolutely unconditional acceptance of the terms, failing which their armies will begin to advance Monday evening." A week ago this evening it became known in the French capital that the German Government had requested Dr. Haniel von Haimhausen of the peace delegation "to conduct the peace negotiations at Versailles." The prevailing opinion in Paris at that time was that the Germans would sign the treaty whether or not modifications were made.

This opinion was fully substantiated by an announcement Monday afternoon by the French Foreign Office that "the German Government at Weimar had formally announced its willingness to sign the peace terms *unconditionally*." No statement was made then as to the exact, or even probable, day on which the event would occur. In fact no date could be named, because the arrangements had not been completed and definite word had not been received from the Germans as to whether they would send a representative body to Versailles to sign for them, and if so, when they, the delegates, would arrive. It was hoped that the whole matter might be out of the way the following day (Tuesday), and if not, then, Wednesday. As the days passed it became increasingly apparent that both of these days were much too early.

Having failed to secure further modifications of the treaty, the Germans asked for an extension of forty-eight hours from 6:49 o'clock Monday evening, within

which to make known their decision relative to accepting the terms of the peace treaty. This request was received at 3 o'clock in the morning. At 9 o'clock President Wilson and Premier Clemenceau went into a conference with Lloyd George as the "Big Three." After having been in session less than an hour announcement was made of their refusal to grant the request. A note to that effect, signed "Clemenceau," was dispatched immediately to the Germans, in which it was made clear that the Allied and Associated Governments expected that the Germans would make known their decision "relative to the signature of the treaty without any reservation." All this happened Monday forenoon. Dr. Haniel von Haimhausen was said to have received the reply in Versailles shortly before noon. It devolved upon him to transmit it to Germany and get a reply which could be delivered to the Peace Conference authorities before 6:49 that evening, if the requirements of the latter were to be met. As a matter of fact, the note announcing the willingness of the Germans to sign was reported to have been delivered to the representatives of the Allied and Associated Governments at 5:25, or more than an hour in advance of the allotted time. In this note the peace treaty was declared to have been characterized as one of "violence."

At once the question was raised as to who would sign for the Germans. It became known that the National Assembly had requested, and designated, according to some advices, Dr. von Haimhausen to perform this momentous task, and had conferred full powers upon him. The announcement of his selection was reported to have been distinctly distasteful to the Allied and Associated representatives, because, while the full German peace delegation was at Versailles, he had held only a subordinate position in comparison with the plenipotentiaries. In fact, the decision to have him sign for the Germans was regarded as an affront to the leading European Governments and to the United States, inasmuch as they would be represented by their foremost statesmen. Dr. von Haimhausen did not make it necessary for this feeling to be entertained long, inasmuch as Monday evening he telegraphed the home Government that he would not be able to perform the task of signing the treaty. This left the Germans without any duly appointed representative for that purpose.

Tuesday afternoon a dispatch was received from Paris which declared that the French Foreign Office had been informed that the German delegates who would sign the treaty would arrive in Versailles Friday morning, and, according to "La Liberte," would be headed by Herr Mueller, the new Foreign Minister. At that time it was hoped and even expected that the ceremony of the signing would take place at 2 o'clock Friday afternoon. A Weimar dispatch made public at the same time indicated that the other members of the delegation had not been named. Still another dispatch from Berlin, bearing the date of Tuesday afternoon, stated definitely that Dr. Mueller had been named Chairman of the delegation and that "probably he would sign the treaty alone, although he might be accompanied to Versailles by a delegation of twenty." Wednesday morning the belief was expressed in a special Paris cablegram that the German delegation would reach Versailles Thursday, but that, because of "the French

insistence on punctilious formalities, it might not be possible to sign until Saturday" (to-day).

This situation was still further complicated by the report from Berlin Thursday morning that Dr. Herman Mueller had declined to go to Versailles to sign the treaty. This report was published in Berlin by the "Tageblatt," and coupled with it was another report that Field Marshal von Hindenburg had resigned the chief command of the army. Dr. Mueller was the fourth appointee as a delegate to sign the treaty who handed in his resignation. His reason for not accepting the honor was not given. The others who refused to sign were Count von Brockdorff-Rantzau, who called the treaty "a peace of violence"; Count von Bernstorff, who, it was said, "feared for his political future," and Dr. Haniel von Haimhausen, who, according to rumors, was told by his wife that if he signed the treaty he need not return to her.

Advices received in Paris from Germany by the Council of Five late Wednesday, and which became known here the following morning, were "to the effect that the German Government was occupied in selecting new delegates for Versailles." Up to a late hour that evening no official word had been received "regarding Germany's plans as to the formal signing of the peace treaty," and it was added that "the Peace Conference leaders were undisguisedly perplexed over the situation." At that time hope was said to have been practically abandoned "that the ceremony of signing could take place before Saturday" (to-day), and it was thought that it might have to be delayed until Monday, anxious as President Wilson was to leave for home. Thursday afternoon's Paris dispatches stated that "efforts were being made to arrange for the signing of the peace treaty at 3 o'clock Saturday [this] afternoon." No direct and specific official information had been received even then as to who would actually be the delegates to sign for Germany. Paul Dutasta, General Secretary of the Peace Conference, went to Versailles in the morning in search of information on the subject, and "was informed verbally by Dr. Haniel von Haimhausen that the German signatories who, it is presumed, would be Herr Mueller, Herr Geisberts and Herr Leinert, might arrive by Saturday, but that he was unable to speak authoritatively on the subject." In other dispatches it was claimed that these men actually had been selected. Dr. Mueller, it will be recalled, is the new Foreign Minister. Johann Geisberts was Minister of Posts and Telegraphs in the Scheidemann Cabinet, while Herr Leinert also was a member of the former peace mission. A Berlin cablegram received here yesterday morning stated that Dr. Mueller and Colonial Minister Dr. Bell had been selected to sign the peace treaty and would arrive in Versailles this morning. Whether a third delegate would be selected was not made clear. Paris advices yesterday afternoon indicated that only the two delegates will represent Germany. They were expected to arrive at the French capital at 9 o'clock last evening, or 7 o'clock this morning, the reports not agreeing.

Elaborate preparations for the signing of the treaty have been under way for some time. As early as last Monday an outline of the preliminary steps was given in a Paris cablegram. Those in charge were said to have been directed to have every-

thing in readiness in the famous Hall of Mirrors in the Chateau of Versailles for the ceremony on Tuesday, although even then it was doubted that it could "take place before Thursday at the earliest." It was made known also that the plans for the signing called for the affixing of the signatures of the plenipotentiaries in alphabetical order, according to the countries which they represented. Yesterday's Paris advices stated that Premier Clemenceau would sign first, but the statements were conflicting as to whether he would be followed by Premier Lloyd George or President Wilson. In the early announcements of the plans provision was said to be made for 400 invited persons and for about an equal number of representatives of the press, the French papers alone being allotted 60 seats. All told it is expected that from 800 to 1,000 will witness the ceremony, of which 60 will be Americans.

Further consideration of the plans for the ceremony was given by the Supreme Council at a meeting on Tuesday. It became known then that President Wilson favored making the whole affair "as simple as is consistent with the nature of the event." Accordingly it was stated that "the original plans for the conclusion of the 'second peace of Versailles' have been materially revised at his suggestion." At that time it had been decided that Premier Clemenceau would "open the ceremony with a brief address," but it was stated that "no speech is expected from the Germans." It was made clear that, after the signing of the document by Premiers Clemenceau and Lloyd George and President Wilson the treaty would be brought back "to a table especially assigned for signatures" and that the names of the delegates would be called in alphabetical order according to the countries which they represent. It is expected that the signing will take two hours, although every effort, consistent with the dignity and importance of the occasion, will be made to expedite it as much as possible. Not only must the plenipotentiaries affix their signatures, but they must also put on their seals. The reports were conflicting, but it was stated in Paris and Washington advices that President Wilson will use his own personal seal—a seal ring, which, it is said he always wears, and on which his name, "Woodrow Wilson," is engraved in short-hand characters. Several days ago he made known his desire to Premier Clemenceau to have "his ladies" present at the ceremony. This was in response to a query on the part of the French Premier as to whether ladies should be admitted to the ceremony. It is expected that Mrs. Wilson, the President's daughter Margaret, Mrs. Wilson's private secretary, Miss Benham, and Admiral Grayson, the President's physician, will be his special guests. Announcement was made that the original copy of the treaty will be made of fine Japanese paper, bound in Morocco, will cost \$4,000, and will be kept in Paris, the other nations that are signatories to the treaty receiving copies. Unofficial announcement was made in Paris late yesterday afternoon that plans had been completed by the Council of Three for the signing of the peace treaty at three o'clock Saturday (this) afternoon. It was reported that the Chinese delegates would sign "with the understanding that Japan would return the Shantung concessions to China within a stipulated time."

Paris cablegrams made it clear that our President was not given a formal reception upon his return a

week ago yesterday morning from a two days' trip to Belgium. Although he did not leave his train until 9 o'clock, by 11 he was in the Hotel de Crillon and in conference with the entire personnel of the American delegation to the peace conference. It was understood that he told the members of the delegation "that he had fixed no date for his departure for home." On Tuesday, however, a Brest dispatch stated positively that the George Washington had received orders to be ready to sail Thursday morning. A Paris cablegram also received on Tuesday announced that the ship would "take a direct route from Brest to the United States under forced draft," and to make the latter possible "extra coal is being placed on the deck spaces." Paris advices made it clear that the President was ready to leave immediately after the signing of the treaty whenever that event might take place. President Poincare originally planned to give an elaborate farewell dinner to the peace plenipotentiaries of all the nations represented on Friday evening, but because of the uncertainty of the date of the signing of the treaty, he decided to have it on Thursday evening. By this change it was pointed out that President Wilson would not be prevented from leaving Paris Friday night if the treaty were signed during the day. At the banquet President Wilson made a felicitous farewell speech which appeared to be very well received.

Last evening's Paris advices stated that if the peace treaty is signed this afternoon, as contemplated, President Wilson plans "to leave for Brest immediately afterward, sailing for the United States at noon on Sunday."

Peace Conference leaders were quoted in a special Paris cablegram yesterday as expressing the opinion that "there is still a year's work before that body." With the departure of President Wilson and Premier Lloyd George to their respective home countries, the advices this week have indicated that the controlling body in the Peace Conference would be a Council of five to ten members, among whom probably would be found Bonar Law, representing England, and Secretary of State Lansing for the United States. The departure of Colonel E. M. House to London to look after the organization of the League of Nations quite likely will go a long way toward removing the jealousy that has existed for a long time in American diplomatic circles.

The Allied and American forces were ready to proceed further into Germany on a moment's notice if the Germans had not made known, on schedule time Monday evening, their willingness to sign the treaty. According to Coblenz advices, Marshal Foch, with a large force, could have been on the way by 7 o'clock that evening, and in fact it was added that if he had actually started he intended to make a drive of at least 60 miles. Happily that step was not necessary, however much personal satisfaction certain elements in France and Great Britain, and even in the United States, might have taken in seeing it. A regrettable incident from the point of view of broad-minded people who are eager to see the Germans take up reconstruction was the sinking of a large part of the German fleet that was interned in Scapa Flow. The Allied and other Peace Conference authorities held from the first that the act was in direct violation of the terms of the armistice, and on Thursday sent a note to the Germans

making known their power to demand reparation for the vessels sunk and to impose punishment upon those responsible for the deed. The report that still other German war vessels had been sunk in a similar way was denied and the correctness or falsity of the report does not appear to have been established even yet.

Apparently President Wilson and the other members of the Council of Five were so fully occupied with questions pertaining to the signing of the treaty by the Germans that they had little time to take up the Adriatic question, which was reported to have been in deadlock ever since former Premier Orlando left Paris several weeks ago. Undoubtedly these Peace Conference authorities were relieved to learn early this week that the signing of the treaty would not be delayed by the failure of the Italians to send a delegation to Paris for that purpose. The advices differed as to its personnel, but the fact remained that duly appointed representatives would be on hand. Further good news relative to Italian affairs was received a week ago to-day in advices from Paris stating that the Italian peace delegates had been directed "from Rome to accept the proposition for the settlement of the Dalmation controversy made by Premiers Clemenceau and Lloyd George and President Wilson." An unfortunate expression has caused the downfall of many a political leader. Eight words in an address of former Premier Orlando in the Chamber of Deputies last week were said to have turned that body finally against him and to have forced his resignation. The words were: "Remain faithful to our duties toward our allies." Opponents of Orlando declared that Italy had gone more than half way in accepting the suggestions of Great Britain and France with respect to their interests in far distant countries, but that those two great Powers had not allotted to Italy what was due her.

Italy found herself without a ministry at about the same time that Germany did. A cablegram from Rome received a week ago to-day stated that King Victor Emanuel had asked Francesco Nitti, formerly Minister of Finance, to form a new cabinet. At the same time it was reported that former Premier Tomaso Tittoni would be Foreign Minister. Although Nitti encountered strong opposition from political enemies, it became known as early as last Monday afternoon that he had succeeded in forming in new ministry, the personnel of which was made public at that time. Demonstrations against Nitti's formation of a cabinet were said to have been held in Naples, Turin and Milan, the charge being made that "his policy is favorable to a renunciation of some of the claims of Italy to the eastern coast of the Adriatic." Although at first he was attacked by the Italian papers, after the announcement of the members of the cabinet had been made advices from Rome stated that the opposition subsided materially.

In spite of the many other pressing questions constantly in evidence, President Wilson and Premiers Lloyd George and Clemenceau gave considerable attention to the completion of the Austrian treaty, taking up that task as early as a week ago to-day. Such progress was made early this week as to give rise to the hope that the whole treaty would be completed "in a few days," but the opinion was

expressed that "there is no chance that it will be signed until after President Wilson leaves for the United States." Radical changes were declared to have been made in the terms of the original treaty, particularly in the economic and financial clauses, because of "the realization of Austria's financial condition," which it was asserted is "very bad." According to a Paris dispatch Monday, Austria will not be required by the treaty to pay an initial sum of \$1,000,000,000, as originally proposed, "since it would deprive her of all working capital." The further assertion was made that the revised Austrian treaty would not require, either, the issuance of "any bonds to the Allies on account of reparations," as this question would be left for a reparation commission to decide. This, it was pointed out, would disappoint Italy and other Powers that had looked for large reparations from Austria at an early date. On Wednesday the claim was made in a Paris cablegram that "the difficulty of aligning the small Eastern States on any general scheme for a division of the financial obligations and the claims resulting from the break-up of the Hapsburg Monarchy," was delaying the completion of the Austrian treaty. On Tuesday the Council received another note from the Austrian peace delegation at St. Germain protesting against still other features of the treaty, but apparently the questions involved were not vital.

Reports continued to come to hand regarding the rapid recuperation of Belgium, particularly in an agricultural way. Financially she will be greatly helped and relieved of a big burden by the act of the Council of Five on Tuesday when it "signed an agreement giving formal approval to priority for Belgium in reparations to be paid by Germany to the amount of 2,500,000,000 francs." The Council approved a plan also for wiping out the war debt of Belgium "through the substitution of German bonds for the Belgium obligations, the four Great Powers to take over the German bonds subject to the approval of their respective legislative bodies." It will be recalled that the bonds that the Powers propose to take over "are of a special issue which the peace terms required Germany to make to reimburse Belgium for all the sums she was obliged to borrow in consequence of the violation of the Treaty of 1839."

The "Echo de Paris" published the report again this week that Premier Clemenceau would resign after the signing of the German treaty and its approval by the French legislative body. As he opened the note announcing that Germany would sign the treaty, the "Tiger" was reported to have exclaimed "we have waited 49 years for this moment," and to have added "be careful; keep your powder dry. Remember the world is living on a barrel of that powder." Appearing somewhat unexpectedly, in the Chamber of Deputies on Wednesday, the Premier was pressed for a reply regarding the policy of the Government relative to the elections and the demobilization of the army. He expressed a hope that the former might be held as early as next September, but declared that while demobilization was "urgent, it could not begin yet." As a result of his remarks on these and other questions the opinion is said to have been entertained that the venerable Premier would not retire as soon as had been expected. In

another dispatch a French news agency was quoted as saying that the classes of 1907, 1908 and 1909 of French soldiers "will be mustered out the day after the treaty is signed."

The French Government has another plan for raising additional funds, through the medium of taxation. Louis Klotz, French Minister of Finance, presented it to the Chamber of Deputies a few days ago. It calls for new taxation that it is estimated will yield 500,000,000 francs. Among the provisions are an increase in the inheritance tax of 3% on legacies of 10,000 to 50,000 francs, and of 7½% on legacies of 10,000,000 francs and upward. It was stated that other duties would remain unchanged, while legacies under 2,000 francs will be exempt from taxation. The increase in inheritance taxes was placed at 95,000,000 francs. M. Klotz also announced that a tax of 5% on incomes that have increased as compared with 1918 would yield 100,000,000 francs, and he added that a super-tax of 15% on war profits would bring in an additional 350,000,000 francs.

Political and industrial conditions in Germany at the moment cannot be otherwise than greatly disturbed. That country is passing through an extremely critical period of its history. Advices from Berlin and Paris received here yesterday morning expressed the fear that, as a result of the reported return of the former Crown Prince, and other steps that might be taken in the near future by the old regime, civil war might break out between that group and the Socialists, who are now in power. If there is any truth in the allegations that have been made in recent months that the latter in reality are only "stalking horses" for the former, of course there could be no ground for such apprehension. In any event some time undoubtedly will be required for the people to settle down to their accustomed way of living and acting, even if the Governmental leaders do their best to guide them. On Wednesday London heard from Berlin that "President Ebert, Premier Bauer and all the Ministers had issued a proclamation urging as the first pressing need the bending of all efforts to the fulfillment of the treaty." "As far as it is possible, carry it out." the proclamation was said to have urged, and even to have declared that "the treaty must be carried out." Germany, according to statements in Berlin advices that also appeared here on Thursday, "was faced with a nation-wide railroad strike for higher wages." At Gorlitz station in Berlin, service was reported to have been stopped in both directions at that time. The Government was reported to be negotiating "in an effort to halt the strike," which, it was asserted, was "largely the outcome of Communist propaganda." Thursday afternoon advices from London reported that disorders were increasing in Berlin, many streets being barricaded. In Hamburg representatives of industrial councils were said to have "assumed full political and military power, and are sitting in the Town Hall." Yesterday morning's dispatches direct from Hamburg stated that that centre "threatens to become a second Munich, with even greater bloodshed." The advices added that "the city is completely in the power of the Communists and Spartans, who are utilizing food riots as an excuse for their attempts to gain control." According to the latest reports, German Government troops had reached the

suburbs of Hamburg, "ordered the immediate cessation of hostilities, the release of all prisoners held in the City Hall, and the delivery of weapons."

The labor situation in Great Britain is attracting fresh attention. The 19th annual conference of the Labor Party began its sessions in Southport, England on Wednesday. Many foreign delegates were in attendance. Important labor questions that have been under consideration, and hanging fire in some instances, were discussed at considerable length. The conference was expected to pass upon a policy of direct political action; to put its delegates on record with respect to the abolishment of conscription and the withdrawal of troops from Russia. In view of the vast amount of Peace Conference and other matter, the London cablegrams have not contained full accounts of the proceedings of the conference. By a vote of 2 to 1 that body approved yesterday the principle of a general strike to enforce political demands, according to a dispatch from London received during the afternoon. Premier Lloyd George is being urged to return promptly after the signing of the German treaty, to defend his peace policies and to help in the solution of labor problems and numerous other important and pressing questions, consideration of which has been held in abeyance for many weeks, because of the necessity of completing the peace treaties.

The British Board of Trade has announced further changes with respect to import rulings that ought to have an important bearing upon trade between the United States and Great Britain as time goes on. British merchants have lodged additional complaints about the great delay still existing in the transmission of messages between New York and British centres, in some instances it being alleged that from two to three and six days have been required to send a message between those points. The attention of the authorities was directed to the adverse affect of these delays upon international business, which it is desirable to expand at this time and from now on.

The British securities markets did not show much snap, except with respect the oil stocks which were extremely active. Early in the week a report was in circulation in London that some 400,000 shares of Mexican Eagle Oil stock, said to have been bought by a syndicate last April at 5¾%, had been sold in New York for introduction on the curb at 7¾%. The depression in the general list was attributed partly to the Government loan campaign, which it was said was still in the "educational stage," because of the failure of the public to grasp the terms of the two issues of bonds which it embraces. Dissatisfaction over the continued huge expenditures of the Government day by day, in spite of the fact that the signing of the Peace Treaty was all but accomplished, was spoken of as another depressing influence. The raising of the German blockade, it was feared, would further increase the cost of living. Toward the end of the week the assertion was made that a still greater effort would be necessary to make the Government loan a success. The probable nationalization of the coal mines and the railroads received much attention and was spoken of as likely to impose additional responsibility on the taxpayers.

The British Treasury statement for the week ending June 21 again indicated an excess of expenditures, with the result that a further small deficit in the Exchequer balance was shown. As the sale of Treasury bills has been stopped, and repayments continue upon a liberal scale, the volume outstanding has been reduced to £851,831,000, as against £891,208,000 a week ago. The week's expenses were £25,738,000, (against £19,534,000 for the week ended June 14); while the total outflow, including Treasury bills repaid and other items, amounted to £98,636,000, in comparison with £98,568,000 last week. Receipts from all sources aggregated £98,587,000, which compares with £98,370,000 the previous week. Of this total, revenues yielded £15,329,000, against £9,754,000 while from savings certificates £1,100,000 was received, against £700,000. Other debt contributed the large sum of £18,971,000, against £2,689,000, while advances brought in £50,000,000, in contrast with £75,000,000 a week ago. New issues of Treasury bills amounted to £12,239,000, comparing with £7,294,000 last week. Repayments were £51,676,000. Temporary advances, however, continue to expand and the total is now reported at £701,892,000, an increase for the week of £47,000,000. The Exchequer balance now stands at £5,947,000, against £5,996,000 the week preceding, a decline of £49,000.

The Bank of England reports another, though small, gain in its stock of gold, namely £80,602, although total reserves were reduced £498,000 as a result of an expansion of £579,000 in note circulation. The proportion of reserve to liabilities was also lowered, from 19.71% last week, to 17.71% this week, and comparing with 18.20% a year ago. A feature of the statement was the large expansion in both Other Deposits and Government Securities, the former of £13,447,000 and the latter £13,617,000. Public Deposits increased £27,000. Loans (other securities) expanded £382,000. The Bank's gold holdings now stand at £87,810,526, as against £65,228,157 in 1918 and £57,534,874 the year before. Reserves total £27,958,000. This compares with £30,004,047 a year ago and in 1917 £36,585,329. Loans aggregate £80,803,000. Last year the total was £100,799,899 and the preceding year £100,225,942. Note circulation is now £78,301,000, in comparison with £53,674,110 and £39,399,545 one and two years ago, respectively. Clearings through the London banks for the week totaled £517,040,000, against £472,330,000 a week ago and £389,093,000 last year. We append a tabular statement of comparisons:

BANK OF ENGLAND'S COMPARATIVE STATEMENT.

	1919. June 25.	1918. June 26.	1917. June 27.	1916. June 28.	1915. June 30.
Circulation.....	78,301,000	53,674,110	39,399,545	35,899,230	34,636,280
Public deposits.....	20,044,000	35,779,030	39,163,167	49,278,577	81,514,428
Other deposits.....	137,744,000	128,849,336	125,126,993	106,371,462	140,654,115
Govt. securities.....	66,820,000	51,651,732	45,270,106	42,187,454	51,013,401
Other securities.....	80,503,000	100,799,899	100,225,942	87,312,762	152,914,703
Reserve notes & coin	27,958,000	30,004,047	36,585,329	43,930,498	35,905,614
Coin and bullion....	87,810,526	65,228,157	57,534,874	61,379,728	52,091,894
Proportion of reserve to liabilities.....	17.71%	18.20%	22.27%	28.20%	16.12%
Bank rate.....	5%	5%	5%	5%	5%

The Bank of France continues to report gains in its gold item, the increase this week being 268,562 francs. The Bank's aggregate gold holdings, therefore, now amount to 5,550,897,837 francs, as against 5,423,848,361 francs last year and 5,288,021,642 francs the year before; of these amounts 1,978,278,416

francs were held abroad in 1919, 2,062,108,484 francs in 1918, and 2,034,774,686 francs in 1917. During the week advances rose 6,057,551 francs and general deposits were augmented by 60,514,852 francs. On the other hand, silver decreased 1,050,968 francs, bills discounted were reduced 5,251,246 francs and Treasury deposits fell off 11,814,558 francs. Note circulation was contracted to the extent of 7,557,455 francs, bringing the total outstanding down to 34,441,999,125 francs, which compares with 28,550,426,140 francs in 1918 at this time, and with 19,823,105,870 francs in 1917. In 1914, just prior to the outbreak of war, the amount outstanding was only 6,683,184,785 francs. Comparisons of the various items in this week's return with the statement of last week and corresponding dates in 1918 and 1917 are as follows:

BANK OF FRANCE'S COMPARATIVE STATEMENT.

	Changes for Week. Francs.	June 26 1919. Francs.	Status as of June 27 1918. Francs.	June 28 1917. Francs.
Gold Holdings—				
In France.....Inc.	268,562	3,572,619,421	3,301,739,876	3,253,246,956
Abroad.....	No change	1,978,278,416	2,062,108,484	2,034,774,686
Total.....Inc.	268,562	5,550,897,837	5,423,848,361	5,288,021,642
Silver.....Dec.	1,050,968	303,664,396	259,326,473	259,383,414
Bills discounted.....Dec.	5,251,246	813,094,826	1,357,039,071	555,914,407
Advances.....Inc.	6,057,551	1,278,970,458	949,579,918	1,132,238,973
Note circulation.....Dec.	7,557,455	34,441,999,125	28,550,426,140	19,823,105,870
Treasury deposits.....Dec.	11,814,558	49,318,781	37,118,606	34,507,982
General deposits.....Inc.	60,514,852	3,362,028,590	4,019,256,374	2,733,465,649

In its weekly statement, as of June 15, the Imperial Bank of Germany shows another large reduction in gold, in round numbers, 151,218,000 marks in total coin and bullion and 150,894,000 marks in gold. Bills discounted registered the huge expansion of 1,619,794,000 marks, while deposits increased 1,333,849,000 marks. Treasury notes increased 174,221,000 marks, notes of other banks gained 529,000 marks, and other liabilities declined 318,945,000 marks. There were increases of 1,536,000 marks in advances, 695,000 marks in investments, 6,425,000 marks in other securities, and 57,013,000 marks in note circulation. The Bank's stock of gold on hand has been cut to 1,151,509,000 marks, which contrasts with 2,345,960,000 marks a year ago and 2,533,360,000 marks in 1917. Note circulation has reached the phenomenal total of 27,803,254,000 marks, as against 12,042,060,000 in 1918 and 8,224,020,000 marks the year preceding.

No change has been noted in official discount rates at leading European centres, from 5% in London, Paris, Berlin, Vienna and Copenhagen; 5½% in Switzerland, 6% in Petrograd and Norway, and 4½% in Holland and Spain. A cablegram from Stockholm, under date of June 25, states that the Bank of Sweden has reduced its rate from 6½% to 6%. Advices received by mail say that the discount rate of the National Bank of Belgium has been lowered to 4%. This is stated to be the first change since Aug. 20 1914, at which time it stood at 5%; but as a matter of fact during the period of German occupation of Belgium the Bank could hardly have been doing any active business. A cable dispatch from London, dated yesterday, stated that the Bank of Bombay had reduced its rate of discount to 5%. In London the private bank rate continues to be quoted at 3¼% for sixty days and 3⅜% for ninety days. Call money in London, however, has been advanced and is now 3¾%, as against 2⅜% a week ago. No reports have been received by cable, as far as can be learned, of open market rates at other centres.

As had been anticipated, Saturday's statement of New York Associated banks and trust companies, which is given in fuller detail in a subsequent section of this issue, showed a restoration of the equilibrium after the completion of the income tax installment and other payments to the Government and last week's deficit was transformed into a surplus of over \$31,000,000. There was an unusually heavy reduction in loans—\$205,606,000—this latter being connected with the income tax payments and the paying off of Treasury certificates of indebtedness, and a decline of \$128,596,000 in net demand deposits, the latter to \$4,008,333,000 (Government deposits of \$354,967,000 deducted). Net time deposits were increased \$6,649,000 to \$158,295,000. Cash in own vaults (members of the Federal Reserve Bank) was reduced \$518,000 to \$97,900,000. Reserves in the Reserve Bank of member banks expanded \$14,767,000 to \$537,439,000, while reserves in own vaults (State banks and trust companies) decreased \$638,000 to \$11,828,000, and reserves in other depositories (State banks and trust companies) increased \$384,000 to \$12,585,000. Aggregate reserves showed a gain of \$14,513,000 to \$561,852,000. Excess reserves, however, through a reduction of \$16,551,580 in reserve requirements, registered an expansion of \$31,064,580, which after accounting for the deficit reported a week ago, left a surplus of \$30,408,530. This compares with \$47,145,130, the amount on hand in the corresponding week of 1918. Aggregate reserves at that time totaled \$534,686,000. The totals here given for excess reserves are based on reserves of 13% for member banks of the Federal Reserve system, but not including cash in vault held by these banks, which amounted last Saturday to \$97,900,000.

Irregularity and high rates at times characterized the local market for call money during the early part of the week. On Thursday and Friday somewhat easier conditions appeared to prevail, although the initial quotations on the former day were high. Yesterday, the opening figure for mixed collateral loans was 5% and for all industrials 5½%. This was somewhat surprising in view of the high rates prevailing several days before, and in view of the additional fact that loans made yesterday carry over until Monday. When the rates were the highest during the first half of the week, it was claimed that the scarcity of funds was due partly to preparations for the July 1 disbursements. It would have seemed that this consideration would have played a prominent part in yesterday's money market, but evidently it did not. As the large amounts that will be paid for interest and dividends on July 1 are expected to find their way back into the usual channels several days later, the leading authorities are predicting somewhat easier monetary conditions at this centre before the first week of July is over. This is the usual expectation and generally it has been realized. There is the additional consideration of the large sums that will be required for harvesting and moving this year's unusually big crop of wheat. This undertaking should be felt in the money market very soon, but it is a fact that in recent years the West and South have been so strong financially that they have not found it necessary to call upon New York for money to the extent that they were accustomed to do formerly. Preparations are being made steadily for helping to meet the financial requirements of Europe. The announcement of

two additional issues of certificates of indebtedness by Secretary of the Treasury Glass appeared to have been somewhat of a surprise. Inasmuch as they are for indefinite amounts the announcement was spoken of as a factor in the high rates for call money. Financial institutions report that the offerings of new securities that they made this week were quickly resold. The market for standard railroad bonds continues comparatively quiet. The stock market has been quieter and irregular.

Dealing with specific rates for money, call loans this week have ranged between 4¾ and 15%, as against 5@12% a week ago. Monday 10% was the highest, with 6% the low and ruling rate. On Tuesday 6% was still the minimum, also the basis for renewals, while the maximum receded to 8%. Wednesday the rate shot up to 15%, though this was for only a brief period and in the late afternoon loans were negotiated at 7%, and the low was 6%. Thursday's range was 5@9% and 6% the ruling figure. On Friday, under more liberal offerings, there was a recession to 5% the high, 4¾% low and 5% the renewal basis. The figures here given are for loans on mixed collateral. "All-industrial" loans have been renewed all week at ½ of 1% higher than mixed collateral, with the week's range 5@15%. With the exception of Monday when the maximum was 8%, the high point for both classes of collateral was the same. For fixed maturities the situation remains without essential change. Very little business is passing, which is explained by the extensive preparations now going on for the July 1 disbursements. Offerings were restricted with quotations largely nominal. Six per cent is now asked for all periods from sixty days to six months for mixed loans and 6½% on all industrial collateral. This compares with 5¾@6% and 6% last week. A year ago sixty and ninety days was quoted at 5½@6% and four, five and six months at 6%.

Commercial paper rates were a shade firmer, with sixty and ninety days' endorsed bills receivable and six months' names of choice character at 5½@5¾%, against 5½%, and names less well known at 5¾%, against 5½@5¾%. Transactions, which were not large, continue to be restricted by inadequate offerings. Country banks were in the market for the best names.

Banks' and bankers' acceptances were quiet and featureless. Trading in the aggregate was light, though brokers look for a distinct improvement once the half-yearly financing has been arranged for. Loans on demand for bankers acceptances continue at 4½%. Quotations remain firm, at the levels previously current. Detailed rates follow:

	Spot Delivery			Delivery within
	Ninety Days.	Sixty Days.	Thirty Days.	30 Days.
Eligible bills of member banks.....	4½@4¼	4¼@4¼	4¼@4	4¼ bld
Eligible bills of non-member banks.....	4½@4½	4½@4¼	4½@4	4½ bld
Ineligible bills.....	5¼@4¼	5¼@4¼	5¼@4¼	6 bld

No changes in rates, so far as our knowledge goes, have been made the past week by the Federal Reserve banks.

Weakness has been the predominating feature of the week in sterling exchange, and not even the announcement on Monday of Germany's decision to submit to the inevitable and agree to the signing of the Treaty of Peace was able to arrest the downward movement, although the declines were neither spec-

tacular nor widespread. Nevertheless, in the absence of good buying support, quotations receded steadily until demand touched 4 58—the lowest point in quite some time, and comparing with a rate of 4 68 only a few weeks ago. Much of this, however, it is asserted, was due to the absence of mail facilities during the week, a factor which caused a dearth of buyers, and, coupled with the continuous and voluminous outpouring of commercial bills upon an unresponsive market, brought about the low levels current this week. At the extreme close a slight improvement was noted.

While the actual signing of the treaty by Germany may be delayed for a few days, peace is now looked upon as an accomplished fact, and it has probably already been largely discounted as a market influence. The question bankers are now asking is, what can be done toward the restoration of normal trade conditions? And to this end the progress at the various meetings of the Foreign Trade Councils is being closely watched. Since Europe has as yet neither goods nor gold wherewith to pay for what she buys, it is evident that we must continue for at least another year to lend freely to our European customers, and the sooner measures are devised for the facilitating and safeguarding of the extensive credits which will be needed for the adequate financing of foreign trade operations, the better it will be for all concerned.

It is confidently expected that with the actual declaration of peace, exchange dealings will show a material broadening in volume, but as to the probable course of rates, much diversity of opinion still exists. It is possible that the payment of German indemnities may bring some relief, but this is not expected to produce any very marked change in conditions. So far the outward movement of gold has been without appreciable effect upon rates.

Dealing with quotations in detail, sterling exchange on Saturday was steady, with demand and cable transfers fractionally up, at 4 60⁷/₈@4 61, and 4 61⁷/₈@4 62, respectively; sixty days, however, were easier on increasing offerings and the rate declined to 4 58⁷/₈@4 59¹/₈. Monday's dealings were inactive and movements irregular, with the trend downward; demand declined to 4 60³/₈@4 60³/₄, cable transfers to 4 61³/₈@4 61³/₄, and sixty-day bills to 4 58¹/₂@4 58⁷/₈; news that Germany had at last consented to the Allied peace terms failed to exercise any effect on actual rates. Increased weakness developed on Tuesday, and there was a further decline to 4 59³/₄@4 60¹/₈ for demand, 4 60⁷/₈@4 61¹/₈ for cable transfers and 4 57⁷/₈@4 58¹/₄ for sixty days; the fact that no good English mail steamer was scheduled to sail during the week contributed largely to the dullness, while prospects of continued high rates for money was also a factor. On Wednesday, as a result of liberal offerings of bills, rates suffered a further recession, with demand down to 4 58¹/₂@4 59³/₈, cable transfers to 4 59¹/₂@4 60³/₈, and sixty days 4 57@4 57¹/₂. No improvement was noted on Thursday and the range was 4 59@4 59¹/₂ for cable transfers, 4 58@4 58¹/₂ for demand and 4 56@4 56¹/₂ for sixty days. Friday's market was firmer and a trifle higher, with demand 4 59³/₈@4 60, cable transfers 4 60¹/₄@4 61, and sixty days 4 57³/₈@58. Closing quotations were 4 57³/₈ for sixty days, 4 59³/₈ for demand and 4 60¹/₄ for cable transfers. Commercial on banks finished at 4 59¹/₄, sixty days at 4 56¹/₈, ninety days at 4 54³/₄, documents for payment (sixty days) 4 56³/₄, and seven-day grain bills 4 58³/₈. Cotton

and grain for payment closed at 4 59¹/₄. Gold engagements for the week were \$3,200,000 for shipment to Spain, \$3,000,000 for China, and \$9,750,000 for South America, making a total for the week of \$15,950,000.

As regards continental exchange, the news that Germany had agreed to an unconditional acceptance of the Allied peace terms exercised a favorable effect and during the opening days of the week advances were recorded with a sharp rise in Italian lire to 7 95 for checks. Francs were also firm and higher. Later, however, when rumors of a possible hitch in the negotiations, likely to result in further delay and uncertainty, were circulated, weakness developed and substantial declines took place, particularly in lire which dropped back to 8 03 for checks. Offerings of both French and Italian bills continue in liberal supply, and trading in the aggregate showed considerable improvement. A better feeling became apparent at the close, and some of the losses were regained. Among the principal news features of the week was an announcement by Fred I. Kent, Director of the Division of Foreign Exchange, authorizing dealers to carry on transactions in foreign exchange and securities without restriction, except for certain limited qualifications.

The official London check rate in Paris finished at 29.73, which compares with 29.35 a week ago. In New York sight bills on the French centre closed at 6 44, against 6 42; cable remittances at 6 42, against 6 40; commercial sight at 6 46, against 6 43, and commercial sixty days at 6 50, against 6 48 on Friday of the previous week. Belgian francs ruled somewhat firmer, but sagged off again and, after touching 6 47 for checks, finished at 6 67 with cable transfers at 6 65. Last week the close was 6 68 and 6 66. Lire closed at 7 98 for bankers' sight bills and 7 96 for cable transfers, in comparison with 8 10 and 8 08 last week. Greek exchange has been changed to 5 21¹/₂ for checks and 5 21 for cable transfers, against 5 16¹/₂ and 5 15, the previous levels.

In the neutral exchanges the trend has been toward lower levels, with considerable nervousness and irregularity shown as a result of the week's developments in the international political situation. Swiss francs were conspicuous for weakness, which was attributed largely to the fact that Switzerland is taking large quantities of cotton at prices far above the normal. Guilders were fractionally lower, and this was also true of Spanish pesetas. The Scandinavian exchanges moved somewhat erratically, with sharp declines in both Copenhagen and Christiania remittances, though exchange on Stockholm was only a shade lower. The weakness in pesetas was held to be partly in response to the gold export movement.

Bankers' sight on Amsterdam finished at 38³/₄, against 39; cable transfers at 39, against 39¹/₄; commercial sight at 38 11-16, against 38 15-16, and commercial sixty days at 38 5-16, against 38 9-16 on Friday of the preceding week. Swiss francs closed at 5 40 for bankers' sight bills and 5 38 for cable remittances. Last week the close was 5 30 and 5 28. Copenhagen checks finished at 23.40 and cable transfers at 23.60, against 23.80 and 24.00. Checks on Sweden finished at 25.50 and cable transfers at 25.70, against 25.70 and 25.90, while checks on Norway closed at 24.70 and 24.90, against 25.20 and 25.30

the week before. Spanish pesetas closed at 19¾ for checks and 19.83 for cable remittances. This compares with 19.97 and 20.05 last week.

In South American quotations a further lowering has been shown, with the rate for checks on Argentina down to 43⅓ and cable transfers 43¼, against 43.80 and 43.90 a week ago. For Brazil, however, the undertone was slightly firmer and the close was 27¾ for checks and 27⅞ for cable remittances, as compared with 27½ and 27⅝ last week. Chilean exchange remains at 10 31-32, and Peru at 50.125@50.375.

Far Eastern rates are as follows: Hong Kong, 82@82½, against 83@83½; Shanghai, 124@124½, against 123½@124; Yokohama, 50½@50¾, against 50⅞@51¼; Manila, 49¼@49½ (unchanged); Singapore, 55@55¼ (unchanged); Bombay, 42@42½, against 41¼@41¾; and Calcutta (cables) at 42@42½, against 41¼@41¾ the week previous.

The New York Clearing House banks, in their operations with interior banking institutions, have gained \$4,065,000 net in cash as a result of the currency movements for the week ending June 27. Their receipts from the interior have aggregated \$8,463,000, while the shipments have reached \$4,398,000. Adding the Sub-Treasury and Federal Reserve operations and the gold exports, which together occasioned a loss of \$114,471,000, 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 \$110,406,000, as follows:

Week ending June 27.	Into Banks.	Out of Banks.	Net Change in Bank Holdings.
Banks' interior movement.....	\$8,463,000	\$4,398,000	Gain \$4,065,000
Sub-Treasury and Federal Reserve operations and gold exports.....	49,725,000	164,196,000	Loss 114,471,000
Total.....	\$58,188,000	\$168,594,000	Loss\$110,406,000

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

Banks of	June 26 1919.			June 27 1918.		
	Gold.	Silver.	Total.	Gold.	Silver.	Total.
England..	£ 87,810,526	---	87,810,526	£ 65,228,157	---	65,228,157
France..	142,904,777	12,120,000	155,024,777	134,469,614	10,360,000	144,829,614
Germany..	57,575,450	1,001,100	58,576,550	117,305,200	6,037,300	123,342,500
Russia *..	129,660,000	12,375,000	142,035,000	129,650,000	12,375,000	142,025,000
Aus-Hun c.	10,928,000	2,372,000	13,298,000	11,005,000	2,259,000	13,264,000
Spain....	90,650,000	25,040,000	115,690,000	83,330,000	28,154,000	111,484,000
Italy....	32,716,000	2,955,000	35,671,000	33,449,000	3,265,000	36,714,000
Netherl'ds	55,164,000	708,000	55,872,000	59,840,000	600,000	60,440,000
Nat. Bel. h.	15,380,000	600,000	15,980,000	15,380,000	600,000	15,980,000
Switz'land	18,348,000	2,742,000	21,090,000	15,386,000	---	15,386,000
Sweden..	16,103,000	---	16,103,000	14,404,000	---	14,404,000
Denmark..	10,355,000	138,000	10,493,000	10,223,000	136,000	10,359,000
Norway..	8,184,000	---	8,184,000	6,617,000	---	6,617,000
Tot. week.	675,766,753	60,051,100	735,817,853	686,292,971	63,816,300	750,109,271
Prev. week.	683,173,103	61,006,300	744,179,403	694,889,212	63,612,000	758,501,212

* Gold holdings of the Bank of France this year are exclusive of £79,131,137 held abroad.
 * No figures reported since October 29 1917.
 c Figures for 1918 are those given by "British Board of Trade Journ al" for Dec. 7 1917.
 h August 6 1914 in both years.

GERMANY'S AGREEMENT TO THE TERMS OF PEACE.

The assent of Germany to the terms of peace, which was officially announced on Monday, was inevitable a sequel to the armistice as the acceptance by the French Government and Legislature of the harsh terms laid down by Prussia in 1871 was to the surrender of the main French armies and the occupation of France by the Germans. The decision to accept whatever terms might be required was taken last November, and it was taken, as the leading German negotiator afterwards declared, under the "iron compulsion" of the German High Command.

Ask for concessions in the armistice terms, Hindenburg had written to Erzberger, "but if you cannot get the concessions, you must sign just the same."

The reason for that attitude is better understood today than it was seven months ago. The consensus of military and political judgment, as expressed since that time—German as well as non-German—is that the German army was immediately confronted with a "greater Sedan," a colossal military disaster, which would have placed Germany in exactly the position of the France of 1871.

This is the reason why Germany's acceptance of the terms of peace was all along inevitable. The army had been virtually disbanded under the terms of the armistice; the fleet surrendered; the reserve of arms and munitions given up; the strategic military points occupied by the enemy army. If Germany had this week actually decided to refuse acceptance of the Allied ultimatum, it would have meant beyond question inviting invasion of the German territory not as yet occupied, the capture of other cities by the enemy army, and probably the downfall of the form of government which has thus far successfully resisted insurrection. No Government and no legislature in its senses could resort to such an alternative.

That German statesmen should have protested vigorously against the terms of peace, should have urged their mitigation, and should have argued that the demands on Germany were unjust because they involved the country's economic ruin, was, from their point of view, merely following the path of duty. It was their business to get the best terms possible for Germany. As a matter of fact, the harshest of the stipulations had already been accepted in the German counter-proposals; the final objections applying first to the territorial provisions, and then to the formal acceptance of responsibility for the war and to the promise to give up the Kaiser for trial. Up to the last, however, it was the German Peace Delegation's duty to use every argument in the interest of their constituents. Thiers used insistently the argument of unbearable terms when conferring with Bismarck in 1871, and he succeeded, as Brockdorff-Rantzau has done, in securing important remissions.

Nor is there reason to regard the outcry against the Treaty, and against the Ministry and National Assembly which accepted it, as unnatural or unusual. This also merely repeats what happened in the case of France. The Communists' insurrection of 1871 in Paris made its protest against the peace terms part of its declaration. But on the other hand, the lack of personal dignity in the German procedure, and the repeated manifestation of what seemed to be mere spitefulness, is unfortunate. In this respect, Germany's attitude differs from all other previous instances of the kind with which we are familiar. The scuttling of the interned ships by their German caretakers in violation of the armistice, the burning of the captured French flags whose return to France had been formally pledged, the repeated intimations that the terms of the Treaty might not be observed, and the long delay in finding any one willing to sign the Treaty—as if it made any difference whose name was attached to his Government's agreement—these were extremely unpleasant incidents which have perhaps no precedent in such negotiations. They certainly had no parallel in the action of the French during 1871. But Germany's attitude toward the outside world has been peculiar to itself, ever since July 1914.

Of the Treaty terms themselves as finally accepted, we need only say that although, when compared

with Germany's wishes and perhaps with her expectations, they are very harsh, nevertheless they are lenient compared with Germany's moral deserts for what she did in causing and conducting the war. We have pointed out one grave objection to the reparation clauses; that they by inference, at any rate, give the future Reparations Committee power to increase the hundred billion marks indemnity. But power is also given, and quite explicitly, to reduce that total, or, by unanimous consent of the Committee membership, to remit entirely some of the exactions.

The economic and political results of the Treaty episode will be determined, in our judgment, by the wise and judicious use of this second power. Quite aside from the question of allaying German discontent and hatred, and even apart from the question of fairness to a defeated enemy, the Allied Commissioners must know that to cripple Germany's financial and industrial energies would be to wreck the whole problem of reparation, which means so much to the devastated Entente countries. Regarding even the formal admission of culpability for bringing on the war—which has been most angrily resisted by the Germans—there are two things to be said: first, that not only the unanimous judgment of the civilized world outside of Germany but the judgment of enlightened and independent Germans, concurs in such a verdict; and second, that such a declaration was the necessary preliminary to the terms of peace as laid down in the Treaty.

Of the provision which requires the giving up of the Kaiser for trial, judgment can hardly be as favorable. There was much in the German contention that such action, with a non-German tribunal to try a deposed German sovereign, would be contrary both to German constitutional law and to the law and practices of nations. For ourselves, we believe that the precedent would be distinctly evil, that its application elsewhere in the future might work great mischief and injustice, and that it would lay on the tribunal itself responsibilities which ought not to be imposed. Our feeling on the whole is one of skepticism as to whether the Kaiser will ever be tried. The plan might fail, indeed, through the declaration by the jurists of Holland, who have long been recognized as high authorities in international law, that the right of asylum in that country for political refugees can not be denied, even on request of the Entente Powers.

But the essential fact, it seems to us, is the agreement on the terms of peace. How the carrying out of them will affect the political or economic future of Europe, can only be conjectured. Some of the clearest thinkers, even among the members of the Paris Conference, are believed to hold the opinion that only with the beginning of reconciliation and the admission of Germany to a League of Nations shall we be able with confidence to look very far ahead politically. But meantime, Europe's economic rehabilitation should begin at once on the formal declaration of peace.

WHAT PEACE SHOULD BRING AND WHAT CAN BE DONE AT ONCE.

With Germany agreeing to sign the Treaty of Peace the first feeling is one of relief. War weariness was the supreme influence among the people of Germany, and the world responds to it. The second thought is of what is to come from it.

A world, in many ways new, awaits beyond; and there are no questions more pressing or more difficult of answer than what is now to follow. With some assurance, however, we can venture to indicate certain important changes which we may hope the Treaty will inaugurate.

One is the end of the reign of Distrust. This as the result of many causes, one of which has been secret diplomacy. That is the channel through which the right of strong nations to do pretty much as they pleased has acted to accomplish their purpose. It has kept the world in a state of unrest, and has made it possible after every war to lead up to another war which should reverse the gains of the previous one, preparing in turn for still other wars to follow. Mutual distrust, even among nations having the strongest reasons for fellowship and confidence, has been for centuries the established condition, breeding universally unrest, fear, greed, and refusal to apply to the conduct of the State the principles of morality and honor which are accepted for the citizen. The war has held the attention of the world to this situation, and it may be expected that a new day has dawned.

The ending of war, big and little, is brought within the range of possibility. The Treaty is the first step toward the realization. This has long been the dream of the best men and their goal for humanity; witness the Old Testament prophets and the Roman temple of Janus. In the tumultuous days preceding the Coup d'Etat and the second Empire in France, when the Prime Minister, M. Guizot, was challenged by the fiery Thiers with his Government's having no policy, in a stillness which anticipated the overthrow of the State, Guizot arose and said: "You are mistaken. France has a policy which can be stated in one word. It is, Peace, with all, now and everywhere." The Assembly sprang to its feet with a thrill which stirred all France. That note is struck again to-day, and the world responds.

If it is too soon reasonably to expect the Golden Rule to govern in national intercourse, the policy of "Live, and Let Live," has won wide acceptance among the people, and the voice of the people will be heard. The heart of the world has been touched by the sufferings of Belgium and France, Serbia, the Poles and the Armenians; and the world has learned anew, and on a scale never before reached, the happiness of coming to the help of the suffering and the weak. Men are prepared to understand that no nation lives to itself. Prosperity when shared by all, blesses all; and when one suffers, sooner or later all suffer. It is a privilege and a duty of the State, no less than of the individual, to help others to better conditions, and to find in the effort and the cost of so doing, an immediate and enduring good to oneself. That truth is already in the way of acceptance, and will surely continue and find new opportunity.

We may also expect an end of every form of Embargo. Trade will be set free. Here there is much conservative teaching and practice to be overcome. In every line of business competition has so long prevailed that it will take time to secure free access for all to all markets. Shortage of marine tonnage, and the demand for war tariffs on all sides, will be a strong hindrance. But the release of the merchant fleets is already relieving the one difficulty, and the extent of the need for exchange of raw materials and manufactured articles in all markets, a

condition which requires the freest give and take, will carry us all rapidly forward into new conceptions and new relations that are sure to prevail.

The new world will be characterized by a wide Enlightenment. Universal education, enforced by the State if necessary, has gained a new importance. Russia, harried and trodden, bleeding and starving, hopeless and helpless in her vast illiteracy, is a warning to all. A free people must be a literate people. Not only that, Education, from top to bottom, will now be seen to require the inculcation of Fundamental Ideas. An idea is the most powerful and the most prolific thing in the world, and may easily be the most dangerous. Wrong ideas can only be driven out and their power of destruction arrested by right ideas. A propaganda of intelligence may be expected which shall sift ideas, rejecting the unsound and devoting its full strength to the propagating of the true. A new world of ideas is upon us. Many will be strange and many unsound, but they are an evidence and a feature of life; and a new world that brings a challenge of new life is to be hailed, however numerous its problems or serious its difficulties.

What then can be done at once? We can face conditions as they are. That involves among other things the stopping of waste. An immense amount of the world's industrial capital has been destroyed. In money, both fixed and current, in labor, in machinery, in established agencies and lines of business. All will have to be restored before life can go on as before. Much of this destruction is now shown to be irreparable. Large areas of France are so upheaved and rendered noxious and poisonous that much time will elapse before, if ever, they can be restored. This is suggestive of the extent and the nature of a destruction which cannot readily be estimated, but will eventually have to be made good. Arresting every form of waste ought to be the obvious and immediate task of all. Unnecessary expenditure is perhaps the most common form of waste, especially in the more prosperous communities. It needs thorough investigation as to the expenditures, both of the State and of the community and none the less of each individual. If reckless expenditure out of abundant surplus may ever be tolerated, it certainly cannot be in the wake of a world-devastating war.

Budgets for the town, the State, and the home should be established on the basis of existing prices, and then lived up to. This is essential if better times are to be hastened. They cannot be gambled for successfully.

We should also face an inevitable Dissolution of Prices. The war basis cannot permanently stand. Business men know this and hesitate to lay in stock, or invest in construction, because they fear the inevitable drop. Labor dreads it, and much of the current disturbance is due to this fear, which leads to a demand of the highest possible wages everywhere, and a general unwillingness to make engagements, or to enter upon steady and permanent work. That reduction in current prices of merchandise, the product of the war, ought to be faced and forwarded in the interest of establishing normal business which depends upon it, and in the interest of the people who are bitterly pressed by the high cost of living of which those excessive prices are largely the measure and the cause. Firms carrying large stocks and indeed merchants in general can do

much to hasten the day of better things for themselves as well as for others if they will be content to put their goods on the market at such attractive prices as will secure their quick distribution. There are indications that this process has already begun. The meat packers are announcing it, and some large retail establishments are advertising extensive sales at reduced prices. High cost goods taken thus out of the way, the road will be open to restock with goods at prices that are much nearer normal. Excessive rentals and high retail prices combine to block in many directions the effect of Peace.

Employers can do much in promoting the new day by proceeding to provide for the profitable employment of labor under conditions of better living for all. There is no justification for waiting for settled conditions before labor is better housed and established in hopeful and satisfactory terms of life. Going forward in this, tarrying for none, is a plain duty.

There is a clear call to lay aside the spirit of Revenge and Retaliation. If only for our own sake, we need to do this, for it is a spirit which reacts heavily, corroding and hardening the heart. Undoubtedly the German nation deserves just retribution. They are sure to encounter it in the days to come without the necessity of our individual acrimony and bitterness. We do not want to temper the mercy which is always a Christian duty, with the justice which belongs to the administration of the law.

The time has come for us all to take a fairer and more generous view of other people's circumstances and abilities, not to set ourselves up as their judges but to accord to them every opportunity for self expression and self development and to be generous with appreciation and honest praise wherever it is possible. Men of many races have found opportunity to prove their possession of splendid qualities in the war. The presence of these is now beyond question in any race. We can anticipate them in the normal circumstances of life, and should open wide the door for their display.

This leads up to an examination of our own shortcomings and that vigorous dealing with them, which will help us to occupy a high position, should it come to us, without pride, or a low one, if that is our lot, without depression. It will lead us to distrust and discredit, as Switzerland already is doing, every sort of "Council," of soldiers, or workman, or any other class, which is created solely to enforce its own interests in selfish disregard and antagonism to the interests of others.

In short, the day has come for making the Brotherhood of Man a real thing, exhibited in the lives of men dwelling in the same community, and reaching out from those who put it to a daily proof till it embraces men of every race or class dwelling anywhere. It would seem indeed that despite the anxiety which many must feel the world can take fresh heart in applying all it has talked and dreamed of in its ideal world to the world in which we live to-day.

THE AMERICAN FEDERATION OF LABOR STILL RAILING AT THE COURTS.

The American Federation of Labor has lately finished its 39th annual convention, meeting at Atlantic City. Its Executive Committee denounced what it calls usurpation by the courts in passing upon the constitutionality of statutes and issuing

injunctions. Our courts and judges, declares this report of the committee, freely and uninterruptedly "exercise powers which even the monarchs and kaisers dare not exercise. . . the power of our courts to declare legislation enacted unconstitutional and void is a most flagrant usurpation of authority by our courts and is a repudiation and denial of the principle of self-government now recognized as a world doctrine; the continued exercise of this unwarranted power is a blasphemy on the rights and claims of a free man of America."

That organized labor does not approve the courts is well known, the reason being that the courts do not judicially approve some of the conduct of organized labor. But such talk as the above is utter bosh. There are persons who deny that any court has power to pass upon the constitutionality of any statute, but this is disposed of without looking up precedents or entering upon any technical discussion, for the dilemma which the contention of ultra vires in this matter unavoidably produces has already been pointed out by the "Chronicle," being this: a statute must be interpreted before it can be enforced. The interpreting must be by the officers to whom enforcement is committed, or by the dictum of some tribunal, or by some organization in a convention, or by a casual gathering of people informally. Since the sole object of having courts is to procure enforcement of law and establishment of justice and since only the extreme wild men who denounce the jury system outright object to having the presiding judge explain to juries what the law is, no question can be raised as to which of these four methods of interpretation is the proper one, yet if the courts may not perform this unavoidable duty somebody else must.

But the legislature, the objector declares, is judge of its own powers and its own actions. Is it? The constitution is the prior and higher instrument, and from that the legislature derives its power; therefore that power must conform to and not conflict with the chart of liberty. The constitution always prescribes certain conditions indispensable to "passing" bills, and bills cannot become laws unless those conditions have been fulfilled. Not even the wildest ranter would go so far as to say that a minority can pass a bill over a majority; but legislative action which does not conform to the provisions about method and order is not more effectually forbidden than any legislation which conflicts with some other constitutional prohibition or limitation. The courts must pass upon agreement or disagreement with the constitution in all these respects. Legislation unconstitutionally enacted is not "enacted" at all, but only professes to be. The sum of it is that no court ever did or ever will presume to judge a statute according to its wisdom or its justice, for all that lies with the lawmaking body; hence no court ever undertakes to "nullify" a statute; it merely finds and declares that some professed statute never possessed life.

As to injunctions, organized labor has reasons for disliking them—reasons the same as those which make the convicted prisoner dislike sentences. Our courts are not infallible, but there must be decision somewhere, and power to enforce its authority must necessarily vest in a court; appeal lies from lower to higher, and when the highest speaks we have to acquiesce. Power finally vests in the people, undeniably; when the people are enough moved, either

to sober wisdom or hasty folly, they can change the laws and even rip up constitutions.

"Our nation is founded on the principle that every citizen is a sovereign unto himself and that the powers of government extend only to that degree to which the consent of the governed has been freely, fully, and fairly obtained." So this committee report affirms. The second clause is correct, but the first is nonsense. The person who insists on being a self-sovereign can have his ideal by retiring to a cave or a tree, until the cave or tree comes within a property claim; he cannot be a "citizen" anywhere, in this nation or any other, for he is outside the pale of society, which is conditioned on subordinating and giving up some personal liberty; surrender to society something of yourself, and in return society will give you more than you have lost.

But how shall the indispensable consent of the governed be defined? If a man may deny allegiance to any official for whom he did not vote or may break any law which he does not like, society must and will compel him, unless he flees in advance of an overt act to the cave or tree. This committee demands, quite unnecessarily, impeachment of all judges who usurp authority, and calls for standing firmly on the rights of free men and to "treat all injunctive decrees that invade our personal liberties as unwarranted in fact, unjustified in law, and illegal as being in violation of our constitutional safeguards, and accept whatever consequences may follow." That is, let us disregard and defy any law and any court that we do not like, setting ourselves up as the judge in all cases. The Federation has sometimes assumed to do this, and has not followed the counsel to cheerfully accept consequences.

The whole case is that the Federation wants to rule over labor in organization, and cannot keep its hold unless it is the higher power; it must appear able to dictate legislation and be above courts; hence the struggle through years in the Danbury Hatters case and the rage of the organization over its defeat. All this most recent rant is for keeping up appearances and for overawing the politicians who are afraid of a "vote." It is inflated rubbish to solemnly declare that "the fate of the sovereignty of the American people again hangs in the balance."

"It is inconceivable that such an autocratic, despotic, and tyrannical power can long remain in a democracy; one or the other must ultimately give way." This declaration, applied by the committee's report to alleged usurpation by the courts, is quite correct as to the Federation itself and to all attempts to convert an inseparable part of the people into a distinct "class," and dominate the country for the benefit of that class.

LINKING THE RAILROADS WITH SHIPPING— AN UNTIMELY SCHEME FOR GOVERNMENT CONTROL.

A press representative in Washington reports that officials of the U. S. Shipping Board and the heads of the Congressional committees on railways and the merchant marine are considering "an ambitious program of linking the railroad systems of the country with the merchant marine in a plan for carrying American trade cheaply, rapidly, and efficiently to all parts of the world." The report is quite credible, for the object is intrinsically desirable and the notion of achieving it by some Govern-

mental combination is plausible. This correspondent says the plan "looks to extending the Government-regulated instrumentalities of transportation throughout the world, by establishing regular routes overseas, connecting them with the railroad operations of the country, and keeping the whole under a general domination of the national authority." "No subsidies for shipping" is to be at the basis of the scheme; the head of the Division of Operations of the Shipping Board tells the committees that none will be required, and Senator Cummins is said to share this belief.

Mr. Cummins heads the Senate Inter-State Commerce Committee, and Mr. Jones of the State of Washington heads the Senate's Committee on Commerce. The former is quoted as saying that on the assumption of the feasibility of operating American ships in competition with those of other nations, the plan is "to link the railroad systems and the merchant marine in such fashion as to provide routes covering the commercial world, just as our railroad system covers the entire country." This would involve organizing the merchant marine under a Shipping Board control that would bear to maritime carrying a relation akin to that which the Inter-State Commerce Commission bears to railway carrying. With a little hint of details he says:

"It is now proposed to group the railways in a number of great systems, and the plan we have considered would apply that method to maritime shipping. Companies would be formed to handle particular routes and ports, and each company would have a monopoly in its own region. . . . Then the railroad system of the whole country would be connected with the ocean-going lines handling these different classes of business. Freight offered anywhere in the country for, say, Liverpool, would be received billed through, handled under the system directly by the Government-controlled agencies, assured regular and direct service, and kept under the same general Government regulation that it now has in rail transportation."

Most of us believe in prosperity, to come if not already here, and the men of broadest view and of deepest study as qualified by experience think they foresee, as a part of the compensations for the agony of the last five years and as part explanation how it could have entered at all into an over-ruling Providence, that there is before the civilized world an almost boundless expansion of trade and industry; but this must be founded on sound principles and must wait until those are recognized. This country has shared in paying the price, and it will share in that for which the price is paid; if it blunders, it will delay its reward and compel further price-paying. All of us recognize that our national isolation is gone, and nearly all believe this country is to take an unprecedented part in international trading. Our large banking institutions have foreign branches and connections as never before, and our wisest business men are studying and planning as never before in relation to our neighbor on the north, the huge continent at the south, a Europe to be reborn and to be at last really developed, and even for a world-wide conquest of peace. We shall have keen competition for the victories which peace hath as well as war; but we shall begin, let us hope, by full realization that permanent trade is not one-sided and that it always must be essentially an interchange of commodities.

But now some men in office seem to have set before their minds a mercator map of the globe, on which they imagine they see government-controlled lines across continents and oceans (and possibly through the overhead ocean as well) linking trade all around, and this country as leader and perhaps lion in the division of benefits. The vision is well enough, except for its fatal weakness: its "government control." Freight is to be received anywhere (they see in their dream) is to be billed through, is to be handled by the "controlled" agencies, is to be "assured regular and direct service." The same regular and direct service it has been having? Not long ago, a cartoonist drew for us a little picture of a snail in the postal uniform and bearing a mailbag on its back, and to the rabbit which casually asked if he was carrying parcels-post matter the snail answered, "No, special delivery." If the new connections and extension of this dream are to have the same regular and direct service we have been enduring since the control took hold what hope is there for accomplishment to justify assurance? And if there is to be an improvement, can it come by a perpetuation of the control, or only by its abandonment?

Now that the deficits are mounting up, the shortcomings and inadequacies becoming even less tolerable, and the difficulties in the path of redeeming the solemn pledge of return of the seized properties to their owners are slowly proceeding (for this we must believe and surely we must determine shall be the fact) towards some just and workable solution, there come such untimely schemes as this for extending and retaining the control. It is not rational, and it ought not to be tolerated by public opinion. Trade and industry will expand, if permitted to. Goods that need carrying will be carried, pursuant to the natural laws of human conduct, if permitted to be. Private capital, private provision, private faith in the future, private energy and initiative, will provide the cars, the ships, and the credit, if the deadening hand be kept off.

No, emphatically no; let Government keep away, and let it subside into trying to do, with some approximation to efficiency and reasonable cost, the lines of work that must be left to it. Can it be nothing more than a coincidence that the most vicious tax propositions; and the notion of putting communication by post and wire, and now of international commerce, into the hands of the bungling machine we call Government, seem to come from men of least personal familiarity with large business and most remote from the ocean and from international commerce? Inexperience and ignorance are often presumptuous, by a sort of ex-officio impulse, as we have had occasion to know; but is it not time they were courteously though firmly pressed to the background?

STRIKES! STRIKES! STRIKES!

Now comes the Brotherhood of Railway Trainmen demanding an improvement of "the standard of living which obtained before the war." It matters nothing to them that the world is poorer by reason of the war, that the average person everywhere must stint himself to save to pay taxes; that there is unemployment; that in sections of Europe and Asia gaunt famine stalks at noon day unrelieved and almost unrelievable; that capital here, as well as abroad, is hesitant, afraid, and enforcedly idle;

that reconstruction demands its due; that the human heart is crying aloud for peace, peace, between nations, though domestic turmoil threatens in many countries; the organized trainmen of the United States are not prepared to make sacrifices in common with the several peoples burdened with inconceivable war debts. Was there ever a more unblushingly selfish demand than this, or one with less regard for the interests of others?

As we write "strikes" are prevalent in Canada, a so-called "general strike" in process in Toronto. The metropolitan police in London are voting on a strike to compel recognition of a "union" or unionism. In Buenos Aires, it is announced, virtually all newspapers have suspended publication pending a settlement between publishers and printers, "which arose when the printers refused to set advertisements of a boycotted department store." And sporadic strikes occur almost daily in the United States. In a dispatch from Toronto we read the following: "The Central Strike Committee to-day sent the following message to Premier Borden at Ottawa: "We wish to bring to your notice that at the Peace Conference, which you attended, it was decided that labor must be recognized, also collective bargaining. Inasmuch as this is a fact, why is common labor forced to obtain what we understand was internationally recognized?"

What does the patriot citizen think of all this? What does the returning soldier think? Can industry live and prosper under a despotism of strikes? Can an idealized liberty prevail for the masses of men under the domination and dictation of self-constituted "unionism?" Can a peace of nations bring prosperity to peoples while their domestic peace is thwarted by a class of workers that forever demands more and still more and uses the bludgeon of the "strike" to get it? Can a democratic representative government exist anywhere while a minority of "labor," organizing itself for its own benefit regardless of others, uses its power to coerce capital and hesitates not to carry its demands to the law-making agencies of the people, or to insinuate itself into bodies of government employees that it may therein also compel acquiescence by promoting strikes against the very government itself? Is this whole procedure of "union labor," over the whole world, one of patriotism or pure selfishness? Is this the meaning of "collective bargaining," that those not in direct interest shall by sympathetic strikes compel obeisance to demands made not within and by the parties to the contract, but by those outside the plant? And are the several peoples of the world content to watch indifferently the rapid growth of an oligarchy of so-called "labor" while they dream of a coming universal democracy and perpetual peace, where "liberty, justice and humanity" shall be the heritage of every man?

To "bargain," either individually or collectively, is to enter into an agreement to do something. It is to negotiate a contract between the employer and employee. A "strike" on the contrary is essentially a conspiracy. It does not in itself make a bargain, but prevents one. It is an agreement *not* to do a certain thing, with the intent to prevent that thing being done. It is coercion by means of a negative force. In an industry an employer cannot do his own work himself, he must have help, he must employ men, skilled or unskilled. Unless an industry can operate it cannot employ men. Unless

the owners of labor are free to contract with the owners of capital, and vice versa, no industry can operate. When by means of the orders of unionism, labor is not free to contract within itself, when labor is ruled by an organization based not on the rights and freedom of *those alone* who can become parties to the contract (for no unions, as such, make and sign contracts for the direct hire of labor, they only enter into agreements, when they can, which provide that employers *in the hiring* of labor shall observe certain wage schedules they promulgate or certain limitation rules they set up as to free or open shops, and "recognition" so-called) then the real essence of free collective bargaining is forfeit—no wages are paid to "unions," and no freedom *can* exist either for employee or employer.

In practice, as all know, by means of picketing, the union, that cannot of itself become a direct party to the possible contract, seeks to prevent the employer from hiring other than members of the union. The effect is to shut down the plant, prevent production, interfere with commerce, destroy values of products near and remote, and deny to the people who are dependent on both capital and labor the necessaries of life. The employees, who suffer themselves to become members of the non-participating union, surrender their independence, submit to dictators by those outside the contract to be executed, and by so doing are no longer contractors but conspirators.

Their act makes not for production but non-production. Their demand is based not on the rights of a mutual agreement but upon the orders of a body really outside themselves. And the result is as much a paralysis of industry as if one union was to take up arms to prevent members of another union who in their individual *working* capacity *can* contract, from doing so. True collective bargaining may exist between a body of employees and a corporate employer (labor *bargaining* with capital) when by means of a representative and authorized committee, of those *able* to contract, employees shall enter into an agreement as to hours and conditions of work and wage-scale payments.

But it must be noted here, even, that the right to do, to bargain, is not quite the co-equivalent of the right not to do, especially when there is a moral duty to further the continuing interests of the employer as well as the employee. And this permissible form of collective bargaining, and the only one, must halt when it seeks to prevent the individual worker from bargaining and working on his own behalf by seeking to influence him unduly to abide by the will of a majority who agree among themselves to work or not to work as the case may be. Collective bargaining must still leave the individual worker free to follow his own right to contract or not to contract.

Now has government any duty to perform in the protection of individual effort against the increasing evil of strikes, that under our foregoing analysis are conspiracies, not only against laborers themselves and corporate employers and owners of capital, but collaterally against the whole people and the public welfare? There may or may not be laws on the statute books sufficient to protect the citizen and the public in the premises. Opinion is divided. The great predominating issue is shall government (all the people) exercise its power to protect all the people, or, by a dilatory taking of

the easiest way out, by passing hour and wage laws by stopwatch methods of "leaders," by submission to strikes and strikers born of class interests and organizations, supinely submit "all that we have, all that we are" to the dictation of labor unions. If by adding class after class, to-day actors, perhaps, and to-morrow teachers, a federation can be formed holding the balance of suffrage power in the republic, then "unionism" with all its selfishness and arrogance can insinuate itself into the operative processes of government itself, and so doing cannot only strike and protect itself by laws in striking, but can so dominate industry, business, capital and ownership, as to subvert the fundamental principles of individual freedom to labor, to contract, to earn and to own, as to destroy our present citizenship, and convert the nation into a semi-Socialistic state. What are the people going to do about it?

THRIFT SUNDAY IN THE CHURCHES.

We have noted in this city the recent advent of a "Community" Church, having for its avowed purpose active helpfulness in the humanities. How far the "movement" will extend is problematical; how far this open "democratization" of the sacred Church should proceed is questionable. All things in due season, is a good precept; and everything in its place is another. Between the cold formalities of ritualism and the warm service bestowed where help is needed there is a great gulf. But—and we are moved to emphasize the thought—the spiritual mission of the institution we name "The Church," may be enervated by too gross effort and contact with purely worldly activities.

However, there is a limited field in which the Church may become a temporal means toward patriotism and progress. And it is our belief that the inauguration of a "Thrift Sunday" in the churches and its probable recurrence, is in line with what we may broadly term the spiritual teachings and character of this independent, universal, and religious institution. For the essence of all true religion is right living. And life cannot be uprightly and devotedly lived without giving thought "to the morrow," without dedicating the powers and uses of the individual life to the fashioning of a "career" that will combine success and service.

It is a far cry from that admonition given to the rich young man "sell all thou hast and give to the poor," and our present day ethics of life. Nor do we longer advise men and women to literally "take no thought of the morrow," more than we consider interest to be mere usury. Nor is it possible to construe the words and precepts of the great Teacher of Men as a foundation for modern Socialism, though some few are fain to do so. It is not the letter but the spirit that is to be followed in our interpretations of the divine lessons that were given out in the form of parables. And we are therefore obeying the injunctions when to temperance we add providence, and when by thrift and saving we make ourselves able to be useful to others.

A modern pulpit eloquent in behalf of upright, frugal, thoughtful living, is not at variance with the spirit of any of the true religions. And in so far as its pleading and advice may come to the individual to make saving and thrift a distinct purpose it advocates a religion that extends through seven days of the week. To save is to create capital

and lay the foundation for credit. The whole world needs them both. If it has been good to save patriotically in war, it is no less good to save now, that capital and credit may set the idle wheels of industry turning again to the old-time music throughout the world. And the time is now. We read that in the war-ridden countries of old Europe the relaxation from grim realities has produced with many a sort of delirium of abandon, and that men and women, turned from the horrors and yet conscious of the dun and weighted days that lie ahead, now seek for a wildness of pleasure and joy, as if "nothing" can again "matter" in the life that is to come. And in the United States we are told there is much extravagant and useless spending by those who have won excessive profits or wages by reason of the war. This is not the temperance in living that should prevail. And if we leave out the help to Government that is incidental to the purchase of war stamps, there is great ethical and moral good to our free and independent social life by *preaching* the principles of the simple and sane living.

Abe Martin, the newspaper philosopher who has lately attained to the universality if not immortality of the screen, says that there is one satisfaction in sending an auto to the machine shop—one can save enough while it is out of commission to pay for the repairs. And the homely truth suggests, if the mind will dwell on the problem, the number of things we do now in life that are expensive and seem to be a part of the necessities. One can walk to church, and the street cars are running on Sundays, and over in a rising village far away the returning refugees would smile at the building of a factory to give employment and reinstate hope. And little savings, where it is possible to make them, soon swell into that private capital which through corporate means may touch the weakness and woe to brighter and better things. Of course we are using the "auto" as a mere illustration without giving it special place in the possible scheme of saving, and yet as we write the thought comes to us that Sunday was a day selected during the war for the saving of gasoline, and, as if by miracle, the streets of New York City, and we were apprized similarly of other cities, were deserted of these vehicles.

The thought is that "The Church" does not suffer loss of dignity or of spiritual power, by devoting a day occasionally to this form of ethical teaching. There is in it no loss of creed for any. There is no compulsion of form, no pressure of doctrine. It is not a dusty or a distorted parable, if we may say so with no irreverence. It is practical, it is real, and yet it shines with the ideal and is made warm and throbbing with the spiritual, for the end is pure helpfulness through augmented personal strength.

CANADA HELPING RETURNING SOLDIERS TO TAKE UP FARMING.

Ottawa, Canada, June 27 1919.

Good fortune seems to attend the Canadian Government's efforts to place returned soldiers on the land. In every department of the Government's policies for civil re-establishment, the importance of agricultural production and higher efficiency in industrial training have received unstinted recognition.

The Soldiers Settlement Board reported to Parliament this week that 17,000 veterans have already asked for land grants with the right to borrow as much as \$7,500. Safeguards against speculation are provided by compelling all applicants to prove their fitness for farm life and to take their financial help from the public treasury only as the land, buildings and stock are brought to specified standards.

The distribution of war gratuities to all returned men has necessarily postponed the heaviest volume of applications for agricultural aid until the period of holiday-making and easy spending comes to a close. If one in ten of the returned men applies for land grants and loans, the country will be committed to the extent of from three hundred to five hundred million dollars. Loans made to soldier farmers to date amount to slightly over \$15,000,000. The bulk of the men prefer the prairie provinces.

It is noteworthy that the gross errors in former dealings with war veterans are not being perpetuated by the Canadian Government. In every branch of State assistance, the degree of Government aid is conditioned upon the individual's co-operation. At the same time, the expenditure of private and public money in rehabilitation of returned men is being carefully protected against plundering schemes whether through land monopoly or in petty trade. For example, the Settlement Board buys and sells horses without profit and under skilled direction; in some parts, co-operative lumber mills, general stores, blacksmith shops, &c., carry on business at cost; farm machinery, seed grain, stock, &c., are purchased without middlemen and at much lower prices than are encountered elsewhere. The Dominion Government is now considering forms of aid for non-agriculturists who through war service have sacrificed small businesses and have lost their standing in the professions.

THE SYMPATHETIC STRIKE FAILS IN CANADA.

Ottawa, Canada, June 27 1919.

By virtue of Federal and municipal co-operation during the past two months of industrial upheaval in Canada, every sympathetic strike thus far attempted has broken down. Announcement was made yesterday at Winnipeg that the Trades and Labor Council has ordered all "sympathizers" back to their former jobs. It is not optional, however, to reclaim positions in the Federal postal service, inasmuch as the door has definitely and finally been closed upon all persons who broke their contracts with the Government and joined the ranks of the strikers. There will be no amnesty as far as concerns any of the public services.

What has been shown in the Canadian strikes thus far is that beyond the ranks of the "workers" is a community with a sense of its rights and determination to protect them. Thus, the Dominion Government's action in dismissing postal employees has the backing of a vast majority of the Canadian people. Some inkling of the limitations of strike committees appears at last to have impressed the national leaders of the "anti-capitalistic" faction, for the attempts to tie up the nation by railroad walk-outs and other "sympathetic" schemes have either been canceled or are failing to develop any very dangerous symptoms. Montreal and Toronto, the two largest commercial cities, have apparently laid

ow the idea of sympathetic strikes by giving ev-

dence of the power of Citizens Committees to keep public utilities in operation.

The Dominion Government this week assumed still wider powers to deal with anti-Government propaganda and "direct action." Any citizen, whatever his origin, may be deported or imprisoned for seditious utterance or unconstitutional attempts to undermine authority.

SHORTER HOURS OF LABOR AND THE HIGH COST OF LIVING.

New York, June 26 1919.

To the Editor of the "Financial Chronicle."

Sir—There is a sort of ghastly irony in receiving circulars from the U.S. Department of Labor, apparently to be posted in our mills, containing the following statement in large letters:

LET'S CO-OPERATE
for
GREATER PRODUCTION
and
GREATER PROSPERITY.

These circulars were received at the very time when our mills were reducing their hours of labor to the extent of six to seven hours per week. At the same time the trade papers note a probable scarcity of overalls for working men, stated by that trade to be directly due to the 44-hour week, now the rule in the garment trades.

The dissatisfaction at the lack of purchasing power of wages in the matter of clothing, seems to exist in England also, as is shown by the following from the "Times" Trade Supplement, London, June 7th:

"It is well the public, who are rightly irritated because of the high cost of their clothing, should understand that primarily, so far as those engaged in the processes of manufacture are concerned, the increased cost of production is due, not to a shortage of raw material, but to a bottle-neck having been created in the very first stage of manufacture, by fewer working hours, higher wages, and improved conditions of labor for the operatives engaged therein, and a shortage of labor, which it is hoped will be only temporary."

In a neighboring town a great lack of housing accommodation for working people is complained of, where the operatives in new or enlarged industries are finding it impossible to procure proper or even decent lodgings.

A Housing Committee developed the fact that the smallest house that can be built to accommodate a family would cost \$4,000, and would necessitate a monthly rental of \$40 00 which is admittedly beyond the means of most of the operatives.

This would, with current taxes and average repairs, leave less than 6% on the investment.

The writer looked in vain for any addresses, at the Convention of the American Federation of Labor, that would convey to the delegates the inevitable result in increasing living costs caused by the curtailment of hours, and increase of wages, by those engaged in producing the necessities of life.

It is stated that there is in the minds of some people a suspicion that there is a conspiracy, among the capitalist class, to render increase of wages insufficient to meet the rising cost of living.

In view of the demands for greatly increased co-operation between employer and employee, should not these conditions be set forth with authority, in such a way that the result of these tendencies can be made to reach the intelligence of those engaged in production?

As I write, I note an account of a strike in Fall River, where the operatives of a cotton mill object to the running of automatic machinery during the noon hour.

This hardly needs comment.

Another suggestion occurs, namely, how the cost of food would be affected, if the farmer, milk producer, and others in that line should insist on the 8-hour day and 44-hour week.

Respectfully,

JOSEPH DREXEL HOLMES,

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 a discount basis of 5½%, the rate recently prevailing. The bills are dated Monday, June 23.

NEW CREDITS TO ITALY, FRANCE AND RUMANIA.

Three new credits were yesterday (June 27) extended by the United States to the Allies—\$50,000,000 to France, \$10,000,000 to Italy and \$5,000,000 to Rumania—making the total credits established in favor of the Allies \$9,455,219,124.

APPROVAL BY COUNCIL OF FOUR OF PRIORITY FOR BELGIUM IN REPARATION PAYMENTS BY GERMANY.

The Associated Press in Paris cablegrams June 24 said:

The Council to-day signed a document giving formal approval to priority for Belgium in reparations to be paid by Germany, to the amount of 2,500,000,000 francs. The council also confirmed the plan to wipe out the Belgian war debt through the substitution of German bonds for the Belgian obligations, the four Great Powers to take over the German bonds, subject to the approval of their respective legislative bodies.

The question of reparations is still delaying completion of the Austrian treaty, owing to the difficulty of aligning the small Eastern States on any general scheme for a division of the financial obligations and the claims resulting from break-up of the Hapsburg monarchy, with consequent elimination of its responsibility for reparations.

American experts have conducted negotiations with representatives of the States inheriting parts of the Hapsburg domains, including Poland, Czecho-Slovakia, Jugo-Slavia and Rumania, for several weeks, but the results have been unsatisfactory to the Council of Four, and French experts are now trying their hand.

The problem is decidedly complicated, because on the one hand it is planned to charge these States with a share of the Austro-Hungarian financial responsibilities proportionate to the area and resources of the Hapsburg territories acquired by them, under the guise of "contributions to the cost of the war of liberation," while on the other hand Rumania and Serbia are entitled to offsets for reparations due them.

Poland and Czecho-Slovakia are not entitled to reparations under the general principle of the Austrian and German treaties, which limit reparations to the actual belligerents during the war.

Certain changes in the permanent reparations commission are also being made, to adapt it to Austrian conditions. The German treaty provided only for Serbian membership in certain contingencies. But all these States will be given seats and votes when their interests are involved.

All sums delivered from Austrian, Hungarian and Bulgarian reparations will be pooled with the proceeds of the German reparations for division among the interested States in proportion to proved claims. This is a departure from the plan contemplated in the German instrument, which provided for a division according to prearranged quotas, the original apportionment assigning 55% to France and 25% to England, the other States receiving smaller percentages. Belgium, as stated above, will be left with a prior charge on the reparations pool, amounting to 2,500,000,000 francs. In addition to repayment of her debt to the Allies by a special German bond issue.

Copyright cablegram on June 24 to the New York "Times" from Charles A. Selden had the following to say on the subject:

Arrangements by which Belgium is to have priority up to \$500,000,000 in the reparation money received from Germany were formally concluded this afternoon by the Council of Four.

Furthermore, President Wilson, Premier Lloyd George and Premier Clemenceau agree to ask their respective national Legislatures to take over the bonds which are to be issued by Germany for reimbursement of Belgium for all the money she was compelled to borrow as a result of being forced into war by Germany's violation of her neutrality.

This arrangement will practically wipe out Belgium's war debt by allowing her to realize at once on the bonds. The three great Allies will collect on the bonds from Germany later.

This method of aiding Belgium was suggested by the American delegation several months ago.

REPORTS OF BELGIAN LOAN OF \$100,000,000 BY UNITED STATES BANKS.

Through the Associated Press the following information came from Brussels on June 16 to the daily papers in the United States:

The Finance Minister of Belgium to-day signed with representatives of American banks a draft agreement for a loan of \$100,000,000, the loan to be repaid by Belgium in twenty-five years. No restriction is placed on the use of the loan.

To become effective the draft agreement requires ratification by the United States Government.

With regard to the above advices the "Wall Street Journal" in its issue of June 17 said:

Bankers are inclined to doubt the Brussels dispatch that an agreement has been signed with American bankers by the Belgian Government for a loan of \$100,000,000. It is probable that a cable will be sent to T. W. Lamont, of the American Finance Commission in Paris, to ascertain what basis there is to the report.

An extension of such a credit had been broached and discussed by bankers some time ago, but the negotiations were finally dropped pending the definite conclusions of peace.

Bankers are also mystified by the statement in the report that the alleged loan was subject to ratification by the United States Government. No such condition was mentioned in the original negotiations.

C. E. HERRING NAMED AS TRADE COMMISSIONER TO BELGIUM.

C. E. Herring, chief of the Division of Foreign Investigation of the Department of Commerce, has been appointed Trade Commissioner to Belgium, according to an announcement made by Secretary Redfield.

J. P. MORGAN'S GIFT TO GREAT BRITAIN.

A special copyright cablegram to the New York "Times" from London June 17 said:

J. P. Morgan has presented the British nation the collection of stained glass made by his father and housed in the Victoria and Albert Museum.

In making the donation, Mr. Morgan was prompted by the desire that the Museum should possess a worthy memorial of his father, whose collections were so long exhibited in its galleries. He also wishes that the gift should be regarded as a token of appreciation of the cordial relations between this country and the United States.

SALE OF ITALIAN LIRE AT AUCTION.

An auction sale in New York of Italian lire was reported as follows in the New York "Times" of June 26:

For the first time in the history of auction sales at Police Headquarters money was auctioned off yesterday at the 200th auction sale of unclaimed and condemned property, consisting of articles of every size and character which had been found by the police and had remained unclaimed after having been held by them for six months. The money consisted of six .00-lire Italian pieces, which were offered in one lot and brought \$395.

OPENING OF CREDITS BY GREAT BRITAIN ON BEHALF OF ENEMY SUBJECTS.

"Comerco Reports" of June 9 announced the receipt of the following cablegram from Consul-General Robert P. Skinner at London, dated June 5:

The Board of Trade has issued a general license, authorizing the opening of credits on behalf of persons or firms in enemy countries for purpose of financing transactions that have been authorized in British Empire, and also transactions between persons carrying on business outside of British Empire, which have been authorized by Associated Governments.

REMOVAL OF FOREIGN EXCHANGE RESTRICTIONS—BAN CONTINUED AGAINST RUBLE IMPORTS AND EXPORTS.

An order removing restrictions affecting foreign exchange transactions was issued on June 24 by Fred I. Kent, Director of the Division of Foreign Exchange of the Federal Reserve Board. Customers' statements as to whether transactions are directly or indirectly in the interest of the enemy are no longer required, neither are statistical reports covering exchange transactions, unless especially called for by the Federal Reserve Board. The ban against the exportation and importation of Russian rubles is continued, however, as well as the prohibition against dealings in foreign exchange or securities on account of persons in that part of Russia under the control of the Bolshevik Government. The following are the regulations issued by Mr. Kent on the 24th:

Until otherwise instructed, "dealers" as defined under the Executive Order of the President of Jan. 26 1918 are hereby authorized to carry on transactions in foreign exchange or in securities for or through foreign account without restriction, except as hereinafter provided.

Registration certificates must be obtained as required under the Executive Order. (All registration certificates which have been issued to date continue in force.)

Customers' statements of non-enemy interest need not be taken, but no foreign exchange transactions can be consummated for enemy account unless authorized in a general or a specific license issued by the War Trade Board.

Further statistical reports after those including transactions up to the close of business Wednesday evening, June 25 1919, need not be made except as called for by the Federal Reserve Board.

Declarations of foreign correspondents on Form F.E. 114 and declarations of non-enemy interest covering security transactions on Form F.E. 113 need not be taken, and interest or dividend checks payable for foreign account need not have customers' statements printed upon them, but "dealers" cannot carry out transactions either directly or indirectly for the benefit of or for account of an enemy or ally of enemy except under the authority of a general or a specific license issued by the War Trade Board.

Until otherwise instructed, the exportation or importation of Russian rubles, or the transfer of funds for their purchase by persons and dealers in the United States, as described under the Executive Order of the President of Jan. 26 1918, is prohibited. Dealings in foreign exchange or securities with or for persons in that part of Russia now under the control of the so-called Bolshevik Government are also prohibited.

Until otherwise instructed, "dealers" are prohibited from purchasing exchange except from the American Relief Administration, 42 Broadway, New York City, upon any of the following countries:

- | | | | |
|----------|------------------|--------------|----------|
| Finland, | Czecho-Slovakia, | Jugo-Slavia, | Rumania, |
| Poland, | German-Austria, | Serbia, | Germany. |

FRED I. KENT,

Director of the Division of Foreign Exchange of the Fed'l Reserve Board.

LICENSES FOR SHIPMENT OF \$220,000,000 OF GOLD ISSUED BY FEDERAL RESERVE BOARD—CROSS CURRENTS IN GOLD.

Licenses for the shipment to foreign countries of a total of \$220,000,000 of the gold reserves of the United States have been issued, it was stated on June 25, by the Federal Reserve Board. The New York "Commercial" in a dispatch from Washington on June 25 in reporting this said:

It is believed by officials that actual shipments will not total more than \$75,000,000, and a general slowing up is anticipated.

Free issuing of licenses for shipment, it is said, has had the paradoxical effect of making shipments unnecessary in many cases, as was expected. Federal Reserve Board officials anticipated that readiness of dealers to ship the mineral would steady the market and make actual transfers unnecessary.

Lifting of the gold embargo has resulted in rapid restoration of the dollar to foreign exchange practically everywhere except in Madrid and Yokohama. Payment of balances against the United States in those two centres is expected to bring the dollar to parity or better in every one of the world's exchange points.

Earlier advices (June 16) from Washington to the daily papers on the same subject stated:

A dispatch from Argentina says that applications for the export of about \$75,000,000 in gold, mostly to Latin-America, have been received by the Federal Reserve Board since the embargo was removed. Very little of the metal has left the country yet, but the effect of the removal of shipping restrictions has been very gratifying in restoring the exchange rate to a virtually normal basis, where it was previously against the United States. Dollar exchange in Argentina has risen from .99 to almost 1.036, which is par, and American money in other South American countries likewise has improved.

In an item dealing with the "cross currents" in gold following the lifting of the embargo, the "Wall Street Journal" of June 19 had the following to say:

Several shipments of gold bars aggregating \$300,000 have been made to London in the last few days. The consignments are utterly abnormal, as the position of sterling exchange favors contrary movement. They are probably due to the anomalous situation existing in London, where industrial consumers of the metal are being charged more than £1 per ounce

above the mint parity of £3 17s. 10½d. for an ounce of the metal. They accordingly find it cheaper to import gold from New York in spite of the fact that sterling exchange is quoted at a discount of more than 5%. Consignments of probably a similar character have been made recently to Paris to the extent of \$40,000.

It is indeed a curious phenomenon that almost at the same time gold should be moving in both directions between New York and London. The main current has naturally been to this centre in answer to the existing position of sterling exchange. But that \$300,000 should be consigned to the British capital from here reveals the anomalous situation prevailing in London with regard to the standard metal. While statements are made in some quarters that the gold parity of British currency is being maintained, the fact remains that industrial consumers of the metal in England cannot acquire the face value of the notes but are obliged to pay for the metal more than 25% above the mint parity of £3, 17s., 10½d. On the other hand, it costs them not much more than 6% to import the metal from this country, including the actual expense of transportation and the loss of about 5% in selling sterling exchange in this market. While the saving is large, it is not likely that these outward consignments will assume any appreciable proportions, if only because the British Government would take steps to check it and remove a factor which was having an adverse effect on the sterling rate. It will be recalled that similar consignments amounting to \$200,000 were made to London prior to the laying of the embargo upon gold exports in this country.

It would seem more economical for Great Britain to ship the yellow metal direct to Buenos Aires than to send it here and then see it immediately withdrawn for the South American city. Under the operation of the exchanges such would be the case. The triangular position of the rates would favor direct shipments from London to Buenos Aires instead of by the roundabout way via New York. It is probable that a similar abnormal routing of gold shipments will be witnessed with regard to Spain. Spanish pesetas are still at a considerable premium, and bankers rather anticipate that gold consignments from New York will shortly set in for Madrid, particularly as the Bank of Spain is no longer taking gold at a discount, as it did in 1917 when the yellow tide was flowing strongly toward Spain.

CONSIDERATION BY FEDERAL RESERVE BOARD OF FINANCING OF FOREIGN TRADE. PROPOSED AMENDMENT TO RESERVE ACT.

As was reported in these columns last week, in our reference to the proposal of H. P. Davison for the co-ordination of the resources of the United States with the view to the financing and reconstruction of Europe, a conference was held in Washington on June 20 to consider measures making possible the financing of American exports to Europe. It was voted at the conference to recommend to Congress legislation permitting all National banks to become stockholders in corporations engaged in promoting foreign trade. With regard to the conference and its results, the Federal Reserve Board on June 20 issued a statement saying:

The Federal Reserve Board had to-day a conference with the Executive Committee of the Federal Advisory Council (James B. Forgan of Chicago, L. L. Rue of Philadelphia, Daniel G. Wing of Boston, and W. S. Rowe of Cincinnati,) to consider problems relating to the financing of the foreign trade of the United States.

There was discussion as to what unusual features attached to this trade and the bearing thereof upon the American banking situation. The Board and the Committee of the Council were in entire accord that the matter of providing long-term advances for Europe presented an investment rather than a banking problem and that the necessary help must therefore come from the investment market.

It was, however, the opinion of the conference that as a step toward supporting plans for the financing of our foreign trade it would be well to add a new paragraph to Section 25 of the Federal Reserve act so as to permit national banks until Jan. 1 1921 without regard to the amount of their capital and surplus, to invest not exceeding in the aggregate 5% of their capital and surplus in the stock of one or more corporations principally engaged in such phases of international or foreign financial operations as may be necessary to facilitate the export of goods from the United States. The Board voted to recommend this legislation to Congress.

With his return on June 23 to Chicago Mr. Forgan, who is Chairman of the Executive Committee of the Federal Advisory Council, had the following to say with reference to the conference:

At the conference of the Federal Reserve Board with the Executive Committee of the Federal Advisory Council held in Washington, the situation in regard to the establishment of a large corporation for the purpose of financing the purchases which other nations may desire to make in this country was fully considered. It was found that the matter had advanced beyond the stage which made it necessary to hold in Washington the proposed larger conference of bankers and exporters. The idea of holding such a conference was therefore abandoned.

A committee of bankers has already been appointed in New York and similar committees will probably be formed to represent the other Federal Reserve districts and it will be left to them to take the initiative in the matter of the organization of the proposed large financial corporation and of the cooperating corporations which it is proposed to organize in connection with the various lines of the export business.

An amendment to the Federal Reserve Act was unanimously recommended at the conference which will remove the present limitation placed upon national banks in investing in stock in a corporation engaged in international or foreign banking. This privilege is at present confined to banks having a capital of one million dollars or over. The recommendation is that the privilege of investing in the proposed corporation for financing foreign credits should be extended to all banks irrespective of the amount of their capitalization to the extent of 5% of their capital and surplus.

Enlarging upon the statement issued by the Federal Reserve Board, the press dispatches from Washington, on June 20 in referring to the proposal to enact legislation which would enable all National banks to become stockholders of corporations furthering foreign trade, said:

It was the opinion of a conference however, that as a step toward supporting plans for the financing of the nation's foreign trade it was advisable to make it possible for national banks to participate in the formation of trade groups, such as that now in process of organization by the cotton

interests, so that Europe might buy raw materials immediately on collaterals of adequate security.

Aside from the actual capital put into such enterprises by the banks, it is felt that the general public will be encouraged by the banks' participation, to take stock also, which will be an indirect stimulation for the continued saving believed necessary to provide new capital.

At present, national banks are limited by law in their ownership of stock in other enterprises. A bank must have \$1,000,000 in capital and surplus in order to apply to the board for stock in a corporation engaged in international or foreign banking, and may not invest more than 10% of its capital and surplus.

The amendment to Section 25 of the act to be sent to Congress tomorrow would permit any national bank "until Jan. 1 1921 without regard to the amount of its capital and surplus, to invest an amount not exceeding in the aggregate 5% of its paid-in capital and surplus in the stock of one or more corporations chartered or incorporated under the laws of the United States or of any State thereof and regardless of its location, principally engaged in such phases of international or foreign financial operations as may be necessary to facilitate the export of goods, wares, or merchandise from the United States to any foreign country, provided, however, that in no event shall the total investments authorized by this section by any one national bank exceed 10 per centum of its capital and surplus.

The time limitation of the amendment was said not to contemplate that any bank should give up stock purchases by it, but merely to emphasize that the emergency was one of war reconstruction. As only a few of the very large banks under existing law own stock in corporations doing foreign banking, the limitation of 10% subscription by any one bank will not affect a large amount of capital. The combined capital and surplus of national banks is approximately \$2,000,000,000, making possible subscriptions to export corporations of \$100,000,000.

FEDERAL RESERVE BOARD ON NEED OF PROVIDING \$3,000,000,000 BY PRIVATE INITIATIVE TO FINANCE EXPORT TRADE.

A statement in which it says "the doubt whether our export trade can be continued on its existing level without involving serious financial strain makes the question of our National policy in reference to such trade one of urgent concern for the whole community" is contained in a discussion by the Federal Reserve Board in the June Bulletin of financial conditions abroad and the financing of our foreign trade. In what it has to say on the subject the Board points out that "it is apparent that means must be found during 1919 for the financing of about \$3,600,000,000 of new obligations and for the renewal of perhaps \$600,000,000 of old ones;" stating that the Treasury Department has at most a sum of \$500,000,000 which can be used for this purpose, the Board adds "it would seem that probably much more than \$3,000,000,000 of new funds must be provided by private initiative if we are to continue our export trade upon its present level." We reproduce what the Board has to say herewith:

Financial Conditions Abroad.

Studies of financial and banking conditions in the principal European countries, published both in the current number of the "Bulletin" and in the May issue, show that the currency and banking situation on the Continent is one of unusual difficulty, while it would appear that supplies of available capital have been reduced to a minimum basis. It does not seem probable that conditions in these foreign countries can be promptly restored to a normal footing without importing from abroad in a very large measure the funds that are needed in the process of financial rehabilitation. In this connection the question is pertinently raised what will be the effects of the reparation which is to be made by the Central Powers as a result of the peace settlement. This reparation will of course operate to create a one-sided balance of trade in goods, ships, and forms of capital, as well as of securities, between the Central Powers and the countries with which they transact business. It will therefore tend to place the recipients of the reparation in possession of funds with which they may liquidate their obligations to their own citizens or to foreign countries. France, Belgium, and other continental nations are heavily indebted to Great Britain as well as to the United States, while Great Britain likewise is a heavy debtor of this country. The reparation payments, while passed through the countries which are their recipients, may thus in the last analysis furnish the basis for payments to the United States designed to liquidate the advances made by this country to cover the cost of the war, save in so far as American investors may prefer to leave their funds actually at work abroad. In the latter case the effect of the reparation payment will be merely that of converting a Government obligation into private securities or other evidences of indebtedness. Belgium's share of the reparation has already been used as security for the advance made by a group of American banks under the so-called Belgian Industrial Credit, and it may be expected that other loans or accommodations of the same or similar kinds will take place in the near future. It will, however, be some time before the reparation thus paid will in fact amount to more than a fraction of the sums needed to reestablish industry abroad upon anything like its prewar basis. The problem of importing capital into practically all of the European countries will thus be a continuing one, and a successful basis for such importation can be found only in the assurance to individual investors in this and in other countries which have a surplus of savings for current requirements that there is a better field for the use of such savings abroad than exists at home. It is a problem of continuous rather than of temporary financing, and has reference to the ability of foreign countries to produce income through investment rather than to produce immediately consumable goods for the purpose of reestablishing their merchandise balance.

Foreign exchange developments.

During the month of May the foreign exchange situation has continued to become more difficult than it appeared to be immediately after the period of "pegging" which came to a close on April 8. An immediate indication of difficulty in this connection has been afforded by a sharp decline in quotations for the principal foreign currencies, sterling going as low as \$1.63, francs to 6.77 per dollar, and lire to 8.75. These figures constitute record low quotations for francs and lire, and while the quotation for sterling is not so low as those made after the close of the "pegging," it is lower than the rates which prevailed at the close of April. At present

figures, French currency is worth little more than three-quarters of its face value as expressed in terms of American dollars. The immediate causes of this condition of affairs are obvious. It is reasonable estimated that the trade balance of the United States during the fiscal year ending June 30 1919, will be about \$3,000,000,000, or practically the sum that has been annually recorded for the past three years. The interest due and payable on our holdings of foreign securities is now not much below \$500,000,000 annually. While it is impossible to say what are the total amounts payable to American citizens who are owners of foreign securities or who have advanced sums for use in foreign countries upon which they receive regular returns, it may be conservatively estimated at \$100,000,000. Unofficial figures for the amount of foreign obligations maturing in the United States during the calendar year 1919 place that sum at possible \$600,000,000 to \$700,000,000. If the figures thus given, partly for the calendar year and partly for the fiscal year now drawing to a close, be regarded, as they reasonably may, as being applicable to conditions for the calendar year, it is apparent that means must be found during 1919 for the financing of about \$3,600,000,000 of new obligations and for the renewal of perhaps \$600,000,000 of old ones. This makes a gigantic, probably an unprecedented, financial problem. The Treasury's ability to advance sums to foreign countries has been limited by Congress to the sum of \$10,000,000,000, of which about \$9,500,000,000 have now been taken up. The department has therefore at most a sum of \$500,000,000 (most of it allocated) which can be used for this purpose, so that it would seem that probably much more than \$3,000,000,000 of new funds must be provided by private initiative if we are to continue our export trade upon its present level. It should be recalled that, as already mentioned, Congress has provided an export credit of \$1,000,000,000 which may be made available through the War Finance Corporation. The doubt whether our export trade can be continued upon its existing level without involving serious financial strain makes the question of our national policy in reference to such trade one of urgent concern for the whole community.

FARMERS NATIONAL COUNCIL OPPOSED TO BANKERS' PLANS FOR FINANCING EUROPE.

The proposals advanced by the banking interests for the financing and reconstruction of Europe will be fought by the Farmers National Council, according to Washington advices appearing in the New York "Commercial" of June 21; the paper says:

George P. Hampton, the managing director of the council, announced today (June 20) that the plan of New York financiers was directly opposed to the plan of the farmers of America, as expressed through their reconstruction program, adopted at the Farmers' National Reconstruction Conference held in Washington last January.

At this conference the farmers decided that among the instrumentalities necessary to make a league of nations really effective is an international investment board.

In urging the establishment of such a board the conference declared that foreign investments have been a prolific source of misunderstanding between nations, and, if unregulated, will in the future lead to conditions that will make war unavoidable.

The idea of the conference was that the establishment of the proposed international investment board would prevent the investment of money by one nation in another unless agreeable to the nation in which the investment was made, and furthermore would prevent the use of force by any nation to protect or promote the investments of its nationals.

Mr. Hampton is quoted in the "Commercial" as saying:

The financial interests of the country are now endeavoring in opposition to the plan proposed by the farmers, to put into effect the plan proposed by Messrs. Vanderlip, Davison and others by which the financial interests, and not the Governments would control the financing necessary for world reconstruction.

Mr. Vanderlip's idea was that the money should be loaned the distressed countries and a lien on their customs accepted as security.

Mr. Davison's suggestion was that debentures be issued against the credits established in Europe. Every country would guarantee the debentures against it. Then the banking interests could place the debentures with the public, distributed as widely as possible.

This plan involves, as admitted by its advocates, very close co-operation between the financial interests and the Governments of the several countries and puts the financiers in dangerous control over the activities of every Government, and the economic and political life of the people involved.

Before the European war started the total indebtedness of the world, governmental and commercial, was in round figures \$300,000,000,000. It has been increased during the war by at least \$180,000,000,000. It is necessary that this vast indebtedness should be liquidated at the earliest possible moment and that pending such liquidation, governments should be in complete control of international investments. The proposal of the financial interests is very dangerous to the working people of the world and directly opposed to the principles for which America entered the war.

DRAFTING OF BILL BY SENATOR EDGE FOR FINANCING OF FOREIGN TRADE.

Details of a bill which it is stated is being drafted by Senator Edge for the purpose of enabling the extension of credits to foreign buyers of American exports were given in the Philadelphia "Ledger" of June 23. The proposed legislation, it is stated, would establish a pool of the financial, commercial and industrial interests of the United States, and would have the "moral backing and material support" of the United States Government, for financing the foreign trade. The "Ledger" quotes Senator Edge as follows:

"The undertaking involves \$2,000,000,000," Senator Edge said today, in discussing his proposed bill, "and government support is needed to assure the confidence of the business world and the public at large."

"The proposed legislation," said Senator Edge, "would provide a channel for the release of a flood of American manufactures and coincidentally build up and maintain the American merchant marine." Senator Edge said that in preparing the bill he has been in close conference with the leading men in the financial and industrial world.

"Every one is agreed on the necessity for such foreign financing," said Senator Edge, "and the general method of providing it may not be difficult to determine. In getting down to details we are confronted with the

problem as to the advisability of government participation and the two collateral problems: If government participation is advisable, will the government be willing to participate, and, if so, to what extent is such participation advisable? Of course, there must be government cooperation. "The sentiment is general, I believe, that the government now should be removed from participation in private business and be kept out of private business; but this is a financial undertaking of such tremendous volume, involving perhaps \$2,000,000,000, that it may be necessary to enlist the moral backing and material support of the government to assure the necessary confidence of the commercial, financial and industrial interest and of the investing public and the people at large."

Senator Edge said his tentative idea for his legislation is that a group of financial, commercial and industrial interests should be formed to conduct the foreign financing "as a distinctly business enterprise." Subsidiary groups of particular interests might be formed he suggested, to handle the various branches of the export trade, but all of which would be represented in one major group to make the plan less cumbersome.

The legislation aims to provide means whereby, on the shipment of consignments of American goods to Europe, the foreign purchasers would issue their obligations, which would perhaps be guaranteed by their governments and against these the American group of financiers would issue debentures to be absorbed in the United States. Such debentures, Senator Edge explained, would of course constitute a primary lien on the foreign obligations.

"But in a world-wide financial scheme of such novelty and magnitude," Senator Edge continued, "careful consideration is being given to the extent to which these securities may be made attractive to American investors, and this is another of the problems under study of those interested in the project."

"Although the scheme will help poverty-stricken Europe rehabilitate itself, it is not regarded as an altruistic movement by those behind it, but a business plan for the benefit of the people of the United States and of the industrial concerns which produce goods of all kinds, of the working people employed by not only such concerns, but also by the transportation companies and other interests, which handle the manufactured products; by the commercial men who sell the goods and the banks, bankers, trust companies and other financiers who provide the money for the world trade. Even the concerns and the workers who provide the raw materials to the manufacturers are involved in the success of the enterprise.

The "Ledger" states that in drafting his bill, Senator Edge has been in close touch with international bankers, including Henry P. Davidson and Frank A. Vanderlip.

CHICAGO BANK HOLDINGS.

The following with regard to large Chicago bank holdings appeared in the "Wall Street Journal" of June 16:

The annual banking addition of the Chicago "Evening Post" shows no diminution of the largest holdings of Chicago banks' shares during the past 12 months. This applies not only to individuals but also to estates, some of which have incomes so large that they must pay the maximum tax. Earnings have increased all along the line and the prices of bank shares have advanced.

First place among holders of the city's bank stocks is retained by the Norman W. Harris estate, which had \$5,852,970 last year. Part of the estate's holdings have passed into the hands of Albert W. Harris, who comes up from tenth to sixth place in the roster. The estate's holdings in the Harris Trust, Continental & Commercial, First National, Illinois Trust and Merchants' Loan & Trust are all reduced slightly, but increased prices have made up a part of the reduction.

J. Ogden Armour comes back into second rank, from which he was displaced last year by Edward Tilden & Co. Armour has acquired no more shares, but the advance in the stock of the Continental & Commercial National, in which he owns 9,460 shares, is the cause of the change in his relative position.

Arthur Reynolds, recently elected to the Presidency of the Continental & Commercial Trust, has acquired a larger interest in the Continental & Commercial National, which has advanced 60 points, being credited with 2,000 shares, which compares with 268 last year. The holdings of George M. Reynolds, President of the National Bank, are unchanged.

A list of the leading stockholders with the number of banks and the aggregate holdings in each case, follows:

	Banks.	Holdings.
N. W. Harris estate	5	\$5,266,585
J. Ogden Armour	10	4,171,870
Edward Tilden & Co	6	3,917,970
Miami Corporation	8	2,915,805
Marshall Field estate	5	2,723,600
Albert W. Harris	2	2,530,380
Frederick H. Rawson	3	2,482,560
Edward Morris estate	7	2,393,220
R. and E. S. McElee	1	2,268,000
James A. Patten	12	2,210,850
Illinois Life Insurance Co	3	2,060,250
Elbert H. Gary	4	1,809,000
Milton H. Wilson	7	1,798,800
F. and E. MacVeagh	1	1,604,900
Mrs. Nellie A. Black	1	1,482,700
John J. Mitchell	4	1,414,330
Charles H. Morse	5	2,107,100
Price McKinney	1	1,358,400
George M. Reynolds	2	1,216,550
James B. Forgan	2	1,220,300
National Life Insurance Co	8	1,212,300
Dawes Bros., Inc	1	1,181,300
Sidney A. Kent estate	2	1,162,500
Mrs. Jessie Walker	1	1,156,000
A. C. Bartlett	2	1,130,000
Edward F. Swift	19	1,118,850
Byron L. Smith estate	3	1,107,600
Julius Rosenwald	3	1,037,500
Ira N. Morris	10	1,024,800

KANSAS BANKERS OPPOSE TAX EXEMPTION.

E. D. Chassell, Secretary of the Farm Mortgage Bankers' Association reports the adoption, at the annual convention of the Kansas Bankers Association held at Kansas City, Kansas, of the following resolutions, without opposition:

Whereas, Every dollar's worth of property should bear the just burden of taxation and every person should as a patriotic duty, carry a fair portion of the public expense, be it

Resolved, That this convention is opposed to any legislation to encourage legal tax dodging by permitting the transformation of taxable property into tax exempt property, and that we are therefore opposed to the enactment of any new tax exemption laws.

Further Resolved, That recognizing the additional burden imposed on all taxpayers by the exemption from taxation of the bonds of Federal Land banks and Joint Stock Land banks, we urge the repeal of that section of the Farm Loan Act covering exemptions.

Be It Further Resolved, That a copy of this resolution be sent to the Senators and Representatives in Congress from the State of Kansas.

Similar resolutions, it is stated, were adopted in several Iowa group meetings of bankers, following a debate of the tax exemption question. Mr. Chassell says:

Representatives of the Federal Land banks were not able to demonstrate the necessity of tax exemption of Federal Land bank bonds. It was clearly shown that the said exemption is detrimental to the interests of all taxpayers. The sentiment was practically unanimous.

FARM MORTGAGE BANKERS ASSOCIATION TO HOLD ANNUAL MEETING IN SEPTEMBER.

The Sixth National Annual Convention of the Farm Mortgage Bankers Association of America, will be held at the Auditorium Hotel in Chicago on Sept. 23 and 24. The Board of Governors will meet at the same hotel on Sept. 22 for transaction of the usual preliminary business. The Board of Governors decided to depart from the usual custom of holding a three-day convention with a program partly composed of entertainment features. This year the convention program will be confined to two days, Tuesday and Wednesday, releasing the members Wednesday evening to return home or follow their own inclinations as to subsequent entertainments. H. J. Curry of the Pearsons-Taft Land Credit Company, Chicago, is Chairman of the local convention committee. His associates are L. P. Robinson of Associated Mortgage Investors, Inc., and C. H. Rodenbach of the Day & Hansen Security Company.

OPERATIONS OF WAR FINANCE CORPORATION IN LIBERTY LOAN BONDS.

It appears that in the attempt to stabilize the market for Liberty Loan obligations, the War Finance Corporation up to May 31 1919 had purchased no less than \$905,149,000 par value of the different classes of Liberty Loan bonds. It resold \$603,238,250 of the amount, leaving on hand May 31 \$301,910,750. The "Wall Street Journal" in reporting these figures says:

In its efforts to stabilize the Liberty bond market the War Finance Corporation, to May 31 last, purchased \$905,149,000 par value of all classes of Liberty bonds. The corporation sold \$603,238,250 worth of bonds, leaving a balance on hand as of May 31 of \$301,910,750. In addition, the corporation held Treasury certificates amounting to \$2,635,500, making total amount of Government obligations owned by the corporation on May 31 \$304,546,250.

A. W. McLean, Acting Managing Director of the War Finance Corporation, said that the corporation had traded in the Government bonds with a view of trying to stabilize the market. He said in explanation: "We were authorized under the Act to do it and in that way we have stabilized the market as best we could. Of course, it is one of those questions that it is hard to handle, with the amount of bonds outstanding, but we are thoroughly convinced that the dealings in bonds by the corporation have prevented a very great slump. The transactions were handled through the Federal Reserve Bank of New York."

Of the \$600,000,000 bonds sold, Mr. McLean said probably some were sold at a profit and some at a loss. It is evidently the purpose of the corporation to trade in and out of Liberty bonds and Victory notes with a view of sustaining the market during the process of assimilation of the over-supply of bonds. The corporation can call upon the Treasury for the balance of the capital appropriation, amounting to \$150,000,000, and add this amount to the fund it is using as a pool to support the bonds, making its entire capital of \$500,000,000 available for this purpose.

TREASURY CERTIFICATES OF INDEBTEDNESS DUE JULY 29 CALLED FOR REDEMPTION.

Announcement was made on June 20 by the Treasury Department that Treasury certificates of indebtedness, dated Feb. 27 1919 and due July 29 1919 (issued in anticipation of the Victory Liberty Loan), had been called for redemption July 1. Subsequently, June 22, the Department authorized the Federal Reserve banks to redeem the certificates beginning June 23. The first announcement of the Treasury Department (that of the 20th) said:

All United States Treasury certificates of indebtedness of Series VG, dated Feb. 27 1919 and maturing July 29 1919, are hereby called for redemption on July 1 1919 at par and accrued interest, pursuant to the provision for such redemption contained in the certificates. On July 1 1919 interest on all certificates of said series will cease to accrue.

Holders of certificates of said series shall, nevertheless, have the privilege of exchanging such certificates on or before July 1 1919 at par with an adjustment of accrued interest, for Treasury certificates of indebtedness of Series T-4, dated June 3 1919 maturing Sept. 15 1919.

The Federal Reserve Bank of New York announced as follows, the second notice of the Treasury Department issued June 22:

On June 20 1919, the Secretary of the Treasury gave notice to holders of United States Treasury certificates of indebtedness of Series 5 G, dated Feb. 27 1919 and maturing July 29 1919 that the certificates of that issue were called for redemption in cash on July 1 1919 at par and accrued

interest. The details of this notice of redemption, together with the provisions with respect to the exchange of Series 5 G for "tax" certificates of indebtedness of Series T 4, due Sept. 15 1919, appeared in our Circular No. 177, dated June 20 1919, to which reference is made for further particulars.

To-day the Treasury Department has issued a second notice supplementing its notice of June 20 1919, as follows:

The Secretary of the Treasury authorizes the Federal Reserve banks on and after Monday, June 23, and until further notice to redeem in cash before July 1 1919 at the holder's option at par and accrued interest to the date of such optional redemption Treasury certificates of indebtedness of Series 5 G dated Feb. 27 1919, maturing July 29 1919, which have been called for redemption on July 1 1919.

The Federal Reserve Bank of New York, as fiscal agent of the United States, will (a) redeem in cash the certificates of Series 5 G, as above provided, or (b) exchange such certificates, on or before July 1 1919 for Treasury "tax" certificates of Series T 4.

NEW ISSUES OF TREASURY CERTIFICATES IN ANTICIPATION OF TAXES.

Offerings of two new issues of Treasury certificates of indebtedness, in anticipation of taxes, were announced by Secretary of the Treasury Glass on June 25. Both series are dated July 1 1919 and will bear 4½% interest; the certificates of Series T6 will be payable Sept. 15 1919, while Series T 7 will be payable Dec. 15 1919. The certificates will be issued in denominations of \$500, \$1,000, \$5,000, \$10,000 and \$100,000. Secretary of the Treasury Glass in his announcement says:

Treasury certificates of indebtedness of any and all series maturing on or before Sept. 9 1919 and not overdue (with any unmatured interest coupons attached), will be accepted at par with an adjustment of accrued interest in payment for any certificates of the series T6 and T 7 now offered which shall be subscribed for and allotted.

The Federal Reserve Bank of New York issued the following statement on June 25 regarding the offerings:

A new issue of United States Treasury "tax" certificates of indebtedness has been announced by the Treasury Department. The certificates are to be dated and will bear interest from July 1 1919 at the rate of 4½% per annum and will be offered in two series: the certificates of Series T 6 being payable on Sept. 15 1919, and the certificates of Series T 7 on Dec. 15 1919. The certificates of these series will be accepted at par with an adjustment of accrued interest in payment of income and profits taxes payable at the maturity of the certificates, respectively.

The following Treasury certificates will be accepted at par with an adjustment of accrued interest in payment for any certificates of the Series T 6 and T 7 now offered which shall be subscribed for and allotted.

Series—	Date of Issue.	Date of Maturity.
Tax Series of 1919 (4%)	Aug. 20 1918	July 15 1919
Bond Series 5 E	Jan. 30 1919	July 1 1919
Bond Series 5 F	Feb. 13 1919	July 15 1919
Bond Series 5 G	Feb. 27 1919	July 29 1919
Bond Series 5 H	Mar. 13 1919	Aug. 12 1919
Bond Series 5 J	April 10 1919	Sept. 9 1919

Applications are now being received by the Federal Reserve Bank of New York as fiscal agent of the United States. The right is reserved to close the subscriptions at any time without notice. Payment at par and accrued interest for certificates allotted must be made on or before July 1 1919 or on later allotment.

SUBSCRIPTIONS OF RAILROAD EMPLOYEES TO VICTORY LIBERTY LOAN.

The Association of Railway Financial Officers has issued a circular in which is presented a table showing the subscriptions by railroad employees throughout the country to the Victory Liberty Loan. The record of 118 roads is given, showing the grand total of employees 1,533,533, the number subscribing 1,162,800, or 75.8%, the total amount subscribed being \$114,039,000, or \$98 50 average per employee.

CALIFORNIA BANKERS' ASSOCIATION ENDORSES THRIFT CAMPAIGN.

That the bankers of California are in hearty accord with the National Thrift Campaign, which is being conducted by the Savings Division of the Treasury Department, was indicated by the action of the California Bankers' Association in adopting at the annual convention in Catalina Island on June 6 a resolution urging that the National Thrift Campaign be made a permanent part of public procedure. The resolution reads as follows:

Be it recommended by the California Bankers' Association that it fully endorse and urge that, as essential to character formation, to the welfare of the national program of thrift instruction, the organization of savings societies and the sale of thrift stamps and savings stamps become a permanent part of public procedure.

SUBSCRIPTIONS BY VARIOUS CLASSES OF INSTITUTIONS TO TREASURY CERTIFICATES IN ANTICIPATION OF VICTORY LIBERTY LOAN.

Details of the subscriptions, by classes, of subscribers, to the ten issues of Treasury certificates of indebtedness issued in anticipation of the Victory Liberty Loan, are made public in the "Federal Reserve Bulletin" for June, as follows:

Federal Reserve District—	National Banks.			State Banks.			Trust Companies.		
	Number Subscribing.	Per cent of Total in District.	Amount.	Number Subscribing.	Per cent of Total in District.	Amount.	Number Subscribing.	Per cent of Total of District.	Amount.
Boston	275	95.66	\$295,396,000	225	98.23	---	216	82.12	\$166,231,000
New York	616	98.88	1,278,026,000	133	78.70	\$207,767,500	192	97.46	716,833,500
Philadelphia	598	94.62	272,140,000	834	100.00	20,616,000	200	86.58	115,377,500
Cleveland	738	98.93	312,923,000	416	33.22	72,758,500	218	94.37	159,160,500
Richmond	396	75.86	121,440,500	514	30.32	43,788,000	5	44.15	30,049,000
Atlanta	203	70.70	98,292,500	3,109	90.32	495,842,000	187	50.00	805,000
Chicago	1,016	97.13	428,287,000	1,598	73.33	80,586,000	---	---	---
St. Louis	438	93.19	111,985,500	2,188	75.34	85,316,500	---	85.77	41,309,500
Minneapolis	793	99.87	125,856,500	1,974	63.24	44,753,500	52	61.90	15,345,000
Kansas City	329	85.06	72,135,500	342	31.79	12,651,000	---	---	---
Dallas	367	87.79	239,742,000	803	69.48	99,798,000	74	67.88	49,518,500
San Francisco	531	94.48	---	---	---	---	---	---	---
Total	6,951	89.60	3,483,500,000	12,203	67.16	1,193,543,500	1,231	79.94	1,294,629,500

Federal Reserve District—	Other Banks.			Total Banks.			Individuals, Corporations, &c.		Total Amount Subscribed and Allotted.
	Number Subscribing.	Per cent of Total in District.	Amount.	Number Subscribing.	Per cent of Total in District.	Amount.	Number Subscribing.	Amount.	
Boston	108	26.08	\$14,061,000	699	65.38	\$475,688,000	10	\$104,500	\$475,792,500
New York	137	76.97	38,231,000	1,167	95.34	2,249,858,000	125	14,287,000	2,255,145,000
Philadelphia	24	100.00	12,155,000	955	90.53	419,688,500	38	646,000	420,334,500
Cleveland	204	100.00	9,752,000	1,994	98.96	554,594,000	49	187,500	554,781,500
Richmond	15	65.21	11,455,000	914	45.83	187,314,000	38	183,000	187,497,000
Atlanta	---	---	---	782	37.65	142,882,500	20	429,000	143,311,500
Chicago	716	71.95	26,011,500	4,841	88.29	959,140,500	58	3,275,000	963,415,500
St. Louis	180	80.00	5,222,500	2,403	77.71	245,103,500	16	184,500	245,288,000
Minneapolis	---	---	---	2,081	80.31	211,178,000	375	4,827,500	218,880,500
Kansas City	---	---	---	2,846	68.28	188,650,000	24	809,000	187,745,000
Dallas	28	17.38	1,726,500	747	39.25	86,501,000	591	15,045,000	101,546,000
San Francisco	---	---	---	1,468	76.74	389,058,500	74	1,416,500	390,475,000
Total	1,412	63.49	118,614,500	21,797	73.41	\$6,089,937,500	1,418	\$41,374,500	\$6,134,192,000

* Includes \$2,880,000 purchased by the Federal Reserve Bank of Minneapolis.
 Note.—Figures for State banks, trust companies, and other banks are only approximately correct, since in some States no distinction is made between the several classes of banks operating under State laws.

PRESIDENT'S PROCLAMATION PUTTING DEALERS IN WHEAT FLOUR UNDER LICENSE OF WHEAT DIRECTOR.

The issuance by President Wilson of a proclamation effective July 15 putting under license distributors, manufacturers, &c., of wheat flour was announced by U. S. Wheat Director Julius Barnes on June 24. Bakers and manufacturers of bakery products, retailers, and farmers or co-operative associations of farmers and common carriers are excepted from the licensing requirements. The proclamation, according to Mr. Barnes, applies as follows:

All persons, firms, corporations and associations engaged in carrying on the business of storing or distributing wheat or manufacturing, storing or distributing wheat flour, and all persons, firms, corporations and associations who manufacture, either wholly or partly from wheat flour, bread or other bakery products for sale, *excepting, however:*

- (a) Bakers and manufacturers of bakery products, whose consumption of flour in the manufacture of such products is, in the aggregate, less than fifty barrels per month.
- (b) Retailers, and farmers or co-operative associations of farmers or other persons with respect to the products of any farm or other land owned, leased or cultivated by them; and
- (c) Common carriers, as to operations necessary to the business of common carriers,

"are hereby required to secure, on or before July 15 1919, a license from Julius H. Barnes, United States Wheat Director, in such form, under such conditions, and under such rules and regulations governing the conduct of the business as such Director may from time to time prescribe."

Mr. Barnes also says:
 Blank forms to be used in applying for such licenses may be secured from the following Zone Agents of the Grain Corporation throughout the country: George S. Jackson of Baltimore, Howard B. Jackson of Chicago, E. F. Newing of Galveston, F. L. Carey of Minneapolis, D. P. Plazzek of Kansas City, Mo., C. B. Fox of New Orleans, Charles T. Neal of Omaha, H. D. Irwin of Philadelphia, M. H. Houser of Portland, Ore.; B. H. Lang of St. Louis, W. A. Starr of San Francisco, Charles Kennedy of Buffalo, N. Y., and P. H. Ginder of Duluth.

After the applications have been filled out they must be sent to the Wheat Director, Division of Licenses, Washington, D. C.
 The proclamation states that "any person, firm, corporation or association, other than those hereinbefore excepted, who shall engage in or carry on any business above specified after July 15 1919, without first securing such license, or shall carry on any such business while such license is suspended or after such license is revoked, will be liable to the penalties prescribed by law."

PRESIDENT'S PROCLAMATION GOVERNING IMPORTS AND EXPORTS OF WHEAT AND WHEAT FLOUR.

A proclamation covering the importation and exportation of wheat and wheat flour, issued by President Wilson, lodges with U. S. Wheat Director Julius Barnes the powers and authority heretofore vested in the War Trade Board with respect to such imports or exports as well as regulations governing the same. Announcement of the issuance of the proclamation which becomes effective July 1 was made by Mr. Barnes on June 25 who gives its text as follows:

Whereas, Congress has enacted and the President has on the fourth day of March 1919, approved "An Act to enable the President to carry out the price guaranties made to producers of wheat of the crops of 1918 and 1919, and to protect the United States against undue enhancement of its liabilities thereunder," which Act contains the following provisions:

That whenever the President shall find it essential in carrying out the guaranties aforesaid, or to protect the United States against undue enhancement of its liabilities thereunder, and shall make proclamation thereof, it shall be unlawful to import into the United States from any country

named in such proclamation, or to export from or ship from or take out of the United States to any country named in such proclamation, wheat, semolina or wheat flour, except at such time or times, and under such regulations or orders, and subject to such limitations and exceptions as the President shall prescribe, until otherwise ordered by the President or by Congress; provided, that no preference shall be given to the ports of one State over those of another.

Now, therefore, I, Woodrow Wilson, President of the United States of America, by virtue of the powers conferred upon me by the aforesaid Act of Congress, as well as by virtue of the powers conferred upon me by any and all other acts of Congress conferring authority upon me in the premises, hereby find and proclaim to all whom it may concern, that it is essential in carrying out the guaranties aforesaid and to protect the United States against undue enhancement of its liabilities thereunder, that wheat and wheat flour, on and after July 1 1919, shall not be imported into the United States from, and shall not be exported from or shipped from or taken out of the United States to Abyssinia, Afganistan, Albania, Argentina, Austria, Belgium—her colonies, possessions and protectorates, Bolivia, Brazil, Bulgaria, China, Chile, Colombia, Costa Rica, Cuba, Czech-Slovakia, Denmark—her colonies, possessions and protectorates, the Dominican Republic, Ecuador, Egypt, Finland, France—her colonies, possessions and protectorates, Germany, Great Britain—her colonies, possessions and protectorates, Greece, Guatemala; Haiti, Hedjaz, Honduras, Hungary, Italy—her colonies, possessions and protectorates, Japan—her colonies, possessions and protectorates, Liechtenstein, Liberia, Luxembourg, Mexico, Monaco, Montenegro, Morocco, Nepal, the Netherlands—her colonies, possessions and protectorates, Nicaragua, Norway, Oman, Panama, Paraguay, Persia, Peru, Poland, Portugal—her colonies, possessions and protectorates, Roumania, Russia, Salvador, San Marino, Serbs, Croats and Slovenes, Siam, Spain—her colonies, possessions and protectorates, Sweden, Switzerland, Turkey, Uruguay, Venezuela or any other foreign country, except at such time or times and under such regulations or orders, and subject to such limitations and exceptions as shall be prescribed, until otherwise ordered by the President or by Congress.

The regulations, orders, limitations and exceptions will be prescribed and administered by and under the authority of Julius Barnes, United States Wheat Director, from whom such licenses in conformity with said regulations, orders, limitations and exceptions will issue.

The powers and authority heretofore vested in the War Trade Board by any proclamation or executive order heretofore issued by me in respect to the prohibition or regulation or imports of wheat or wheat flour, is hereby transferred to and vested in the United States Wheat Director as of July first, 1919.

In making public the proclamation, it was stated at the offices of the Wheat Director at 42 Broadway that Mr. Barnes would establish regulations there from time to time. The present regulations covering the exportation of wheat and wheat flour he announced as follows:

(1) Wheat.—Licenses for the export of wheat will be issued to the United States Grain Corporation or its nominee.

(2) Wheat Flour.—Licenses will be issued for the export of wheat flour to all destinations in the Western Hemisphere; the East Coast of Asia, British, French and Portuguese, West Africa; Liberia and the Belgian Congo. For the exportation of wheat flour to other destinations licenses will be issued only to the United States Grain Corporation or its nominee.

The United States Wheat Director announced the regulations covering the importation of wheat and wheat flour to be:

(1) Wheat.—Licenses for the importation of wheat will be issued only to the United States Grain Corporation or its nominee.

(2) Wheat Flour.—Licenses for the importation of wheat flour will be issued only to the United States Grain Corporation or its nominee.

Applications for licenses to export wheat flour to the Western Hemisphere, the East Coast of Asia, and the West Coast of Africa and applications for licenses to import wheat or wheat flour should be filed with the United States Wheat Director, 62 Broadway, New York.

Exporters and importers are advised that the foregoing rules do not constitute any material modification of the regulations heretofore existing as established by the War Trade Board.

The New York "Tribune" of June 26 in referring to the above proclamation stated that the Government, through the Wheat Director will exercise strict supervision over the importing and exporting of wheat and wheat flour to pro

fect the Government from losses incurred through its guarantee of \$2.26 a bushel to producers. It also said:

George A. Zabriskie, former Flour Administrator of the United States and one of the largest flour dealers in the city, in discussing the issuance of licenses to flour dealers and millers, declared that speculation will be eliminated. The price of wheat flour, he said, will reflect the Government's guarantee of \$2.26 and not be maintained on a higher basis by artificial means.

The licensing amounts practically to war-time control, he said. As soon as conditions permit a lower price will prevail. All licensed dealers will be refunded money when the wheat market price goes below \$2.26, the price guaranteed the producers by the Government. On the other hand, he said, when the prices climb over \$2.26 dealers will feel obliged to reimburse the Government for the difference. The plan is, he said, to maintain the price as near \$2.26 as possible.

PRESIDENTIAL PROCLAMATION RELEASING RICE FROM GOVERNMENT CONTROL.

The Food Administration announced on June 23 that President Wilson had signed a proclamation, effective June 21, releasing from Government control all persons, firms, corporations or associations engaged in the business of importing, manufacturing, storing or distributing rice or rice flour.

SURVEY OF EUROPE'S FOOD REQUIREMENTS REPORTED BY HERBERT HOOVER.—END OF WORLD FOOD CONTROL.

An estimate of "the total prospective European yield of wheat and rye, outside Russia as of May 1, after deducting seed, at 1,550,000,000 bushels. . . indicates a crop of about 77% of pre-war normal," says a statement issued on June 3 by Herbert Hoover, U. S. Food Administrator, at Paris, and head of the Allied Relief Organization. "The somewhat diminished population and the diminished buying power," it is pointed out, "mitigate against full normal consumption, but the least possible consumption," it adds, "with the maintenance of public health, we estimate at 2,250,000,000 bushels, or an import on a minimum basis of about 700,000,000 bushels." Mr. Hoover's statement, as given in cablegrams from Paris to the daily press, June 3, said:

Through our organization and in co-operation with the various Governments we have completed a preliminary survey of the food prospects of Europe and the import necessities, outside Russia, for the harvest year beginning Aug. 1 and the world's supplies available to meet these needs. We estimate the total prospective European yield of wheat and rye, outside Russia, as of May 1, after deducting seed, at 1,550,000,000 bushels. This indicates a crop of about 77% of pre-war normal. The pre-war consumption, outside of seed, was about 2,500,000,000 bushels, indicating a net import of about 950,000,000 bushels if consumption were normal next year. The somewhat diminished populations and the diminished buying power mitigate against full normal consumption, but the least possible consumption with the maintenance of public health, we estimate at 2,250,000,000 bushels, or an import on a minimum basis of about 700,000,000 bushels.

The consumption will necessarily be to a great degree a factor of the financial recuperation and ability to pay for imports, and is also influenced by the tendency to eat more bread and less of the more expensive meats and fats. Restriction of consumption will require continuation of the rigid control of distribution. People everywhere are sick of rations, and every State will make a supreme effort to get away from under this blight. Some countries, therefore, will get away from the minimum, so that an import demand of 850,000,000 bushels is possible.

The present stocks and crop conditions in the larger exporting countries would indicate that there should be in the coming harvest year an export surplus of wheat and rye of from 870,000,000 to 900,000,000 bushels, but of this other countries than Europe require about 100,000,000 bushels, leaving a supply of from 770,000,000 to 970,000,000 bushels available for Europe.

The consumption in the United States has increased to an extraordinary degree in the year. From the 1918 crop of wheat and rye we will export about 270,000,000 bushels, and, as the 1919 crop promises to be at least 200,000,000 bushels larger than 1918, it seems that we can export at the present rate of consumption about 470,000,000 bushels. The minimum export surplus from Canada, Argentina, Australia, and minor countries may be estimated at 400,000,000 bushels, while Russia and India may be considered out of the export list next year.

In further advices received through the Associated Press, it is announced that Mr. Hoover in his statement of the 3rd inst. reports that "with peace, all European States can manage their own transportation and distribution, and therefore continuance of the world's food control, as it exists to-day, is unnecessary." We quote in part from the Associated Press accounts as follows:

All the important Governments of the world, with the exception of Argentina, having guaranteed prices of wheat to farmers, and all the European Governments having subsidized the bread supply, it is considered probable here that commerce in wheat will remain in Government hands next year and that there will be little private trading. The American members of the Supreme Economic Council, however, believe there is no necessity of continuing centralized control of the distribution in Europe.

The question of food control after peace has been signed has been discussed by the Economic Council, Herbert C. Hoover and the other American members opposing control and taking the view that as there will be no food shortage after the next harvest, food control, as it now exists, is unnecessary. Mr. Hoover contends that normal trading should be re-established throughout the world, as no guarantees exist for other commodities, and that if attempts are made to control prices in other commodities production will be stifled and a shortage created.

No law now is in existence authorizing the participation of the United States in food control activities after the signing of the peace treaty, and

American food experts believe it desirable that the financing of food transactions should be handled by bankers and that dealings should be permitted through regular channels.

There is a sufficient surplus of food indicated from the coming harvest to supply Europe and meet the needs of the world unless some unexpected catastrophe happens to the world's harvest, according to a statement issued by Mr. Hoover. The bread budget balances, but the surplus of the American crop of wheat and rye this year will be needed.

After estimating the European consumption of wheat and rye at 2,250,000,000 bushels, of which between 700,000,000 and 850,000,000 bushels will have to be imported, the statement continues:

"The available breadstuffs to Europe from the producing countries will probably lie between 770,000,000 and 850,000,000 bushels. It would appear, therefore, that the world's bread budget will balance next year, but within narrow margins. In any event, the present indications are that the American bumper wheat and rye crops will be needed. The principal importing European Governments have all guaranteed their farmers prices at higher levels than the American guarantee, and all are involved in bread subsidies. There will not be much likelihood of much private trade in wheat next year outside of Government buying.

"The European production of sugar will be apparently about 65% of the pre-war normal, and before the war imports averaged 2,250,000 tons per annum. The buying power of the people so greatly affects the consumption of this commodity that no estimate of the probable import demands can be forecast. The crops of potatoes, peas, beans, cabbage, and other vegetables promise to be about pre-war normal.

"While theoretically, the cattle of Europe could be restored in two years and the swine in one year, if no animals were killed, such a course would entail no local meat supplies, and the natural course will be a slow recovery over many years.

"At the present moment, while the number of cattle shows a decrease of 20%, the dairy and beef production is probably not more than 50% because of the bad condition of the animals. If the supply of foodstuffs during the next ten years permits the normal feeding of even the reduced herds, the meat and fat conditions of to-day will be immensely ameliorated. The value of demand for animal product imports not only depends upon the supply of feed, but also on buying power, the recuperation of the herds, and the substitution of tropical vegetables and fats.

"As to the feed crops in Europe for animals, it is too early to forecast crop prospects. To all appearances, about 75% of the usual yield will result. The pre-war animal food imports into Europe, outside of Russia, of coarse grains and seed cakes, were more than 20,000,000 tons, and during the war these imports have fallen to as low as a rate of 6,000,000 tons per annum. With the diminution in herds, the feed imports should not return to the pre-war normal.

"The problem of securing to Europe the necessary imports next year is a problem of peace and finance. Without both it is hopeless, and without peace there could be no finance. If they get peace, a moderate helping hand in raw materials, machinery, and in some instances, currency reorganization and temporary food credits, the countries of Europe will soon revive their export industries and make themselves self-supporting.

"In addition to this, we have had also to carry the large burden of feeding the Allies on credit. Few people realize that during the year ending next July we will have supplied Europe with \$2,750,000,000 worth of food and that the whole of this has been supplied by our national Government, except perhaps \$400,000,000.

"With peace, all European States can manage their own transportation and distribution and therefore continuance of the world's food control as it exists to-day is unnecessary. In fact, each of the new Governments has, under our encouragement, not only established its own food administration, but they are also establishing buying commissions abroad in preparation for handling their own buying and transport problems the moment peace is signed."

FOODSTUFFS SHIPPED BY AMERICAN RELIEF ADMINISTRATION TO EUROPE—HOW DISTRIBUTED.

Statistics covering the relief measures put into effect by the American Relief Administration combating famine in various nations of Europe outside of the Allied countries during the month of April, are contained in a statement from Herbert Hoover, made public at the New York offices of the Relief Administration, 42 Broadway, on June 25. This statement says:

Supplies representing the cargoes of about 120 steamers were distributed as follows:

	Metric Tons.
Finland.....	27,250
Poland.....	27,983
Estonia.....	4,400
Lithuania.....	2,315
Latvia.....	2,162
Belgium.....	128,993
Northern France.....	3,462
Czecho-Slovakia.....	64,087
Greater Serbia.....	15,840
Rumania.....	26,407
Armenia and Turkey.....	3,953

Total.....316,698

Total value of the goods delivered approximated \$80,000,000, the greater portion of which, outside of Germany, was furnished on the basis of deferred payment. All of the Allied countries furnished the finance in varying proportion, the major portion falling on the United States.

Approximately 100,000 tons of foodstuffs of European origin were transported into areas of short supplies through the American Relief Administration agencies, in addition to the supplies mentioned above.

CORN SPECULATION CAUSES REVOKING OF LICENSES.

Announcement that speculation in corn had resulted in the revoking of the licenses of an Illinois trader was made as follows on June 21 by the U. S. Food Administration Grain Corporation:

The Food Administration announced to-day that the licenses of C. H. Wayne of Reynold, Illinois, had been revoked until further notice, effective at noon, Saturday, June 21st, for violating Section 4 of the Food Control Act. This section makes it unlawful, among other things, to hoard grain or other commodities specified, and also to monopolize, or attempt to

monopolize, either locally or generally, grain and other specified commodities.

These licenses were revoked after a hearing in Washington on June 12th, at which it appears that Mr. Wayne took delivery under contracts for May corn aggregating 345,000 bushels at a time when that amount of corn represented approximately half the corn available in public warehouses in Chicago. Mr. Wayne also purchased over 400,000 bushels of July corn, a small part of which he has since sold. He admitted at the hearing that he was holding his cash and July corn, not for any industrial purposes but for speculative resale.

Efforts by the Chicago Board of Trade and by his broker to induce Mr. Wayne to dispose of his holdings at reasonable prices, and thus to relieve the corn shortage, were without results.

The effect of the revocation makes it unlawful for Mr. Wayne to engage in new business of licensed commodities after the revocation. He can, however, subject to the approval of Howard B. Jackson, Agent of the United States Food Administration at Chicago, sell both his cash and his July corn, and it is expected that he will proceed to make such disposition immediately for the relief of the corn market.

RESTRICTIONS AFFECTING IMPORTS OF HOPS INTO GREAT BRITAIN.

Under date of June 20 the War Trade Board said:

The War Trade Board announce, for the information of exporters in the United States, that they have been advised that licenses for the importation of hops into Great Britain will be issued subject to the following:

(1) Parcels of hops grown in and exported from any part of the British Empire and being the produce of the 1916 or later crop will be licensed freely on application.

(2) Hops of 1916 or later will generally be licensed freely from Belgium or France.

(3) Hops from any other foreign country will be licensed immediately to extent of one-half of the amounts provisionally allotted by Hop Controller to be purchased in country specified by him. The issue of licenses for any additional quantities of foreign hops will depend upon the supply of suitable hops otherwise available in reasonable time, and importers will be required to show that their requirements cannot be met by the importation of hops from the British Empire before such additional quantities will be licensed.

In making this announcement the War Trade Board wishes to call attention to the fact that they are not in a position to speak authoritatively on foreign import restrictions, but are merely transmitting the above information for the convenience of those on the War Trade Board's mailing list. Inquiries with regard to foreign import regulations should be addressed to the Bureau of Foreign and Domestic Commerce, Department of Commerce, Washington, D. C., as that Bureau endeavors to keep informed on the import regulations of foreign Governments.

REGULATIONS GOVERNING THE EXPORTATION OF PHARMACEUTICAL PRODUCTS TO GERMANY.

The following ruling (789) was made known by the War Trade Board on June 20:

The War Trade Board announces that applications for licenses to export pharmaceutical products and medical accessories to Germany will now be considered, provided the particular commodities to be shipped cannot be procured in Germany. In submitting applications to the War Trade Board, Washington, D. C., covering these shipments, exporters should present such evidence as they may have that the pharmaceutical products or medical accessories which it is desired to export are not procurable in Germany.

REGULATIONS GOVERNING THE IMPORTATION OF COTTON INTO GREECE.

The War Trade Board announced on June 24 for the information of exporters that they have been advised that the Greek Government has prohibited, effective May 26 1919, the importation into Greece of:

Seed or ginned cotton.

Cotton yarns, soft or tight rolled up to size No. 24.

Colored and English cotton prints, drills and "aladza" (gingham) of Class 1 59 B of Greek Customs Regulations.

The Board also says:

Special import licenses may be issued at the discretion of the Minister of National Economy for goods purchased and shipped prior to May 3 1919.

In making this announcement the War Trade Board wishes to call attention to the fact that they are not in a position to speak authoritatively on foreign import restrictions, but are merely transmitting the above information for the convenience of those on the War Trade Board's mailing list. Inquiries with reference to foreign import regulations should be addressed to the Bureau of Foreign and Domestic Commerce, Department of Commerce, Washington, D. C., as that Bureau endeavors to keep informed with respect to the import regulations of foreign governments.

GUARANTEED PRICE OF WHEAT AT GALVESTON AND NEW ORLEANS INCREASED TO \$2 30 PER BUSHEL.

Under an Executive Order signed by President Wilson on June 25 the guaranteed price of wheat at Galveston and New Orleans fixed by him on Sept. 2 last at \$2 28 per bushel has been increased to \$2 30 per bushel. According to U. S. Wheat Director Julius Barnes the Executive Order reads as follows:

By virtue of authority vested in me by the Acts of Congress approved respectively Aug. 10 1917 and March 4 1919, I hereby direct, in order to more properly regulate the flow of wheat of the crop of 1919 to the terminal markets of Galveston and New Orleans, that the guaranteed price of \$2 28 per bushel at Galveston and New Orleans, fixed by me in the Presidential Proclamation, dated Sept. 2 1918, be increased as of and from July 1 1919, at each of said terminal markets to \$2 30 per bushel and that the Food Administration Grain Corporation under the direction of the United States Wheat Director be authorized to purchase wheat at said terminal markets at such increased price and under such rules and regulations as may be prescribed.

The statement issued at Mr. Barnes's office June 26 said:

In explanation of this action United States Wheat Director stated that the larger available supply of ocean tonnage and the prospective larger demand for grain movement made it both advisable and desirable that the Gulf ports should ship larger quantities of foodstuffs than was possible under the conditions a year ago. It is hoped by this moderate advance in the price of wheat at the Gulf to attract there at these prices enough wheat to supply the tonnage that can be loaded there.

Last year considerable wheat which had been accumulated at buying points, St. Louis and Kansas City, was afterwards shipped through the Gulf, making an extra burden on the railroad facilities and it is hoped that this price readjustment will naturally prevent this, also that with this moderate advance and with the installation of a rate of 56c to the Gulf from the principal wheat-raising sections of the Inter-Mountain territory, the Grain Corporation will discontinue its absorption basis on Inter-Mountain wheat which was put in last year to give a minimum of \$2. This advance and the new rail rates work out almost equal to those from the principal sections. Last year millers in that section complained of discrimination because absorption was not made on their products as it was on wheat and the situation this year will re-instate their natural competition.

No other changes in the guaranteed price at the various markets covered by the Guarantee Proclamation of Sept. 2 1918, are contemplated and the price at Pacific Coast ports guaranteed at \$2 20 in that Proclamation will continue to be made effective on that basis.

FLAXSEED AT RECORD PRICE.

Minneapolis advices in the "Wall Street Journal" of June 18 said:

July flaxseed sold at \$4 92, and cash flaxseed at \$4 94, the highest prices ever recorded here. Indications are that the price will cross the \$5 line. It is said here that no such price has been reached since the Crimean War. The best opinion here is that the total Northwest acreage is 10% greater than last year and the conditions are generally favorable, although it is too early yet to tell much about it.

In later advices from Duluth, appearing in its issue of June 26 the same paper stated that flaxseed had soared to the highest prices on record in that market on the 26th. \$5 being quoted in spot and July future. It was added:

Bulge was due to heavy demand from crushers to cover export linseed oil contracts. Experts on this market now estimate that the acreage seeded to flaxseed over the Northwest is 5% larger than last year but it is feared that falling off will be shown in production for the season owing to extremely dry weather over Montana and parts of western North Dakota. Much of the seed is reported to have failed to germinate over wide areas of territory. Supplies in elevators here are small.

Minneapolis—Vandusen Harrington report says: "The general condition of flax in Minnesota, South Dakota and eastern North Dakota is very satisfactory. Plenty of moisture combined with warm weather has brought the plant along in wonderful shape. Many of our reports advise that the crop has never looked better in these districts. In western North Dakota it is very spotted, in some places it is fair while in others the late flax has not germinated. In this district the crop is now dependent upon the moisture. Montana, except in a few restricted districts, will have a very light crop of flax."

STEEL RAIL BIDS FROM UNITED STATES LOWER THAN THE BRITISH.

A copyright cable dispatch to the New York "World" from Glasgow under date of June 26 reports that the Committee on Tramways has recommended that the city corporation accept the tender of an American firm for 5,000 tons of steel rails. The American quotation was £17 9s. per ton, while the lowest British offer was £19 1s. 3d. per ton.

SHIPMENTS OF COAL MAY NOW BE MADE FROM ATLANTIC SEABOARD.

The War Trade Board announced on June 27 that shipments of coal may now be made from all ports on the Atlantic seaboard, and that the Collectors of Customs have been notified to disregard the provision contained in export licenses already issued to the effect that shipment must be made from Philadelphia or ports south thereof.

WAR LABOR BOARD WINDING UP.

Announcement of the termination on June 25 of the activities of the National War Labor Board preparatory to its final dissolution by the President was made on that date by the Board. No new cases will be heard, it is stated, nor new applications received, but present controversies, jointly submitted, which cannot be concluded prior to June 30, will be assigned to the joint Chairmen or a section of the Board for disposition. In announcing conclusion of its activities, the Board said it had recommended that, with the approval of the President, all administrative duties in connection with unfinished cases, and all records and files of the Board be transferred to the Department of Labor. Members of the Board, pending final dissolution, will be at the call of the President. The conclusion of the Board's activities marks the passing of one of the Governmental agencies created during the war to further production of war materials. The Board was organized under a Presidential proclamation with former President William H. Taft and Frank P. Walsh of Kansas City as joint Chairmen and with five members representing labor, five employers' representatives and two members acting for the public.

Mr. Walsh resigned in November of last year and was succeeded by Basil M. Manly of Washington. It is stated that during the year which ended May 31 the Board received 1,245 cases, made awards in 462 cases, dismissed 391 for various causes, referred 315 to specified agencies and suspended one case. Fifty-three cases remained on the docket, because the Board could not agree, and 23 cases were pending.

JUDGE GARY ON DUTY OF ALL TO BRING ABOUT STABLE CONDITIONS.

In declaring it to be "the solemn duty of every individual, every aggregation of individuals, to assist in bringing about stable conditions which are healthful—morally, socially and economically," Judge Elbert H. Gary, Chairman of the Board of the United States Steel Corporation added on the 23rd inst. that "if this shall be the effort of all it need not be feared that there will be experienced the overthrow of civilization, the disregard of freedom and liberty or the protection of life and property, which occasionally an ill-advised or evil intentioned speaker or writer proclaims is now threatening the world." This statement was made by Judge Gary in a commencement day address at Trinity College, Hartford. Judge Gary's remarks dealt with the labor question, and in part he said:

It is not yet fully realized what has happened to the world during the last five years; and in a much less degree can it be conceived what will occur during the next like period.

We know that in nearly every part of the globe the people are passing through a transitional stage which is uncertain and which presents new and difficult problems of great consequence. It is a time of suspense and apprehension.

It is probable the feeling of unrest and dissatisfaction, which has been extensively advertised, has been greatly exaggerated, especially as to the numbers affected; nevertheless in other countries to a large extent, and in this country to a less degree, there exists a belief that radical changes in Governmental control and administration are necessary. Agitation and propaganda, which are vicious and participated in by those who are totally unworthy, have had some influence even upon well-disposed persons. This is largely because of the abnormal conditions of mind, created by the military cataclysm through which we have been passing during the last four years or more.

In the discussions of the time, public and private, are contained what is generally designated the labor questions. While some of them are more or less delicate and are difficult in treatment because of misconception of the facts and circumstances in particular instances, still I think there should be frank and full reference to and analysis of the underlying principles which pertain to this subject. The comments which will be made represent views which are entirely personal.

Fortunately, the large majority of wage earners cannot be influenced by considerations that are base or unreasonable. This is especially true in the United States.

It may be useful to bear in mind that in trying to arrive at a wise and just conclusion concerning the rights of the workmen the interests of four general groups must be considered, viz: Labor, capital or employer, the consumer, and that part of the general public not included in the divisions specially mentioned. None of these should be overlooked, each must be fully protected within reason and justice.

Assuming that the pecuniary conditions of the capitalist and laborer are established on a basis of justice as between themselves, the next consideration is the relationship between these two combined and the consumer. If the latter could be left out of consideration then there need be no difficulty or difference between employer and employe concerning compensation or other advantages, for whatever was added to the profit of either could be charged to the consumer by increasing the selling prices of the output. I am not discussing relative prices or amounts; that must always be based, more or less, upon existing conditions, such as those relating to supply and demand, as well as the risks involved, the nature of the employment, the results achieved, *et cetera*.

The three groups are intimately connected. Whenever labor receives increases in wages, or other pecuniary advantages, the amount must be charged to and paid by the consumer, provided capital is not receiving more than it is entitled to receive. Consequently the question of selling prices or wages in many cases practically relates only to the laborer and the consumer. In estimating the cost of production from the raw to the finished material it should be borne in mind that 85 or 90% of the total is confined to the sum paid for labor. If capital or labor is receiving a larger return than it ought to have the excess is provided by the consumer in paying improper prices. There should always be maintained a fair and reasonable equilibrium, taking into account all the circumstances.

And in discussing the rights of the consumer it must not be overlooked that the capitalists and the laborers are consumers as well as the general public; and therefore that when the capitalist, the laborer or the general public is seeking any advance in rates or returns which adds to the cost of production or delivery of commodities the one who urges the increase may be proposing to add to selling prices and to the prevailing cost of living. A man may be demanding a supposed benefit to himself when in fact net result will be a personal disadvantage.

Also, when we consider that the three groups named are closely connected we cannot overlook the most important fact that the effort of anyone to advance wages or prices with resulting costs of production, may be simply to step in adding to the cost of living and consequently a higher standard of general prices with a relatively lower value of the standard dollar.

If we would have a stable, reasonable standard of values, we must, so far as proper and practicable, arrive at and maintain a correct relation between the different groups already particularly referred to. The Government could perhaps endeavor to determine and regulate the respective interests and rights of each, but coupled with the thought there are immediately conceived complicated and doubtful questions which would make the suggestion appear impracticable. When proposals of this character have been made there have appeared objections by both employers and employes. This is not the time or place for debate upon that subject.

In considering the relationship between employers and employes the welfare of the latter is of the highest importance, not alone because it is right, though that is reason enough, but also because it is for the benefit of the employers themselves. These groups are associated for mutual profit.

They succeed or fail together. Each has obligations and responsibilities. They are not and should not be considered partners in the sense of being entitled to the control of the business in question or to participate in the return on the capital invested, except to the extent of contribution by each to such capital, for otherwise one would share in benefits without sharing in the hazard of investment. Prospective profits furnish the incentive to embark in enterprise and to risk capital. To the extent this is removed or hampered to a corresponding degree will capital be withheld or diverted and economic activity diminished.

But there are many things the employe is justly entitled to. There is due him fair and reasonable compensation, depending upon all the circumstances surrounding the employment. The times, places, services, and results of operation are important to be considered. Necessarily and properly the question of supply and demand is, and always will be a factor in determining prices of labor, as it is in dealing with commodities. This is elementary and healthy; but there are other things of equal importance. When there is a well grounded doubt in regard to wage rates it should be resolved in favor of the employe.

The workmen ought in some form to be offered opportunity to invest on favorable terms in the business inaugurated by the employer. This encourages thoughtful attention and endeavor to economize and save. It makes the wage earner an actual partner in the business of the concern with which he is associated; a real capitalist. Many of the wage earners have heretofore become property owners, owning the houses in which, with their families, they reside. Some are the holders of interest bearing securities. The number of this character of investors is increasing. They have as keen a desire to see the institutions of this country protected as those who have greater riches, and they may be relied upon to lend their influence and their votes in favor of the protection of property and person. Opportunity must be given to the workmen to increase their pecuniary holdings so far as practicable. To this end I believe the employers will do their part.

Every employe should have the chance to progress from one position to another depending upon his merits. The average workman does not wish to remain in the lower grades of employment or to bring to this level others filling better positions. He desires full and fair opportunity to occupy higher and still higher places, based on efficiency and faithfulness. This he is entitled to and it must be accorded him.

The labor question at present is engrossing the attention of students and will continue to do so with predominant importance after the conferences at Paris are concluded. The workmen have been credited with worthy achievement or charged with lawless and destructive tendencies, perhaps in both respects in unjustified measure. The final attitude of the large majority, certainly in the United States, will be right. Their own welfare will be thus promoted.

But public sentiment, based on facts, developed particularly by the learned, thoughtful, fair minded, and conscientious men and women who are neither capitalists nor laborers in the sense intended by what has been said, will have, in the future, more influence upon the situation than ever before; and the attitude of the employers towards employes, if it shall be such as I have indicated it out to be, will be a potent factor for good.

STRIKE OF UTAH MINERS FAILS.

The strike of the miners in the Park City mining district, thirty miles from Salt Lake City, Utah, that began May 6, has collapsed. The miners demanded a six-hour day, a minimum \$5 50 wage and two men to man each machine. Federal mediation failed to accomplish a settlement for the union was in the control of radicals, and it was reported that the Industrial Workers of the World were responsible for the strike in the beginning. After six weeks of idleness the men are returning to work under the same conditions and wages that existed prior to their walkout—an eight-hour basis at a daily wage of \$4 50.

There has been no other labor trouble in the Utah mining camps where a cut of 75 cents a day in wages was made some four months ago. Production and smelting at Butte, Mont., following the failure of the strike of the I. W. W. union after a reduction of \$1 a day has continued without further reduction. The strike at Jerome, Ariz., following a 75-cent cut, closed the smelter which still remains shut down, but the copper mines of the district continue to do considerable development work. Leadville, Colo., mines have not resumed the output that obtained prior to the compromise lowering miners' wages from \$4 50 to \$4. Cripple Creek, Colo., gold mines are badly in need of more efficient miners and this is handicapping both development and production. Prospecting and operations in the minor Rocky Mountain camps remain restricted because of the high cost of production. This has led to the partial closing of the Denver smelter. The high mining cost, the continued stagnation of the baser metals market and the enormous surplus of copper on hand should prevent labor troubles in Western metal mining for some time.

FRANK L. POLK NAMED AS UNDER-SECRETARY OF STATE.

Frank L. Polk, of New York, counsellor of the State Department, and at present Acting Secretary of State, was nominated on June 23 by President Wilson to be Under-Secretary of State, an office created under the 1920 Legislative, Executive and Judicial Appropriation Bill, passed at the last session of Congress. The nomination was confirmed by the Senate Foreign Relations Committee on June 25. The office of Counsellor of the State Department is abolished under the measure, which fixes the salary of the Under-Secretary at \$7,500. Three assistant secretaries are pro-

vided for. It is stated that the change in title was made because of confusion both in the United States and foreign countries regarding the position of Counsellor. The State Department's Counsellor is the Senior Assistant Secretary of State and becomes Acting Secretary in the absence of the Secretary of State.

**REMOVAL OF RESTRICTIONS ON TIN TRADING.
INTER-ALLIED TIN DISPOSED OF.**

In announcing in June 23 that all of the 10,169 tons of Inter-Allied Tin had been sold, George Armsby, Chief in Charge of Tin of the War Industries Board made known the removal of all restrictions on trading in tin between consumers, dealers, jobbers and smelters. Import restrictions on pig tin and metal alloys containing tin are removed as of Aug. 1 1919 when imported from countries of origin. The following is Mr. Armsby's announcement:

WAR INDUSTRIES BOARD,
Washington.

New York, N. Y., June 23, 1919.

To the Tin Trade:

Pig Tin—Allocations by Inter-Allied Tin Executive to United States for Distribution at Cost to American Consumers.

Referring to my circular letter of June 16th, please be advised that according to the reports made to American Iron and Steel Institute, all of the 10,169 tons of Inter-Allied Tin has been sold. A careful estimate of the supply of tin (including tin content of tin ores and tin concentrates) on hand in the United States in the hands of consumers, dealers, jobbers and smelters, is sufficient, at the normal rate of consumption, to provide for all consumptive requirements until the end of October.

In order that consumers whose stocks of tin are low may be provided with their necessary requirements, it has been decided by the War Industries Board and the War Trade Board that all restrictions on trading in tin between consumers, dealers, jobbers and smelters shall be, and the same are, immediately discontinued, all guarantees heretofore given under the tin regulations to the contrary notwithstanding. Licenses for the purchase of tin are no longer required.

Under War Trade Board Ruling No. 780, dated June 16 1919, the import restrictions have been removed as of Aug. 1 1919 on pig tin and metal alloys containing tin, when imported from countries of origin. Supervision over tin will continue to be exercised by the War Industries Board and the War Trade Board until all import restrictions are removed. In the meantime, all importations of pig tin, tin ore, tin concentrates and metal alloys containing tin will continue to be consigned to American Iron and Steel Institute, as provided in the tin regulations, and all import licenses issued by the War Trade Board will carry a clause to this effect.

Yours very truly,

GEORGE ARMSBY,
Chief in Charge of Tin.

At the same time John Hughes, Chairman of the Sub-Committee on Pig Tin of the American Iron & Steel Institute issued a statement in which he said that the latter would continue to function under the control of the War Industries Board and the War Trade Board until such time as all restrictions are removed. The following is Mr. Hughes' circular.

AMERICAN IRON AND STEEL INSTITUTE,
Sub-Committee on Pig Tin.

New York, N. Y., June 23, 1919.
Circular Letter No. 14.

To the Tin Trade:

Pig Tin—Allocations by Inter-Allied Tin Executive to United States for Distribution at Cost to American Consumers.

Mr. Armsby's circular letter of this date announces that all of the Inter-Allied Tin has been sold and that all restrictions regarding the resale of Tin in the United States between consumers, dealers, jobbers and smelters are removed.

The War Trade Board has also announced removal of import restrictions on Pig Tin from the country of origin in War Trade Board Ruling No. 780, dated June 16 1919.

The American Iron and Steel Institute will continue to function under the control of the War Industries Board and the War Trade Board to the extent that may be required by the Tin regulations until such time as all restrictions are removed. In the meantime, as all of the Inter-Allied Tin has been disposed of, consumers whose stocks of Tin are low may obtain further supplies by purchase either from smelters, dealers, jobbers or other consumers having Tin for sale. All consumers who have any spare stocks of Tin which they are willing to sell are requested to notify the Institute of the particulars of such stocks immediately. Any consumers needing further supplies of Tin may send their inquiries to the Institute and an effort will be made to satisfy their requirements.

Yours very truly,

JOHN HUGHES, Chairman
Sub-Committee on Pig Tin.

POSTAGE RATES EFFECTIVE JULY 1 ON PUBLICATIONS OF THE SECOND CLASS.

The following notice was given by Third Assistant Postmaster-General Dockery on June 12:

Office Third Ass't P.-M. Gen'l,
Washington, June 12 1919.

Particular attention is called to the rates of postage which, under the Act of Oct. 3 1917, embodied in Section 429, P. L. and R., as amended May 24 1918, will be chargeable on and after July 1 1919, and until July 1 1920, on publications entered as second-class matter when mailed by publishers or registered news agents, such rates being as follows:

On the portion of publications devoted to matter other than advertisements, 1½ cents a pound. If the space devoted to advertisements does not exceed 5% of the total space, the rate of 1½ cents a pound applies to the entire publication.

On the portion of publications devoted to advertisements:
First and second zones, 1½ cents per pound.

Third zone, 2 cents per pound.
Fourth zone, 3 cents per pound.
Fifth zone, 3½ cents per pound.
Sixth zone, 4 cents per pound.
Seventh zone, 5 cents per pound.
Eighth zone, 5½ cents per pound.

The one-cent rate prescribed in Paragraph 2, Section 429, P. L. and R., continues to apply where the total weight of any one edition or issue mailed to any one zone does not exceed one pound.

On publications maintained by and in the interest of religious, educational, scientific, philanthropic, agricultural, labor or fraternal organizations or associations, which have been specifically classified as coming within the provisions of Paragraph 4, Section 429, P. L. and R., 1¼ cents a pound for all zones on the entire publication.

There is no change in the free-in county mailing privilege, nor in the rates on copies mailed for delivery within the county of publication, the rates set forth in Section 433, P. L. and R., continuing in force.

Postmasters will advise publishers of the foregoing and be careful to see that proper postage is collected on second-class matter mailed at their office.

A. M. DOCKERY.

CABLE COMMUNICATIONS WITH GERMANY.

The War Trade Board announced on June 18 that it had been advised that all cable companies and censors have been instructed that cablegrams relating to the supply of foodstuffs to Germany under the terms of the Brussels Agreement, may now be accepted for all destinations in Germany when such messages are otherwise unobjectionable. With reference to the foregoing ruling, the Board directed the attention of exporters to its Ruling 707, issued April 23 1919.

CHARLESTON TO HAVE STEAMSHIP CONNECTION WITH SOUTH AMERICA.

The 9,000-ton deadweight steel ship Walden will sail from Charleston within the next two or three weeks for Argentina, putting into effect a monthly sailing of vessels between Charleston and Rio de la Plata and other South American ports. The ship is one of the six thus far allocated to the South Atlantic Maritime Corporation, formed to foster the foreign trade of the five South Atlantic ports, which include Charleston, Wilmington, Savannah, Brunswick and Jacksonville. Charleston has the honor of being the first of the South Atlantic ports to have the benefit of monthly sailings to South America.

Coal will probably constitute the first cargo from this port to Buenos Ayres and it is considered likely that coal will be the basic cargo of export in the Charleston-Argentine trade from the beginning, while in all probability hides and fertilizer materials will constitute the basic import commodities. General cargo will be available if desired. There is keen gratification in local shipping circles at the institution of direct trade between Charleston and Argentina and rapid development is expected.

Another local shipping development is the successful expansion of the Carolina Company to do general shipping business with a capital stock of \$500,000. The company has obtained from the United States Shipping Board the former Dutch steamer Leersum and probably another will begin operations immediately with sailings to Liverpool. It is stated that general cargo sufficient for the first voyage of both these vessels has been obtained.

NAVAL LICENSES FOR SMALL CRAFT IN NEW YORK WATERS NO LONGER REQUIRED.

It was announced on June 13 that naval licenses would no longer be required for the operation of small craft in the waters of the Sound and harbor.

SALE OF NINETEEN GOVERNMENT BUILT STEEL SHIPS FOR \$27,821,120.

In a statement issued by the U. S. Shipping Board on June 16 it was announced that 19 steel cargo ships, built by contract for the U. S. Government had been sold "within the past two days" to seven firms of ship operators. The vessels have a tonnage of 128,472 and the purchase price aggregated \$27,821,120. All the vessels were sold to American interests and will fly the American flag. The transaction according to the Shipping Board's statement constituted "the greatest sale of steel ships ever made in the history of the shipping industry." The New York "Journal of Commerce" on June 18 said it had learned on June 17 that twelve of the ships went to New York interests. Out of the 12, five were disposed of to the National Shipping Corporation; four to George W. Cole, agent for a new company, two to the French-American Line, one to the Omega Steamship Company. The statement as to the sale of the 19 ships made by the Shipping Board at Washington on June 16 reads:

Within the last two days the United States Shipping Board has effected the greatest sale of steel ships ever made in the history of the shipping industry. To seven firms of ship operators it has sold nineteen of its new steel vessels at prices ranging from \$210 a deadweight ton up to \$225 per deadweight ton. The vessels range from 5,530 tons to 9,600 tons. The amount of tonnage disposed of in this sale is 124,472. The purchase price aggregates \$27,821,120.

Thus the United States Government, which has taken rank as the leading shipbuilder of the world, is now the leading seller of ships. Moreover, it is selling them at prices which show the keen demand for steel tonnage.

A squadron of six ships went to one firm alone. Four were taken over by another operator. Four other companies bought two each. There was only one purchaser to take a single ship. No ship was sold to any foreign flag. All were purchased by American ship operators and will fly the American flag.

What is regarded as a significant feature of the sale is the fact that twelve of the vessels were of the fabricated type. This large proportion is taken to indicate that there exists a keen demand for ships of this type the kind that are being built at the Newark yards of the Submarine Boat Corporation and at Hog Island.

Further details regarding the sale were given in a special Washington dispatch to the New York "Sun" on June 16 as follows:

The vessels are for immediate delivery and can be loaded and placed in service, getting the advantage of the present high rates. All of them are to be 100% American ownership, and there is no restriction on them or their operation except the usual ones as to clearance. They cannot be transferred to any foreign flag. All the vessels were sold on a basis of 25% in cash, 7½% in six months, 7½% at the end of the next six months and 15% for each of the four succeeding years. The Government has a mortgage on them, and they must be insured to cover the Government equity. Purchasers have the option of taking insurance with the Shipping Board on the hulls up to the amount of the Government equity or from any private quarter. The mortgages bear interest at 5% a year.

The vessels sold for the most part are fabricated ships built at the Submarine Boat and the Hog Island plants. The larger ones were built by the Skinner & Eddy Company at Seattle. Several weeks ago the Skinner & Eddy Company offered to buy them from the Shipping Board at the cost price of \$199 a ton. They brought \$225 a ton from the New York ship operators.

Chairman Hurley of the Shipping Board who has advocated the sale of Government owned ships, speaking of the plans of the Government for disposing of its war built merchant marine, was quoted in a special Washington dispatch to the New York "Times" on June 16 as saying:

The United States Government is the only country in the world to-day where ships can be sold for spot delivery. The purchasers of these vessels will get immediate possession and will place them in trade routes without delay. The operators who have taken them over are men of vision and experience. They recognize the incalculable advantage of being first in the field and with the opportunity of establishing connections at a time when so many are anxious to connect with reliable shipping firms.

To-day we were in communication with one firm in regard to the sale of forty-two of our wooden ships of the Ferris type. We have already sold forty-two of our wooden ships.

Since we began selling ships a short time ago we have disposed of 332,045 deadweight tons (221,363 gross tons). The total amount of these sales now aggregates \$51,856,620.

Offices of the U. S. Shipping Board, from which the negotiation of Government ship sales will be carried on, were opened at the New York Custom House on June 23. Concerning the activities of the new office Mr. Hurley was quoted in the New York "Tribune," June 22, as having said: "We are establishing the sales department here because it is more convenient. This will be the only sales department, except perhaps, should need arise, in some foreign capital. Each sale will be announced here, giving the names of the purchaser."

John E. Barber, Vice-President of the Emergency Fleet Corporation, will be sales manager at the new office and E. W. Lyon of the Bankers' Trust Company of New York will head the credit department.

PAYMENT BY UNITED STATES TO NORWEGIANS FOR 27 REQUISITIONED SHIPS.

In reporting that the United States has agreed to pay Norwegian capitalists \$34,500,000 for 27 ships requisitioned by the U. S. Government after the declaration of war the "Journal of Commerce" of June 11 said in part:

A settlement involving \$34,500,000 has been effected between the group of Norwegian shipowners represented by Emil Stray, and the United States Shipping Board for 27 vessels, aggregating 182,575 deadweight tons, which were requisitioned by the Government after the declaration of war. The agreement was reached in Washington with Raymond B. Stevens, Vice-Chairman of the Shipping Board, representing the Government, and the settlement was in the nature of a compromise.

While the claims of this group of Norwegian capitalists have been adjusted, final action has not been had upon those claims of the other interests, known as the Hannevig group. It is understood that Christoffer Hannevig expects to have these adjudicated soon upon a basis similar to that of the recent compromise.

The United States settled upon a figure of approximately \$225 per deadweight ton plus 6% interest. While this is vastly more than the contract price paid by the Scandinavian capitalists, the statement was made by a representative of the Norwegian Shipping Commission that it represented a loss to the last owners of the contracts.

The payment of the claims will be made through the Norwegian Legation at Washington. The United States Government has on deposit with the Bank of Norway at Christiania 2,000,000 kroner and this sum will be turned over to the Stray group. The other settlements will be paid in a regular manner.

While the settlement has been ratified by the ship owners, the sum paid is considerably less than the amount claimed. The Commission asked that the Shipping Board pay \$51,138,245 for the twenty-seven ships. The con-

tract price for the fleet was \$21,589,600, showing how the value of tonnage appreciated during the period that the submarine menace was at its height. Figures presented by the Norwegians reveal that installments amounting to \$12,918,577 50 had been paid, while a balance of \$8,671,022 remained when the vessels were taken over by the Government.

It is understood that Mr. Hannevig expects a settlement in regard to the other contracts, which are similar in nature to those recently adjusted. The number is said to be 20, and it is reported that an award, based upon identical terms will mean the payment of about \$27,000,000.

The difficulty that has been experienced by the Government is that of considering the amounts paid by purchasers of the contracts, after they were originally placed. Whereas, the first owners admitted that they agreed to pay only \$21,589,600 for the completed ships, the present owners testified that they had turned over about \$30,000,000 to the interests selling the contracts.

The Norwegian corporations that will receive the money from the Government are located at Christiania, Hangesund, Bergen and Krageroe.

LEGISLATURES OF TWO MORE STATES RATIFY SUFFRAGE AMENDMENT.

The Legislatures of Pennsylvania and Massachusetts have ratified the national woman's suffrage amendment to the Constitution of the United States. The Senate in Pennsylvania ratified the amendment on June 19 by a vote of 31 to 6 and the House of Representatives voted 153 to 44 in favor of the amendment on June 24.

The Massachusetts Senate on June 19 voted 34 to 5 to ratify the national woman's suffrage amendment and the House passed the amendment on June 25 by a vote of 185 to 47.

The States which have now ratified the national woman's suffrage amendment are Wisconsin, Michigan, Illinois, New York, Ohio, Kansas, Pennsylvania and Massachusetts.

RAILROAD ADMINISTRATION TO MEET OBLIGATIONS OF \$100,000,000 NEXT WEEK.

Although the bill providing for an appropriation of \$750,000,000 for the Railroad Administration's Revolving Fund is still awaiting the signature of President Wilson, it was announced yesterday that the Administration would be able to meet obligations falling due July 1 without resorting to the issuance of additional certificates of indebtedness. The Administration, it is stated, will be called upon to pay out about \$100,000,000 next week. The bill appropriating \$750,000,000 to be added to the original \$500,000,000 Revolving Fund was passed by the House on June 10 and by the Senate on June 12. Reference to it was made in our issue of June 14, page 2393. On June 18 Director-General Hines was credited with stating that the failure of Congress to provide more than \$750,000,000 for the Railroad Administration's revolving fund would present new problems of financing the roads within a few months, but that future necessities would be left for solution when they arose. Certificates of indebtedness issued by the Administration to the War Finance Corporation and to banks during the last three months, owing to the failure of the appropriation bill in the last Congress, would be taken up, it was stated, with the proceeds of the new appropriation. Should the new appropriation not be made available before the end of the fiscal year, press dispatches from Washington stated that it was understood further issues of certificates would be made.

WALKER D. HINES ON PROPOSAL TO RESTORE RATE-FIXING POWER TO INTER-STATE COMMERCE COMMISSION.

At a hearing before the House Inter-State Commerce Committee on June 26 on the bill to restore the power to fix railroad rates to the Inter-State Commerce Commission instead of retaining it as at present with the President, Director-General Walker D. Hines was asked by Representative Sims whether the Railroad Administration at the present time contemplated further increases in rates. In reply, Mr. Hines said:

We are giving consideration to that problem. My own view is that we have two phases of the question to consider. Our present deficit is due to two things. First, to the falling off of business of the roads. Second, to the increase in wages and the cost of materials which are not met by the revenues arising from increases in rates. We are trying to segregate these questions, so as to determine how much of the deficit is due to falling off of business and how much to the failure to make a sufficient increase in rates.

In voicing his opposition to the Senate bill to deprive the President of power to fix railroad rates, Mr. Hines on the 26th said:

The relations between the Director-General and the Inter-State Commerce Commission have been most cordial and we have adopted the policy of consulting the Commission on all matters, therefore the plan of giving the Commission the power to suspend rates enacted by the President will not result in serious embarrassment.

But, as a matter of principle, it is wrong to have the President responsible for the operation of the railroads and at the same time give the Com-

mission the power to suspend rates before it has decided that they are unreasonable.

The question, put by Representative Sims, as to whether the public interest demands "that legislation of the character now before us be enacted, especially in view of the fact that Congress proposes to legislate with a view to forming a permanent railroad policy," brought from Mr. Hines the following reply:

The President has announced that the railroads will be returned to their owners at the end of this calendar year. During the short continuation of the period of Federal control it seems to me that the responsibility for operation and other matters should be concentrated in the President. The things which brought about the demand for this legislation resulted from annoyances due to the pressure of war necessity. If those interested in this legislation could remove from their minds the memory of those things, I believe there would be no demand for this legislation. The public interest would be fully protected without enactment of this legislation.

As the bill stands it would upset the whole scheme of rate initiation and put on the Government the liability of paying the debts of the railroads. This plan of suspension would create this situation: the Commission would have the power to suspend rates initiated by the President, but would be under no obligation to substitute other rates. There would be a division of responsibility, which would be unfortunate.

On the 25th Mr. Hines, in declaring to the committee his opposition to the bill which would dislodge the rate-making power from the President, stated, according to the New York "Commercial," that the Railroad Administration did not oppose the granting of authority to the Inter-State Commerce Commission to review rates fixed by the President; nor would it, he said, embarrass the Railroad Administration should Congress give to the Commission its old right of suspending proposed rate advances. The power of initiating rates, he said, subject to review by the Inter-State Commerce Commission, should be reposed in the President until after control of the carriers ceases, without interference from State commissions. The following regarding Mr. Hines's statements to the committee on the 25th is taken from the New York "Times" of the 26th:

Mr. Hines asked that nothing be included in the proposed bill to interfere with the power of the President to issue orders. He said on this point:

"My suggestion is that if there is any fear of the power of the President, it can be removed by inserting an express provision that the President's orders must be consistent with the Federal Control Act. The President has the power only to make orders in line with the purposes of the Act. Beyond that point his orders are unlawful."

In reference to the section in the Senate Bill making the United States responsible for the payment of judgments which originated before the period of Federal control, Mr. Hines said: "Any such debt is the debt of the railroad and not the debt of the Government, and to make the Government liable for such payment is unjust to the Government and to the people, and is not necessary for the protection of the reasonable interests of judgment creditors."

This statement was in opposition to the argument made in behalf of the section by A. P. Thom, counsel for the Association of Railway Executives. Mr. Hines continued:

"It is an incorrect theory, moreover, to say that the judgment creditors are without recourse, except to the Government. Nearly every railroad owes the Government more money than the Government owes the railroads, and the judgment creditors can collect from the railroads. Every railroad company has general funds and other assets not controlled by the Government."

Before the Philadelphia Chamber of Commerce on June 20 Mr. Hines, in a general discussion of the railroad situation, referred to the deficit incurred in the operation of the railroads under Government control, and noted that a 52% or 53% increase in wages, and 35 to 40% increase in materials, has been offset only by the increase of 25% in rates. While stating that it was reasonably clear that "a 25% increase in rates will not take care of perhaps an average of 47 to 48% increase in expenses," Mr. Hines said it was his desire, so far as higher rates were concerned, "to be cautious about this matter and to avoid any premature action."

The following, with regard to his remarks, is taken from the Philadelphia "Press":

Turning from the Government ownership to the question of the future, the Director-General asserted emphatically that "private management of railroads disappeared years ago and there is never a chance of its returning."

"There has not been any complete private management for years," he added, saying that the voice of labor had controlled the wages, and public regulations, while exerted, contained certain fundamental evils. The whole question of management in pre-war days was put together in a haphazard manner, he added.

PLANS FOR FINANCING RAILROAD EQUIPMENT THROUGH TRUST CERTIFICATES.

The committee of bankers named at a recent conference of members of the Association of Railway Executives and other interests to investigate and report on the form of equipment trust certificates which would prove most acceptable in the market, submitted its plan on the 24th to T. De Witt Cuyler, Chairman of the Association. A discussion of the plan was had by the Car Allocation Committee of the Association yesterday (June 27), but it was the previously announced intention not to give publicity to the plan until after its presentation to the Railroad Administration. The bankers' committee which drafted the plan is under the chairmanship

of Jerome J. Hanauer of Kuhn, Loeb & Co. The financing of approximately \$400,000,000 of railroad equipment is involved in the plan, regarding which the New York "Times" on June 25 said in part:

While the details will be withheld until after the Railroad Administration has had an opportunity to digest it, it is understood that the plan calls broadly for an issuance of some \$280,000,000 railway trust certificates and their offering in the open market, the proceeds of the sale to go to the Railroad Administration to reimburse it in part for the approximately \$400,000,000 it has already advanced to the equipment manufacturers. It is also understood that the balance of the amount due will be obtained out of the excess earnings of the equipment, which will be allotted and leased to the railroads which will eventually become the owners of the rolling stock.

It has been reported that the Banking Committee which drew up the plan is convinced that the equipment trust certificates issued must be offered for public subscription at attractive prices or they will not prove a successful undertaking. Another feature of the plan is reported to be the absence of a proposal for Government ownership of the equipment, except in the case of absolute refusal of individual lines to accept the allotments made to them. This, it is estimated, would place a burden not too great upon the shoulders of the Railroad Administration, which would probably have to write off such equipment as one of the costs of the war.

Incidentally, this is one of the points upon which it is considered as doubtful if representatives of the Administration will agree with the special committee of executives.

The Bankers' Committee which drew up the plan consists of Mr. Hanauer, Charles E. Mitchell, President of the National City Company; Harold Stanley, Vice-President of the Guaranty Trust Co.; Arthur M. Anderson of J. P. Morgan & Co.; F. W. Allen of Lee, Higginson & Co., and E. B. Swezey of the First National Bank.

Previous reference to the matter was made in our issue of May 31, page 2204.

ACTION OF NATIONAL CONFERENCE OF STATE MANUFACTURERS ON REGULATION OF RAILROADS AND LONG AND SHORT HAUL CLAUSE.

At the national conference of State Manufacturer Associations held in this city yesterday (June 27) at the Hotel Astor, the question of the return and regulation of the railroads was among other matters discussed in detail. It was the general sentiment of the conference that the time had arrived when the manufacturing and business interests generally should make known to Congress their views on the railroad problem. The conference was addressed by Edgar J. Rich of Boston, S. Davis Warfield of Baltimore, and R. C. Fulbright of Houston, Texas.

Resolutions were unanimously adopted in which the conference expressed itself as "unalterably opposed to Government ownership and to Government operation longer than necessary for the Congress to enact adequate legislation for the return and regulation of the carriers of the country." In part the resolutions said:

We feel that certain fundamental principles should be recognized by Congress in constructive legislation which will provide insurance for better financing of railway improvements and extension and stabilize railroad credit. As manufacturers we realize the necessity of providing adequate transportation facilities to serve the commerce in every section of the country. We can recognize the fact that neither the shippers nor the public expect adequate railway service unless Congress provides the means for the financial requirements of the carriers. We therefore are in favor of specific directions to the Inter-State Commerce Commission which will provide that rates shall be so adjusted as to yield a given return to the carriers and applied in its computation to such measure as Congress may provide, recognizing the fact that rates cannot be made in this country to enable the great bulk of railroads to earn such reasonable return without enabling the more favorably situated roads to earn more than the shippers and the public will permit. We are in favor of such disposition of excess earnings over such reasonable and fair return as Congress may determine, and in such way as will give a complete and adequate transportation system as a whole to the country.

We are in favor of the creation of Regional Commerce Commissions, the work of which shall be co-ordinated with the Inter-State Commerce Commission and the State Commissions under such procedure as the Inter-State Commerce Commission may provide.

We are opposed to the creation of departments or boards of transportation, believing that the Inter-State Commerce Commission can deal with the problems of the railroads providing the Congress, by Act, is specific in its direction for the regulation of the carriers.

CAMPAIGN OF CITIZENS' RAILROADS LEAGUE TO CONSOLIDATE PUBLIC INTEREST IN SOLUTION OF RAILROAD PROBLEM.

Plans for an educational campaign which will reach into every State in the Union, and which will be conducted with a view to consolidating public interest in the solution of the present problem of the railroads, is being perfected by the Citizens' National Railroads League, the President of which is Nathan L. Amster of Boston, Chairman of the Executive Committee of the Chicago Rock Island & Pacific RR. The League has addressed an open letter to the members of Congress urging the greatest care in the enactment of railroad legislation prior to the return of the roads to private operation. In its educational campaign the League will seek, among other things, "to correct certain grave misunderstandings as to the real needs of the railroads and as to what should and should not be done regarding the future status of the carriers." A statement issued by it also says:

The League is non-partisan. It will seek to promote the support, endorsement and enactment of legislation which will provide transportation service for the greatest good of the greatest number.

The League believes that this problem is one of such magnitude and is so far-reaching in effect upon the economic life of the nation, that it must be dealt with not as a problem affecting primarily any special interest, but from the standpoint of what is best and fairest to every single interest in any way concerned, whether directly or indirectly.

Briefly summarized, the main objects of the League are:

1. To unite the various elements in our national life in favor of a people's plan for legislation.
2. To collect and disseminate information regarding the present phases of the railroad problem and to warn the public and Congress against recognition of the propaganda now being circulated by certain well-financed interests in an attempt to take the attention of Congress and the public away from the flagrant evils, which must be remedied and centering attention upon certain needs of reform of our methods of rate-making and Federal regulation.
3. To bring about an immediate valuation of the properties now in public service in the carrying of inter-State commerce, and to fix upon the capital actually invested in the railroads, so that an honest and equitable basis of rate-making as well as of fixing reasonable return on investment may be ascertained or established.
4. To launch a program comprehending national conventions, conferences, open forum discussions, and other means of ascertaining public sentiment and putting into concrete form, a definite plan, embodying the principle of unification of the railroads into one or a limited number of corporations under Federal charter, managed and operated regionally by representatives of security owners, employees, farmers, shippers and the traveling public.

VIRGINIA AND SOUTH CAROLINA BANKERS' ASSOCIATIONS ENDORSE WARFIELD PLAN FOR RETURN AND REGULATION OF RAILROADS.

The Virginia Bankers' Association in convention at Old Point Comfort, Va., on June 21, unanimously endorsed the plan of the National Association of Owners of Railroad Securities—known as the "Warfield Plan"—for the return and regulation of the railroads; the resolutions adopted said in part:

1. We are unalterably opposed to Government ownership and to Federal control and operation longer than the time necessary for Congress to enact adequate legislation for the return of the railroads to their owners which shall provide for their successful continued administration by private operation.
2. This convention declares against methods proposed for the return of the railroads which involve the formation of new railroad companies, with years of valuation and legal complications, and which would result in such concentration of facilities as would be destructive of incentive and individual initiative.
3. We are opposed to the return of the railroads without adequate legislation, as this would be detrimental to the business and financial interests of the country and to the general public.
4. We are in favor of preserving the present operating structures of the railroads, through which the development of the country has been secured and favor legislation by Congress under the plan of the National Association of Owners of Railroad Securities (Warfield Plan), and which, with the provisions to make it effective, is based on a fixed percentage return, through rates to the railroads computed on railroad investment combined in each of the three classification territories of the country as laid out by the Inter-State Commerce Commission.

Resolved, That a copy of these resolutions be sent to our Senators and Representatives in Congress.

Similar resolutions were adopted by the South Carolina Bankers' Association at its convention at Tybee Island, Ga., on June 23.

JOSEPH K. CHOATE'S REQUEST FOR TRACTION INQUIRY DENIED BY PUBLIC SERVICE COMMISSION.

A request made by Joseph K. Choate that a commission of citizens be appointed to make a study of the traction situation and to report recommendations for remedial measures has been denied by the Public Service Commission for the Second District of New York. Mr. Choate, who is Chairman of the Committee on Ways and Means to Obtain Additional Revenue of the New York State Electric Railways, addressed C. B. Hill, Chairman of the Public Service Commission of the Second District early in June, and Lewis F. Nixon, Chairman of the First District, enclosing copies of correspondence between himself and Gov. Smith bearing on an investigation of the street railway situation, and urged that both commissions in furtherance of the Governor's suggestion, arrange for an inquiry of the traction situation in the two districts.

On June 5 correspondence which has passed between Mr. Choate and Gov. Smith was made public, a letter to the latter by Mr. Choate on May 6 saying in part:

Even a casual review of the existing state of affairs will indicate to you that unless some means are taken to remedy conditions disaster will undoubtedly follow. Many of the companies are already bankrupt—more are on the verge of bankruptcy—and none of them are in a financial position to provide the service which the welfare of the cities and the rural districts of the State require. Owing to defects in the law which it has so far been impossible to correct, the jurisdiction of the commissions is not wide enough to permit these commissions to take such measures as will restore to their former state of efficiency the traction systems of the State.

And, while the commissions are without such power, the communities themselves are also, to a very large degree, helpless in the matter.

The need of prompt and constructive action in this emergency must be apparent to Your Excellency as it is to those who are directly concerned with the operation of the street railway systems of the State. The situation is one that so intimately affects the financial, economic, industrial and social affairs of the people of New York that constructive action of some

sort is essential. It is a problem that concerns the people of the State to an even greater extent than it does the owners of the properties and in view of this condition, it is respectfully suggested that Your Excellency appoint a Commission of Citizens, who have the trust and confidence of the people, to make a study of the traction situation and to report to you their recommendations for remedial measures.

Governor Smith's secretary, George Van Namee, in reply said:

The Governor feels that the State now has two Public Service Commissions whose duty it is to investigate and to propose remedial measures connected with the subject matter in which you are interested. These commissions have at their command a highly paid force of experts, engineers and statisticians, and the upkeep of the commission each year costs the State thousands of dollars.

It would seem that these commissions should be able to present suggestions covering the matter of remedial legislation in the traction industry of the State, and the Governor suggests that you present your claims to them and ask them to give them consideration.

In answer to Mr. Choate's letter Mr. Hill, Chairman of the Public Service Commission of the Second District, on June 6 said:

I beg to acknowledge your letter of June 3, enclosing your correspondence with Governor Smith with relation to your request that the Governor appoint a committee of citizens to investigate the situation in this State as it now exists with regard to condition of the traction industry and to recommend such immediate remedial legislation for presentation to the next Legislature as the committee might deem proper.

I observe that Governor Smith, very naturally, suggested that inasmuch as the State now has two Public Service Commissions whose duty it is to investigate and to propose remedial measures connected with the subject matter, it would seem that these commissions should be able to present suggestions on the subject, and that you present your claims to them and ask that they give the same consideration.

I am greatly surprised, however, that you entirely ignore the fact that this commission anticipated both your suggestion and that of the Governor in the most comprehensive, explicit and public way, without urging by the electric railway interests, in its official report to the last Legislature.

As pointed out, this commission has anticipated your suggestion by one full legislative year. If a further hearing would produce additional facts on which to base suggestions for any different or further remedial legislation the Commission will, as suggested in the Governor's letter, conduct such a hearing on the petition of any interested party.

Further representations on the part of Mr. Choate to Mr. Hill brought from the latter under date of June 13 a letter to Mr. Choate saying:

Answering yours of June 10, I beg to advise you that the Commission has considered your communication, but in view of the situation as set forth in your letter of June 6 we do not feel that it is the duty of the Commission to institute such an investigation as you suggest.

ACCEPTANCE OF REVISED TREATY BY GERMANY FOLLOWING REJECTION BY ALLIED POWERS OF PLEA FOR FURTHER LENIENCY.

Acceptance by the German Government of the conditions imposed under the revised peace treaty, as presented to the German Peace Delegation on June 16 at Versailles by the General Secretary of the Peace Conference, was made known on June 23, in a note received and made public on that day by Premier Clemenceau, President of the Peace Conference. The advices were received through Dr. Haniel von Haimhausen, temporary chairman of the German Peace Delegation at Versailles, who acted at the direction of the new German Foreign Minister, Dr. Hermann Mueller. It was with a further declaration against "the unheard of injustice of the peace conditions" that the terms were accepted, the note of acceptance reading as follows:

The Minister of Foreign Affairs has instructed me to communicate to your Excellency the following:

It appears to the Government of the German Republic, in consternation at the last communication of the Allied and Associated Governments, that these Governments have decided to wrest from Germany by force acceptance of the peace conditions, even those, which, without presenting any material significance, aim at divesting the German people of their honor.

No act of violence can touch the honor of the German people. The German people, after frightful suffering in these last years, have no means of defending themselves by external action.

Yielding to superior force, and without renouncing in the meantime its own view of the unheard of injustice of the peace conditions, the Government of the German Republic declares that it is ready to accept and sign the peace conditions imposed.

Please accept, Mr. President, assurances of my high consideration,
(Signed) VON HANIEL.

Previous to the announcement of acceptance, on June 23, the German National Assembly at Weimar on June 22 by a vote of 237 to 138 authorized the acceptance of the terms and the signing of the treaty. This action was taken after the German Foreign Minister had, through the temporary chairman of the German Peace delegation, failed in his efforts to have the Allied and Associated Powers further modify the terms, and had likewise failed to secure another 48 hours beyond the time (expiring June 23) given Germany in which to reply to the peace conditions of the Allied Powers. Following the submission of last week's reply (June 16) of the Allied and Associated Powers to Germany's counter proposals to the original peace terms of the Allies, the Council of Five of the Peace Conference received four notes from the German Government, understood to have been prepared by the German Peace Delegation at Versailles in advance of advices from Weimar. In

seeking a further forty eight hour delay Haniel von Haimhausen, in a note just prior to his acceptance of the terms, referred to the difficulties incident to the resignation of the Scheidemann Cabinet on the 20th, and the formation of the new Cabinet the succeeding day. In his representations on this point, the letter (transmitted to Premier Clemenceau on June 23), said:

To His Excellency, the President of the Peace Conference, M. Clemenceau:

Mr. President: The Minister for Foreign Affairs instructs me to beg the Allied and Associated Governments to prolong for forty-eight hours the time limit for answering your Excellency's note, communicated yesterday evening, and likewise the time limit for answering the note of June 16 1919.

It was only on Saturday, after great difficulties, that a new Cabinet was formed, which, unlike its predecessor, could come to an agreement to declare its willingness to sign the treaty as regards nearly all its provisions. The National Assembly has expressed its confidence in this Cabinet by a large majority of votes. The answer only arrived here just before midnight, as the direct wire from Versailles to Weimar was out of order. The Government must come into contact anew with the National Assembly, in order to take the grievous decision which is still required of it in such a manner as it can only be taken in accordance with democratic principles and with the internal situation in Germany.

Accept, Mr. President, the assurance of my distinguished consideration,
VON HAIMHAUSEN.

The reply of the Allies to this denying the request, follows:

Mr. President—The Allied and Associated Governments beg to acknowledge the receipt of your communication of June 23. After full consideration of your request they regret that it is not possible to extend the time already granted to your Excellency to make known your decision relative to the signature of the treaty without any reservation.

CLEMENCEAU.

On June 22 the Council of Five of the Peace Conference had received from Dr. Haimhausen a note stating that the German Government was ready to sign the peace treaty, "without, however, recognizing thereby that the German people was the author of the war and without undertaking any responsibility for delivering persons in accordance with Articles 227 to 230." In the same note it made the request that "within two years, counting from the day when the treaty is signed, the Allied and Associated Governments will submit the present treaty to the High Council of Powers, as constituted by the League of Nations, according to Article 4, for the purpose of subsequent examination." To this communication, the Allied and Associated Powers, on the same day, replied that the note "presents no new arguments or considerations not already examined, and that they therefore, feel constrained to say that the time for discussion is past."

The German note of June 21 (transmitted on the 22nd), in which it was stated the German Government would sign the treaty with reservations received by Premier Clemenceau through the same channels, read as follows:

The Imperial Minister of Foreign Affairs has instructed me to communicate the following to Your Excellency:

The Government of the German Republic has from the moment when the peace conditions of the Allied and Associated Governments were made known to it let no doubt exist as to the fact that the Government, in harmony with the whole German people, must regard these conditions as being in sharp contradiction to the principle which was accepted by the Allied and Associated Powers on the one hand, and Germany on the other, as being binding in accordance with the laws of nations for the peace before the conclusion of the armistice.

Relying upon this principle of justice, which was agreed upon between the parties to the negotiations, and assisted by a clear exposition of conditions in Germany, the Government has left no stone unturned in order to arrive at a direct verbal exchange of opinions and thus obtain some mitigation of the unbearably harsh conditions, which might render it possible for the Government of the German Republic to sign the treaty of peace without reservations and to guarantee its execution.

These endeavors of the Government of the German Republic, which were undertaken in the interest of the peace of the world and the reconciliation of peoples, have failed owing to rigorous insistence on the conditions of peace.

Far-reaching counter-proposals of the German delegation have only in certain points received any acceptance. The concessions made only reduced the severity of the conditions in a small degree.

The Allied and Associated Governments have, in an ultimatum which expires on June 23, confronted the Government of the German Republic with the decision either to sign the treaty of peace presented by them or to refuse to sign. In the latter case, a completely defenseless people have been threatened with the forcible imposition of the conditions of peace already presented and with the increase of heavy burdens.

The German people do not wish for the resumption of the bloody war; they honestly wish for a lasting peace. In view of the attitude of the Allied and Associated Governments, the German people have no other force in their hands save to appeal to the eternally inalienable right to an independent life, which belongs to the German people, as to all peoples.

The Government of the German Republic can lend no support to this sacred right of the German people by the application of force. The Government can only hope for support through the conscience of mankind. No people, including those of the Allied and Associated Powers, could expect the German people to agree with thorough conviction to an instrument of peace whereby living members of the very body of the German people are to be cut off without consultation of the populations concerned, whereby the dignity of the German State is to be permanently impaired, and whereby unendurable economic and financial burdens are to be laid upon the German people.

The German Government has received passionate expressions of opinion from the population in the districts to be cut off in the East, to the effect that they will oppose themselves to the separation of these districts, which have for the greater part been German for many centuries, by all means they possess. The German Government, therefore, finds itself compelled to decline all responsibility for any difficulty which may result from the resistance of the inhabitants against their separation from Germany.

If the Government of the German Republic is, nevertheless, ready to sign the conditions of the Allies with the above mentioned reservation, yet this is not done of its free will. The Government of the German Republic solemnly declares that its attitude is to be understood in the sense that it yields to force, being resolved to spare the German people, whose sufferings are unspeakable, a new war, the shattering of its national unity by further occupation of German territories, terrible famine for women and children, and mercilessly prolonged retention of the prisoners of war.

The German people expect, in view of the grievous burdens which they are to take upon themselves, that all German military and civil prisoners, beginning July 1, and thereafter in uninterrupted succession and within a short period, shall be restored. Germany gave back her enemies' prisoners of war within two months.

The Government of the German Republic engages to fulfill the conditions of peace imposed upon Germany. It desires, however, in this solemn moment to express itself with unreserved clearness in order to meet in advance any accusation of untruthfulness that may now or later be made against Germany.

The conditions imposed exceed the measure of that which Germany can in fact perform. The Government of the German Republic therefore feels bound to announce that it makes all reservations and declines all responsibility as regards the consequences which may be threatened against Germany when, which is bound to happen, the impossibility of carrying out the conditions comes to life, even though Germany's capacity to fulfill them is stretched to the utmost.

Germany further lays the greatest emphasis on the declaration that she cannot accept Article 230 of the treaty of peace, which requires Germany to admit herself to be the sole and only author of the war, and she does not cover this article by her signature. It consequently follows without further argument that Germany must also decline to recognize that the burden should be placed upon her on the score of the responsibility of the war which has unjustly been laid at her door.

Likewise it is equally impossible for a German to reconcile it with his dignity and honor to accept and execute Articles 227 to 230, by which Germany is required to give up to the Allied and Associated Powers for trial individuals among the German people who are accused by the Allied and Associated Powers of a breach of international law and of committing acts contrary to the customs of war.

Further, the Government of the German Republic makes a distinct protest against the taking away of all the colonial possessions of Germany and the reasons given therefor, which permanently deny to Germany fitness for colonial activity, although the contrary is clearly established and irrefutable evidence to this effect is contained in the observations of the German peace delegation on the conditions of peace.

The Government of the German Republic assumes that it is in, accordance with the desires of the Allied and Associated Governments that it has spoken openly both as regards what concerns its good will and also as regards its reservations. Therefore, in view of the condition of restraint into which the German people are forced by the requirements of the Allies—a condition of constraint such as has never been inflicted on any people in a manner more crushing and more disastrous in its consequences—and relying on the express undertaking of the Allied and Associated Governments in their memorandum of June 16 1919, the German Government believes itself to be entitled to address the following modest request to the Allied and Associated Governments, in the expectation that the Allied and Associated Governments will consider the following declaration as an integral portion of the treaty:

Within two years, counting from the day when the treaty is signed, the Allied and Associated Governments will submit the present treaty to the High Council of the Powers, as constituted by the League of Nations, according to Article 4, for the purpose of subsequent examination. Before this High Council the German plenipotentiaries are to enjoy the same rights and privileges as the representatives of the other contracting Powers of the present treaty. This council shall decide in regard to those conditions of the present treaty which impair the rights to self-determination of the German people and also in regard to the stipulation whereby the free economic development of Germany on a footing of equal rights is impeded.

The Government of the German Republic accordingly gives the declaration of its consent, as required by the note of June 16 1919, in the following form:

The Government of the German Republic is ready to sign the treaty of peace, without, however, recognizing thereby that the German people was the author of the war and without undertaking any responsibility for delivering persons in accordance with Articles 227 to 230 of the treaty of peace.

Weimar, June 21, 1919.

BAUER, President of the Imperial Ministry.

In transmitting this to M. Clemenceau under date of Versailles, June 22, the temporary head of the German delegation added:

Accept, Mr. President, the expression of my consideration,

VON HANIEL.

The Allied and Associated Powers on June 22 made the following reply to the above:

The Allied and Associated Powers have considered the note of the German delegation of even date, and, in view of the shortness of time remaining, feel it their duty to reply at once. Of the time within which the German Government must make its final decision as to the signature of the treaty less than twenty-four hours remains. The Allied and Associated Governments have given fullest consideration to all representations hitherto made by the German Government with regard to the treaty, and have replied with complete frankness. They have made such concessions as they thought it was just to make.

The present note of the German delegation presents no arguments or considerations not already examined. The Allied and Associated Governments, therefore, feel constrained to say that the time for discussion is past.

They can accept or acknowledge no qualification or reservation and must require of the German representatives an unequivocal decision as to their purposes to sign and accept as a whole, or not to sign and accept, the treaty as finally formulated.

After the signature the Allied and Associated Powers must hold Germany responsible for the execution of every stipulation of the treaty.

On June 22, three notes, exchanges between the Allies and Associated Powers and Germany, were made public at Paris. The notes, one from the German Government dated June 19 and two from the Allies, dated June 21 were relative to clarifying some changes made in the revised treaty, making them correspond with statements in the Allied reply of June 16 to the German counter-proposals of May 29, and also relative to the confirmation of certain

concessions in the Allied reply of June 16, by their incorporation in a protocol annexed to the Peace Treaty.

The German note dated June 19, complaining of differences in the printed text of the treaty delivered on June 16 from that delivered May 7, and asking that certain concessions in the Allied note of June 16 be written into a protocol (to which demand in part the Allied and Associated Powers subsequently agreed) was signed by Count von Broekdorff-Rantzau, President of the German Peace Delegation, and was submitted through Dr. Haniel von Haimhausen. It reads:

The examination of the four documents submitted on June 1 to the Commissary General of the delegation brings out the fact that a certain number of concessions are announced in the letter and in the memorandum, which are not found in the text, as changed by hand. Among the most important of these contradictions the German delegation has selected the following:

(1) It is stated on Page 7 of the memorandum that as Germany is admitted to the League of Nations she shall enjoy the benefits resulting from the stipulations relative to the freedom of commerce and transit. On the other hand, it is stated on Page 42 of the memorandum that for the minimum period of five years unilateral conditions in the matter of commercial relations would be imposed on Germany.

(2) It is stated on Page 11 of the memorandum that France will assume the public debt of Alsace-Lorraine.

(3) It is stated on Page 14 that for the plebiscite in Upper Silesia there shall be created a Commission Independent, (French in the text,) while according to the new draft of the conditions this commission is to be appointed solely by the Allied and Associated Governments.

(4) It is stated on Page 16, on the subject of the territory of Memel, that the cession of this territory will take place under the form of a transfer to the Allied and Associated Powers because the status of the Lithuanian territories is not yet established. According to this provision Lithuania should be considered as the State to be the definite acquirer.

(5) According to Page 17 of the memorandum, the commission created for Heligoland by the Allied and Associated Governments is to decide what installations are to be maintained for the protection of the land.

(6) On Page 21 of the memorandum it is promised that the German railways and mines of Shantung shall not be considered as property of the German State if the Germans can prove that they are private property.

(7) On Page 31 of the memorandum it is stated that the Allied and Associated Governments are ready to submit, within one month after the treaty goes into force, a definitive list of the Germans to be surrendered to the enemy.

(8) On Page 33 it is stipulated that the Reparations Commission cannot exact the surrender of secrets of manufacture or other confidential information. It is, moreover, stipulated that it shall have no executive power on German territory and that it shall not interfere in the direction or supervision of German establishments.

(9) On Pages 34 and following, of the memorandum, a special procedure is provided to fix and cover the reparation exacted from Germany.

(10) On Page 36 of the memorandum Germany is promised facilities for the importation of food and raw materials.

(11) On Page 38 of the memorandum there are indicated, among the cases in which the granting of permission to export gold shall be considered, those in which the Reichsbank has furnished guarantees which it could not satisfy in any other way.

(12) On Page 53 of the memorandum the assurance is given that any liquidators appointed by the Allied and Associated Governments who shall be guilty of punishable acts shall be prosecuted in conformity with the Penal Code.

It is the duty of the German delegation to render an exact account to its Government and to the National Assembly, therefore it must know absolutely how far the enemy intends to give contract force to these concessions. It begs your excellency to confirm by writing the fact that the contents of the accompanying letter and the memorandum treating the above mentioned points constitute an integral part of the new peace propositions of the Allied and Associated Governments.

In this it would be sufficient to establish this fact in a final protocol to the text, on which the contracting parties could come to a previous agreement. A doubt has also arisen concerning a second point when the documents submitted were examined.

The printed copy of the peace project submitted to us is different not alone in the matter of manuscript corrections and additions from the printed copy that the Chairman of the German delegation received on May 7 from the Secretary General of the Peace Conference.

By reason of the amount of work imposed on the delegation by the shortness of the time allowed for the examination, it has not yet been possible to compare word for word with this printed copy of May 7 this other single copy, which a great number of persons have had constantly to use.

I am therefore obliged to reserve for the delegation the right to make later communications on this subject. For the moment I call your attention to the following divergencies:

1. On Page 103 of the copy last sent, paragraph 2 contains a third alinea (section which begins with these words: "Each Government.") This alinea is lacking in the copy sent before.

2. On Page 104 the English text of Paragraph 12 is different in the different copies. The paragraph of the first copies has only one alinea, while in the last copy it is divided into two alineas, the second of which begin with these words: "The commission shall in general."

Naturally the German delegation cannot consider as definite the changes in the text which are not made by hand, or which, on the other hand, have not the evident character of additions, unless the Allied and Associated Governments confirm the fact that these divergencies are due to a falsely printed copy, not that they are the results of deliberate intention.

In the latter case the delegation requests that all the divergencies having this character be announced to it before the expiration of the time limit granted to it to reach a decision. For reasons easily comprehensible, the delegation is obliged to attach the greatest importance to receiving an answer by return courier, if possible.

BROCKDORFF-RANTZAU.

In his reply to Dr. Haniel von Haimhausen, whose forwarding note was dated June 20, M. Clemenceau, addressing him as Temporary Chairman of the German Delegation at Versailles, said:

I have the honor of acknowledging receipt of your letter of June 20. In reply to this communication, the Allied and Associated Powers hasten to inform you that the 200 copies of the peace conditions sent to the German Delegation on June 19 are to be considered as the authentic text, containing all the corrections and modifications made in the printed text sent on May

7 1919; notably such changes and modifications as are the results of the various German observations.

In a second explanatory note to the German Peace Delegation on the same day, M. Clemenceau said:

In your letter of June 20 you called the attention of the Allied and Associated Governments to certain points, upon which, according to the German delegation, there is a divergence between the text of the treaty and the memorandum sent to you on June 16 1919, in reply to the German observations.

I have the honor to inform you that the views of the Allied and Associated Governments on these different points are as follows:

1. The statement made on Page 7 of the memorandum, on the one hand, and on Pages 42 and 43 of the memorandum on the other, far from being contradictory, are complementary.

The covenant of the League of Nations states that the members of the League will make the necessary provisions to insure the guarantee and the maintenance of the freedom of communication and transit, as well as just treatment of the commerce of all the members of the League. When Germany is admitted into the League she will share the advantages of these stipulations with the other countries. But during the transition period following peace it is necessary to take into account the special conditions stated on Page 42 of the memorandum.

According to this statement, the obligations imposed on Germany have the character of measures of reparation, and their maintenance for a period of five years, far from being incompatible with the principle of just treatment is in view of insuring the application of this principle.

The power given to the League of Nations by Articles 280 and 37 will be exercised in accordance with the same principle and in conformity with the spirit and the text of the covenant of the League.

2. The memorandum states on Page 11 that "concerning the local debt of Alsace-Lorraine and the public establishments of Alsace-Lorraine the Allied and Associated Powers have always agreed in understanding that France assumed them. Now, Article 55, combined with Article 255 of the treaty, is relative to the public debts of the "German Empire and States," and there is no clause exempting France from the payment of the local debt of Alsace-Lorraine. There is, therefore, no divergence between the memorandum and the treaty.

3. The commission which has been provided for Upper Silesia, and which, according to Article XLV, of the treaty is to be appointed by the principal Allied and Associated Powers, is called in the memorandum a "commission independent—separate commission," in order to explain that it is a commission specially charged with the mission mentioned in the aforesaid Article XLV. It does not appear that there is in this matter any divergence whatever between the treaty and the memorandum.

4. The explanations given on Page 16 of the memorandum concerning Memel show no contradiction between the treaty and the memorandum.

5. Concerning the destruction of the fortifications of Heligoland, the principal Allied and Associated Powers intend, as they explained on Page 17 of the memorandum, to appoint a commission to exercise this control, in conformity with the treaty. This commission will have the power to decide what part of the works protecting the coast against the erosion of the sea shall be kept, and what part shall be destroyed.

6. The Allied and Associated Powers think it their duty to point out that they have never declared that the German railways and mines of Shantung shall not be considered as property of the German States, if the Germans can prove that they are private property.

On the contrary, the Allied and Associated Powers consider them to be public property; nevertheless, if Germany can prove that her nationals hold shares in these enterprises, they shall receive the benefit of the general principles established in the treaty for such matters.

7. As stated on Page 31 of the memorandum, the Allied and Associated Powers intend to address to the German Government, within a month after the treaty comes into force, a list of the persons whom, in accordance with Article 228, Line 2, Germany is to surrender to the Allied and Associated Powers.

8. The Allied and Associated Powers, as stated on Page 33 of the memorandum, have no intention of giving the Reparation Commission the authority to exact a revelation of secret of manufacture or other confidential information as to the exercise of executive power in German territory or interference in the direction or superintendence of German scholastic establishments. The treaty contains no stipulations giving such authority to the Reparation Commission.

9. On Page 34 and following of the memorandum the Allied and Associated Powers have not provided any special procedure to fix and cover the reparations exacted from Germany. The Allied and Associated Powers have given Germany the possibility of presenting for the examination of the said powers documents and propositions at the signing of the treaty and within the four following months with a view to hastening the work on reparations, thus greatly shortening the investigation and accelerating the decisions.

10. Concerning the facilities considered on Page 36 of the memorandum for the importation of food and raw materials into Germany, they are mentioned only "under reserve of certain conditions, and within limits that cannot be indicated in advance, and also under reserve of the necessity in which the Allied and Associated Powers find themselves of taking legitimate account of their own economic situation resulting from German aggression and from the war."

This cannot be considered as a promise to depart from the terms of the treaty, but the expression of the intention of the Allied and Associated Powers to facilitate as far as possible the resumption of economic life in Germany.

11. The memorandum provided that the Reparation Commission should be "competent to grant to the Reichsbank whenever it shall see fit, the right to export gold, in case it is a question of guarantees that this bank has furnished and which could not be furnished by any other means."

This assertion is in perfect accord with the stipulations inserted in the treaty, Article 248, according to which, up to May 1 1921 the German Government shall be allowed neither to export gold nor to dispose of it, nor to permit gold to be exported or disposed of without the previous authorization of the Allied and Associated Powers represented by the Reparation Commission.

12. The Allied and Associated States, which on Page 53 of the memorandum declared themselves ready to receive any information and proof that the German Government may be able to furnish on the subject of interested or fraudulent acts committed by persons charged with the liquidation of German property in the Allied and Associated States, will prosecute these persons in conformity with their own legislation, and, if necessary, will impose penalties in every way conforming to the provisions of their national law.

Among the interpretations above given, those which, according to the Allied and Associated Powers may be considered as constituting an engagement, have been incorporated in the inclosed protocol, which the Allied and Associated Governments are disposed to annex to the treaty.

(Signed) CLEMENCEAU.

The protocol referred to in the above Allied note reads:

"Firstly—A commission will be named by the Allied and Associated Governments to supervise the demolition of the fortifications of Helgoland in conformity with the treaty. The commission will be empowered to decide what part of the construction protecting the coast from erosion should be preserved and what part demolished.

"Secondly—The sums which Germany will have to refund to its citizens to indemnify them for interests they may be found to have in the railroads and mines, referred to in Paragraph II, Article 156, shall be placed to the credit of Germany on account of the sums due for reparation."

(The protocol refers to German private interests in railroads and mines in Shantung as distinct from German state interests.)

"Thirdly—A list of the persons whom, according to Article 228, Paragraph 2, Germany must surrender to the powers will be sent to the German government during the month following the putting into force of the treaty.

"Fourthly—The commission on reparations, provided for by Article 240 and Paragraphs 2, 3 and 4 of annex four, cannot exact divulgence of secrets of manufacture or confidential information.

"Fifthly—From the signature of peace and in the four months following, Germany will have an opportunity of presenting for the examination of the powers documents and propositions, with a view to hastening the work relating to reparations, thus shortening the investigation and hastening decisions.

"Sixthly—Prosecutions will be exercised against those committing criminal acts in connection with the liquidation of German property, and the powers will receive any information and proofs that the German government shall be in a position to supply on this subject.

SCENES IN FRANCE ON NEWS OF GERMANY'S ACCEPTANCE OF PEACE TERMS—"KEEP POWDER DRY"—CLEMENCEAU.

News of the unconditional acceptance by Germany of the peace terms of the Allies on June 23 was enthusiastically received in Paris and throughout France, parades, cannonading and carnivals, giving tangible evidence of the joy with which the glad tidings were hailed. Premier Clemenceau's remarks upon receipt of the advice of Germany's reply are of special moment; "Keep your powder dry," he counseled, and in adding the caution "be careful," he said, "remind the world that it is living on a barrel of that powder." We give herewith the account of his reception of the news, as contained in the press dispatches from Paris on June 23:

"We have waited forty-nine years for this moment," exclaimed Premier Clemenceau at the meeting of the Council of Three this afternoon as he opened the fateful dispatch announcing that Germany would sign the treaty.

"For forty-nine years," he continued, "the mailed fist of the reiter (German trooper) who has governed Germany has menaced the world. Whether the man's name was Bismarck or William II., it was still the same reiter of the Middle Ages, surrounded by soldiery and drunk with pride.

"Be careful, keep your powder dry. Be careful. Remind the world that it is living on a barrel of that powder. This writer's dogma was that might is right, that a State's only obligation is its own interest, that treaties do not exist when they clash with the interest of a State, and get rich by any means. We know from witnesses who were at the side of William II that when he learned of the Sarajevo tragedy he who posed as a keeper of the peace cried:

"The hour has struck. Now we shall see what an army is."

This story of how the French Premier received the news was told at a dinner given to-night by the Economic Commission of the Conference in honor of the French delegation by Etienne Clementel, ex-Minister of Commerce and Agriculture. The Minister concluded his speech with a eulogy of the League of Nations, which he said was "at present the world's hope."

"Towards this magnificent and impressive innovation," he said, "I ask you to direct all your thoughts and to uplift your hearts in this great act of faith, hope and love."

Herbert Hoover, Chairman of the Inter-Allied Food Commission, and Signor Crespi, a member of the Italian delegation, also spoke.

Premier Clemenceau was congratulated on the result of the peace negotiations by his fellow-Ministers at a meeting of the French Cabinet to-day. Acceptance of the peace treaty by Germany was discussed at the meeting, which was presided over by President Poincaré.

In part the Associated Press had the following to say anent the celebrations incident to the news:

Celebrations over the German decision to sign the Treaty of Peace without reservations were nowhere more enthusiastic than at Lille and other cities and towns in territory wrested from the Germans. Newspapers printed special editions, cheering crowds paraded the streets and the houses were decked with Allied flags. At Toulon, Brest and other naval ports, warships announced the news to the people by firing salutes of twenty-one guns. In all the cities Government buildings were illuminated.

In Paris, the City Hall was brilliantly lighted, and in the square before it and in other open spaces jazz bands appeared and informal balls began only to be stopped by unsympathetic police, who declared that dancing was not authorized except on July 14. The news was announced in all theatres and motion-picture houses to-night, the bands striking up the Allied anthems amid the cheers of the audiences.

High carnival reigned in the boulevards far into the night, and scenes, enacted at the time of the armistice were repeated and, indeed, intensified. Dense throngs swayed back and forth, shouting, singing and waving flags. Motor trucks loaded with American soldiers armed with every noise-producing element threaded their way through the masses. From the windows of packed cafes floated patriotic strains, the orchestras playing tirelessly, urged on by the revellers. Women in mourning, to whom the official end of the war brought remembrances of those to whom the struggle had brought but wooden crosses, were observed here and there in the noisy crowds, weeping silently.

Long months of strain during the peace negotiations and weeks of doubt whether Germany would accept the conditions offered or would invite by her refusal of them a further invasion of her country ended late this afternoon when the note announcing Germany's unconditional acceptance was delivered to the Supreme Council of the Conference.

The announcement during the early morning of the Council's decision to refuse a further extension of time in which Germany might answer began a day of extreme tension. It was generally known to the public and Con-

ference diplomats that only a few hours separated them from the momentous decision. The first light came in a press dispatch from Weimar about noon stating that Germany had decided to yield, but nothing was heard from Versailles until soon after 3 o'clock p. m. A telephone message from Versailles then announced the arrival of the German reply, which it was known to a few was favorable. The first definite announcement, however, was made to American correspondents at the French press headquarters at Quai d'Orsay at 4.50 o'clock, it being stated that an affirmative reply had been delivered to Col. Henry, liaison officer between the Germans and the Peace Conference, who was bringing it to Paris by automobile.

It was not long after the reply had been received and opened before the Supreme Council that guns began to boom from the forts around Paris and rejoicing crowds began to stream through the streets, having been apprised by the sound of cannon that the Germans had accepted the Allied terms. Allied flags were flung out from windows. Automobiles, loaded with cheering doughboys and excited poilus, dashed through the thoroughfares. Church bells throughout the city were pealing everywhere and cheering, animated throngs gave evidence of the joy with which the Parisian crowds welcomed the end of the long years of agony and tension.

The celebration soon assumed a more tumultuous character and by 8 o'clock in the evening Paris seemed bent on indulging in an excited demonstration of joy. Bands of students had taken possession of the German trophy cannons, ranged on either side of Champs Elysees from the Arch of Triumph to Place de la Concorde, and were dragging them in a procession through the city, each cannon carrying its burden of cheering youths. Special editions of newspapers, with huge captions, "Peace Has Come," were snatched from newsmen by excited Parisians going home from work.

PREMIER CLEMENCEAU TO RESIGN WHEN PEACE IS PROCLAIMED.

The following Paris cablegram, dated June 24, appeared in the daily papers of June 25:

Premier Clemenceau has expressed his intention to resign from office as soon as the treaty is promulgated, feeling that he has accomplished the task for which he assumed the Premiership, says Marcel Hutin in the "Echo de Paris."

It is expected that Parliament will ratify the treaty late in July.

NOTE OF GERMAN PEACE DELEGATION ON INTERNATIONAL LABOR AND REPLY OF ALLIED GOVERNMENTS.

In making public on June 1 the text of Germany's reply to the peace terms of the Allies, Acting Secretary of State Breckinridge Long at Washington at the same time gave out two notes on the subject of international labor legislation which passed between Count von Brockdorff-Rantzau and Premier Clemenceau. In his note Count von Brockdorff stated that "the German delegation takes note of the fact that the Allied and Associated Governments are of one mind with the German Democratic Government in believing that domestic peace and the advancement of humanity to be dependent on the solution of labor questions," but points out that the German delegation "does not agree with the Allied and Associated Governments as to the ways and means of arriving at the solution." After a presentation of their views, Count von Brockdorff stated that "the German delegation again moves to call a conference of representatives of the National organizations of all trade unions before the negotiations of peace are terminated. Should this motion again be rejected," he continued, "an utterance of the leaders of the trade unions of all countries is at least necessary." In his reply Premier Clemenceau stated that the Allied and Associated Governments fail to find in Count von Brockdorff's letter "any useful guidance as to how the principles involved could in any case find definite expression in the peace treaty." Premier Clemenceau declared that "it is not correct to say that the demands raised by the International Trade Union Congress at Berne are disregarded," and the German delegates were advised that "the Allied and Associated Governments have already decided to accept the idea of early admission of German representatives, and to ask the Washington conference to admit them immediately thereafter to full membership and rights in respect to the industrial labor organization and the governing body attached thereto." The note of Premier Clemenceau further said that "at the present time active preparations are being made for the first meeting of the international labor organization in October" and that "it is obvious therefore that no need exists for interposing a labor conference at Versailles." The following is the note presented by Count von Brockdorff-Rantzau on behalf of the German delegation:

Sir.—In the name of the German delegation, I have the honor to acknowledge the receipt of your reply note, dated May 14 1919, which has been given us on our note concerning international labor legislation.

The German delegation takes note of the fact that the Allied and Associated Governments are of one mind with the German Democratic Government in believing peace and the advancement of humanity to be dependent on the solution of labor questions. The German delegation, however, does not agree with the Allied and Associated Governments as to the ways and means of arriving at the solution.

In order to avoid misunderstandings and false impressions, the German delegation deems it to be necessary to elucidate the fundamental conditions precedent underlying their note of May 10 1919.

In the opinion of the German Democratic Government, the final decision in questions of labor law and labor protection belongs to the workers themselves. It was the intention of the German delegation to give occasion, even while the negotiations of peace are proceeding, to the legitimate representatives of the working people of all countries of casting their vote on this point and bringing into conformity the draft of the conditions of peace, the proposal of the German Democratic Government and the resolutions of the international trade unions conference held at Berne from Feb. 5 to Feb. 9 1919. Contrary to this proposal, the Allied and Associated Governments do not think necessary to call a labor conference at Versailles for this purpose.

The International Labor Conference contemplated to be held at Washington, D. C., to which you refer in your reply note of May 14 1919, cannot replace the conference demanded by us, because it is to be held on the principles which are established by the draft of the treaty of peace for the organization of labor. The latter, however, disregards the demands raised by the international trade union conference in Berne in two material directions. The first divergence is in respect to the representation of the workers. According to the proposal of the international labor conference at Berne, one-half of the members of the conference entitled to vote must consist of legal representatives of the workers of each country who are organized in trade unions. The German delegation has endorsed this proposal by transmitting the protocol of the International Trade Union Conference at Berne.

Contrary to this, the draft of the treaty of peace grants to the workers only one-quarter of the total vote at the International Conference, for, according to the draft of the Allied and Associated Governments, each country is to be represented by two Government delegates, one employer and only one worker. The Governments are in a position, according to Article 390 of the draft of the treaty of peace, to exclude the workers' vote by nominating an employer, and thus giving to Government bureaucrats the casting vote as against the representatives of practical life. This system is at variance with the democratic principles which to the present day have been upheld and fought for in common by the whole international work people, and will deepen the impression held among the workers that they are, as before, furthermore, to be the object of legislation governed by the interest of private capital.

The second divergence refers to the legally binding force of the resolutions of the conference. According to the resolutions of the International Trade Union Conference at Berne, the International Parliament of Labor is to issue not only international conventions without legally binding force, but also international laws which, from the moment of their adoption, are to have the same effect (legally binding force) as national laws, (proclamations to the workers of all countries, adopted by the International Trade Union Conference at Berne, 1919, at the motion of Jousaux, the delegate from France). The draft of the German Democratic Government endorses this resolution and makes the passing of such laws depend on the assent of four-fifths of the nations represented. No such resolution can be passed by a conference which is called on the basis of Part 13 of the draft of the treaty, but only recommendations or drafts which the Governments concerned may adopt or repudiate, and for such non-obligatory proposals a majority of two-thirds of the votes cast is even required.

In so providing, the draft of the conditions of peace deviates to such an extent from the resolutions of the International Trade Union Conference at Berne that a discussion and decision by the organization of labor, as part of the peace negotiations, is absolutely imperative. This would at the same time be in accordance with the demand raised by the International Trade Union Conference at Berne that the minimum claims of labor agreed upon, be, already at the conclusion of peace, turned into international law by the society of nations. Moreover, a firm foundation for the peace of the world shall be erected by this means, whereas a treaty concluded by the Governments alone without the assent of the organized workers of all countries will never bring forth social peace to the world.

The Allied and Associated Governments give no place to these considerations in their reply. As have above been illustrated, the resolutions of the International Trade Union Conference at Berne in fact not taken into consideration by Part 13 of the draft of the treaty of peace, so that the fears expressed by the German Democratic Government with regard to social justice are in reality not taken into account. This fact must be noted. If we are apprised by the reply note that the representatives of the trade unions of the countries represented by the Allied and Associated Governments have taken part in the elaborations of the clauses of the conditions of peace relating to labor, we must on the other hand, make note of the fact that they have made no announcement of any kind notifying a change of their view on the resolutions of the International Trade Union Conference at Berne, much less of an abandonment of these resolutions which they sacredly have adopted.

The German delegation again moves to call a conference of representatives of the national organizations of all trade unions before the negotiations of peace are determined. Should this motion again be rejected an utterance of the leaders of the trade unions of all countries is at least necessary. In moving this we desire to bring about that the provisions of the treaty of peace relating to labor may also have the approval of all trade union organizations.

The following is the reply of the Allied Governments, dated May 31 and signed by Premier Clemenceau:

The President of the Peace Conference to Count Brockdorff-Rantzau:
Paris, May 31 1919.

Sir—In the name of the Allied and Associated Governments I have the honor to acknowledge the receipt of your further note dated May 22 1919 on the subject of international labor legislation. (Conditions of peace, Part 13.) The reply is as follows:

1. The German delegation states the principle for the German National Government that to the wage-earners belongs the final decision in questions of labor law. The Allied institutions hold it to be their duty to collaborate with labor in the formulation of such law. But the laws must be passed by representatives of the whole community.

2. The Allied and Associated Governments draw attention to a misconception in the note to the German Government on May 22 1919, namely, that the views and interests of Governments must necessarily be antagonistic to those of labor. Accredited labor representatives now form some part of the genuine democratic Governments of the world, and the assumed antagonism is not likely to be found anywhere save in the case of Governments which are democratic only in name.

3. The Allied and Associated Governments fail to find in your letter any useful guidance as to how the principles involved could in any case find definite expression in the peace treaty. The labor organization which was submitted to representatives of labor can deal in a practical manner in any proposal put forward by any one of the affiliated members. It is not correct to say that the demands raised by the International Trade Union Congress at Berne are disregarded, inasmuch as the points raised in these resolutions, as well as all other relevant considerations, were discussed and carefully considered, and for the most part are embodied in the preamble of Part 13 or in the general principles which are accepted to guide the League

of Nations, and the labor organization in the attainment of social justice. There is manifestly no need for another conference to repeat those resolutions or to cause unnecessary confusion or delay by adding to or departing from them. The widest publicity has been given to the plan of labor organization and the responsible trade union leaders have been given an ample opportunity to formulate definite suggestions.

4. The Allied and Associated Governments have already decided to accept the idea of early admission of German representatives, and to ask the Washington conference to admit them immediately thereafter to full membership and rights in respect to the industrial labor organization and the governing body attached thereto.

5. While the resolutions passed by the Berne conference, February, 1919, gave expression to the wishes of the workers and defined their aspirations for the future, the Washington conference provides the means of giving effect to such of these aspirations as can be embodied in legislation without delay, and the labor organization will give opportunities for progressive expression to others, in accordance with the guiding principles already mentioned. The Labor Commission, moreover, set up by the Peace Conference, envisaged all the points mentioned in your letter, as coming within the scope of the labor organization, including an international code of law for the protection of the seamen, to be especially drawn up with the collaboration of the seamen's union (copy annexed).

6. It also adopted a resolution (copy annexed) in favor of the organization being given power as soon as possible to pass resolutions possessing the force of international law. International labor laws cannot at present be made operative merely by resolutions passed at conferences. The workers of one country are not prepared to be bound in all matters by laws imposed on them by representatives of other countries; international conventions as provided for under the peace treaty are therefore at present more effective than international labor laws, for the infringement of which no penal sanctions can be applied.

7. In reply to the statement as to the divergence from democratic principles, the proposal of the Allied and Associated Governments already pointed out, goes farther than that of the German proposition; for three-quarters of the delegates at the labor conference will directly and indirectly represent the wishes of the population generally, the two Governmental delegates representing the people at large and the labor delegates representing the workers directly; the employers of labor being granted a representation of only one-quarter. The theory of the German delegation that Article 390 of the draft may "exclude the workers" is wholly fallacious, as the so-called Governmental representatives, at least those of the Allied and Associated Powers, would be representatives of the people of those countries. It is to be remembered that in many countries a very large part of the workers are engaged in agriculture, and that these workers are not generally united in industrial organizations, and it is therefore peculiarly apparent that their interests should be represented in labor conferences through the Governments.

8. Furthermore, the proposal of the German delegation would permit the prevention of the most beneficent legislation if it was opposed by one-fifth of the Governments represented at the labor conference. It is of particular importance to notice that according to the proposal of the German delegation, each country in such a conference would have one vote, and thus the votes of Governments representing perhaps only an insignificant minority of the workers of the world would be able to defeat any proposal whatsoever. In striking contrast with this autocratic idea is the proposal of the Allied and Associated Powers, which not only permits voting in conferences to be by delegates and not by Governments, but also permits a definite proposal to be made by two-thirds of the delegates.

9. At the present time active preparations are being made for the first meeting of the international labor organization in October. It is obvious therefore, that no need exists for interposing a labor conference at Versailles. Moreover, the suggestion of the German delegation that the peace negotiations should be delayed in order to permit of another labor conference is contrary to the interests of the workers throughout the world, who are more interested than any one else in a return to peace as a relief from the conditions produced by four years of German aggression. The Allied and Associated Governments, taking account of this most just desire, are endeavoring not to postpone, but on the contrary to hasten the conclusion of peace and to secure the adoption of those measures of social amelioration which would doubtless have been adopted ere this had it not been that the commencement of the war by Germany turned the efforts and thought of the world's population toward a struggle for liberty, during which time other ideals were necessarily subordinated to that of freedom itself.

CLEMENCEAU.

Annex One.—The commission considers that the very special questions to be accorded to seamen might be dealt with at a special meeting of the International Labor Conference devoted exclusively to the affairs of seamen.

Annex Two.—The commission expresses the hope that as soon as it may be possible an agreement will be arrived at between the High Contracting Parties with a view to endowing the International Labor Conference under the auspices of the League of Nations with power to take, under conditions to be determined, resolutions possessing the force of international law.

ATTITUDE OF AUSTRIA TOWARD PEACE TERMS.

It was announced on the 20th inst. that a fourth note to the Peace Conference protesting against the German-Austrian republic "being made the heir of all the responsibilities of the Austro-Hungarian Empire, of which it was the smallest, poorest, most peaceful and most liberal of States," had been sent to the Peace Conference by the Austrian delegation. The Associated Press advices from Paris on the 20th inst. also had the following to say regarding the note:

It points out that the time war was declared in 1914, the Foreign Minister, his two principal collaborators and almost all of Austria's Ambassadors were Hungarian, and maintains that the "responsibility for the war is common to all the States forming the Empire that has vanished.

The note expresses confidence that the "spirit of justice of the conference will not let the whole burden be thrown upon German-Austria."

The Austrian counter proposals are being completed by the transmission of notes daily to the Council of Five through the French mission.

The summary of the peace terms with Austria (in so far as they were then completed) was given in these columns June 7, page 2296, along with the speech of Dr. Karl Renner, the Austrian Chancellor and Chairman of the Austrian delegation, at the time of the presentation of the terms on June 20. (Certain clauses on military reparation, financial and boundary clauses not embodied in the peace terms sub-

mitted early in the month are still awaiting presentation). On June 10 it was stated that Dr. Renner had sent a letter to the Peace Conference complaining of the "hard conditions" imposed upon his country, which he said "is overwhelmed with despair," and pointing out the complexity of the Austrian frontier question. In its advice regarding this note the Associated Press said:

The Austrian note complains strongly against the dismemberment of Austria, particularly the separation of Bohemia and Tyrol. The note says that Austria cannot survive the loss of her industries. It is added that the Austrian delegation is prepared to send immediately observations on the territorial clauses of the peace terms.

Other protestations by Dr. Renner are reported as follows in Associated Press advices from Paris on June 17:

Vienna newspapers, according to dispatches reaching this city by the way of Basel, print dispatches from St. Germain stating that Dr. Karl Renner, head of the Austrian peace mission, in his note to the Peace Conference, protests against the detachment of territory from German-Austria. He is reported to have declared that the new German-Austrian State would "form a second Alsace-Lorraine, doubly greater in size and condemned to remain without defence, a considerable part of the ancient nation being subjected to much younger peoples."

"That domination," dispatches quote him as saying, "could never be supported by the former or exercised by the latter."

Dr. Renner is said to assert that the incorporation of territory of German-Austria in the Czecho-Slovak State is in contradiction to the principles proclaimed by the Allies themselves, and he points out, the dispatches say, that the German-Austrian State and the organization of the provinces was effected on the principle that the sovereign will of the people is the creative force of a State. Complaint is made that German States near the Alps would be deprived of defence and means of existence, their most important industries and most indispensable natural products being taken from them.

Vienna dispatches received here by the way of Basel say that Austrian newspapers publish dispatches from St. Germain saying that Dr. Renner has handed the Council of Five a memorandum drawn up by delegates from the German sections of Austria and setting forth the alleged injustice which "menaces 4,500,000 German-Austrians as the result of the proposed Peace Treaty." It is said that he has asserted that the settling of new States in the heart of Europe would "create another hot bed of war such as the Balkans have been."

According to these dispatches, Dr. Renner has also handed the Council a note covering territorial questions generally, in which he calls attention to "the great responsibility assumed by the Entente in submitting millions of German-Austrians to foreign domination." It is said that he has expressed the hope that the Conference will act on the suggestions contained in his memorandum relative particularly to the Tyrol, southern Carinthia, Styria and western Hungary.

Dr. Karl Seitz, President of Austria, was quoted as expressing himself on the peace terms on June 3 at Vienna by the Associated Press as follows:

They surely are only proposals. What a terrible disappointment America is for me. This is driving me to despair. The terms are also bad for the Allies, as they mean the feeding of Bolshevism, against which we are helpless, especially from the Hungarians, who are meeting with new military successes. I have no power to enforce such terms upon the population of German-Austria and it will be dangerous for the man who signs them.

President Seitz is also reported to have declared that the terms if accepted would mean the death of Austria by starvation in his address opening the extraordinary session of the National Assembly at Vienna on June 7. According to the "Neues Abendblatt," a Vienna dispatch of June 4 said, the Austrian Government has decided unanimously the peace terms are unacceptable. On June 4, Basel advices said:

The Grand Council of German-Austria, which met on Tuesday under the chairmanship of President Seitz, adopted the report of Dr. Otto Bauer, the gist of which was that the peace presented to German-Austria by the Allies meant "the death sentence of the Austrian republic," according to Vienna advices received here.

It was reported from Zurich June 5, in a Vienna dispatch that the Austrian Government had decreed a three-day period of mourning in protest against the peace terms. Owing to the depression due to the peace conditions the Bourse Council at Vienna on June 4, it is said, decided to close for two days.

PRESIDENT WILSON ON BROADENING AND STRENGTHENING OF CO-OPERATION BETWEEN THE UNITED STATES AND FRANCE.

At a dinner given by President Poincare, of France, on June 26 to President Wilson and all the delegates to the Peace Conference, President Wilson, in responding to an address by M. Poincare, referred to the work of the Conference; stating that "we have finished the formulation of the peace; we have," he added, "begun a plan of co-operation which I believe will broaden and strengthen as the years go by so that this grip of the hand that we have taken now will never need to be relaxed." "Though the ocean is broad," said the President, "it will seem very narrow in the future. It will be easier to understand each other than it ever was before, and with the confident intercourse of co-operation the understanding will be strengthened into action, and action will itself educate alike our purpose and our thought." The following are President Wilson's remarks as reported in the Associated Press dispatches:

I thank you most sincerely for the words that you have uttered. I cannot pretend, sir, that the prospect of going home is not very delightful to me, but I can say with the greatest sincerity that the prospect of leaving France is very painful to me.

I have received a peculiarly generous welcome here, and it has been pleasing for me to feel that that welcome was intended not so much for myself as for the people whom I represented. And the people of France know how to give a welcome that makes a man's heart glad. They have a spontaneity about them, a simplicity of friendship, which is altogether delightful.

I feel that my stay here, sir, has enlightened both my heart and my mind. It has enabled me personally to see the evidence of the suffering and the sacrifices of France. It has enabled me to come into personal touch with the leaders of the French people, and through the medium of intercourse with them to understand better, I hope, than I understood before, the motives, the ambitions and the principles which actuate this great nation. It has, therefore, been to me a lesson in the roots of friendship in those things which make the intercourse of nations profitable and serviceable for all the rest of mankind.

Sometimes the work of the conference has seemed to go very slowly indeed. Sometimes it has seemed as if there were unnecessary obstacles to agreement, but as the weeks have lengthened I have seemed to see the profit that came out of that. Quick conclusions would not have produced that intimate knowledge of each other's minds which I think has come out of these daily conferences.

We have been constantly in the presence of each other's minds and motives and characters, and the comradeships which are based upon that sort of knowledge are sure to be very much more intelligent not only but to breed a much more intimate sympathy and comprehension than could otherwise be created.

These six months have been six months which have woven new fibres of connection between the hearts of our people, and something more than friendship and intimate sympathy has come out of this intercourse.

Friendship is a very good thing. Intimacy is a very enlightening thing. But friendship may end with sentiment. A new thing that has happened is that we have translated our common principles and our common purposes into a common plan. When we part we are not going to part with a finished work, but with a work one portion of which is finished and the other portion of which is only begun.

We have finished the formulation of the peace, but we have begun a plan of co-operation which, I believe, will broaden and strengthen as the years go by, so that this grip of the hand that we have taken now will never need to be relaxed. We have been and shall continue to be comrades. We shall continue to be co-workers in tasks which, because they are common, will weave out of our sentiments a common conception of duty and a common conception of the rights of men of every race and of every clime. If it be true that that has been accomplished, it is a very great thing.

As I go away from these scenes, I think I shall realize that I have been present at one of the most vital things that has happened in the history of nations. Nations have formed contracts with each other before, but they never have formed partnerships; they have associated themselves temporarily, but they have never before associated themselves permanently.

The wrong that was done in the waging of this war was a great wrong, but it awakened the world to a great moral necessity of seeing that it was necessary that men should band themselves together in order that such wrong should never be perpetrated again.

Merely to beat a nation that was wrong is not enough. There must follow the warning to all other nations that would do like things that they in turn will be vanquished and shamed if they attempt a dishonorable purpose.

You can see, therefore, sir, with what deep feelings those of us who must now for a little while turn away from France, shall leave your shores and though the ocean is broad, it will seem very narrow in the future. It will be easier to understand each other than it ever was before, and with the confident intercourse of co-operation the understanding will be strengthened into action, and action will itself educate alike our purpose and our thought.

So, sir, in saying good-bye to France I'm only saying a sort of physical good-bye, not a spiritual good-bye. I shall retain in my heart always the warm feeling which the generous treatment of this great people has generated in my heart. And I wish in my turn, sir, to propose, as you have proposed, the continued and increasing friendship of the two nations, the safety and prosperity of France, and closer and closer communion of free peoples, and the strengthening of every influence which instructs the mind and the purpose of humanity.

PRESIDENT WILSON ON INTERNATIONAL LAW—STEADINESS OF PURPOSE IN EMBARKING ON UNCHARTERED SEAS.

The future role of international law in the development of the new order of things was touched upon in a brief speech made by President Wilson in Paris on May 9 at a dinner of the International Law Society Association, of which Sir Thomas Barclay is President. Referring to the new League of Nations President Wilson noted that "we are starting out on uncharted seas, and therefore we must have, . . . the steadiness of purpose which is necessary in such novel circumstances." As one of the things which has disturbed him the President referred to the hope entertained by men everywhere "of immediate emancipation from the things that have hampered and oppressed them." "You cannot in human experience," he said, "rush into the light. You have to go through the twilight into the broadening day before the noon comes and the full sun is on the landscape." His remarks in full follow:

Sir Thomas and Gentlemen: I esteem it a very great pleasure to find myself in this distinguished company and in this companionship of letters. Sir Thomas has been peculiarly generous, as have the gentlemen at the other end of the table, in what they have said of me, but they have given me too high a role to play up to. It is particularly difficult to believe one's self to be what has been described in so intimate a company as this. When a great body of people is present, one can assume a pose which is impossible when there is so small a number of critical eyes looking directly at you.

And yet there was one part of Sir Thomas's generous interpretation which was true. What I have tried to do, and what I have said in speaking for America, was to speak the mind of America, to speak the impulse and the principles of America. And the only proof I have of my success is that the spirit of America responded—responded without stint or limit—and proved

that it was ready to do that thing which I was privileged to call upon it to do.

And we have illustrated in this spirit of America something which perhaps may serve as a partial guide for the future.

May I say that one of the things that has disturbed me in recent months is the unqualified hope that men have entertained everywhere of immediate emancipation from the things that have hampered and oppressed them. You cannot in human experience rush into the light. You have to go through the twilight into the broadening day before the noon comes and the full sun is on the landscape; and we must see to it that those who hope are not disappointed, by showing them the processes by which that hope must be realized—processes of law, processes of slow disentanglement from the many things that have bound us in the past.

You cannot throw off the habits of society immediately any more than you can throw off the habits of the individual immediately. They must be slowly got rid of, or, rather, they must be slowly altered. They must be slowly adapted, they must be slowly shapen to the new ends for which we would use them. That is the process of law, if law is intelligently conceived.

I thought it a privilege to come here to-night, because your studies were devoted to one of the things which will be of most consequence to men in the future, the intelligent development of international law. In one sense, this great, unprecedented war was fought to give validity to international law, to prove that it has a reality which no nation could afford to disregard; that, while it did not have the ordinary sanctions, while there was no international authority as yet to enforce it, it nevertheless had something behind it which was greater than that, the moral rectitude of mankind.

If we can now give to international law the kind of vitality which it can have only if it is a real expression of our moral judgment, we shall have completed in some sense the work which this war was intended to emphasize.

International law has perhaps sometimes been a little too much thought out in the closet. International law has (may I say it without offense?) been handled too exclusively by lawyers. Lawyers like definite lines. They like systematic arrangements. They are uneasy if they depart from what was done yesterday. They dread experiments. They like chartered seas and, if they have no charts, hardly venture to undertake the voyage.

Now we must venture upon uncharted seas, to some extent, in the future. In the new League of Nations we are starting out on uncharted seas, and therefore we must have, I will not say the audacity, but the steadiness of purpose which is necessary in such novel circumstances. And we must not be afraid of new things, at the same time that we must not be intolerant of old things. We must weave out of the old materials the new garments which it is necessary that men should wear.

It is a great privilege if we can do that kind of thinking for mankind—human thinking, thinking that is made up of comprehension of the needs of mankind. And when I think of mankind, I must say I do not always think of well-dressed persons. Most persons are not well dressed. The heart of the world is under very plain jackets. The heart of the world is at very simple firesides, the heart of the world is in a very humble circumstance; and, unless you know the pressure of life of the humbler classes you know nothing of life whatever. Unless you know where the pinch comes you do not know what the pulse has to stand, you do not know what strain the muscles have to bear, you do not know what trial the nerves have to go through to hold on.

To hold on where there is no glee in life is the hard thing. Those of us who can sit sometimes at leisure and read pleasant books and think of the past, the long past, that we have no part in, and project the long future—we are not specimens of mankind. The specimens of mankind have no time to do that, and we must use our leisure when we have it to feel with them and think for them, so that we can translate their desire into a fact, so far as that is possible, and see that that most complicated and elusive of all things which we call justice is accomplished. An easy word to say, and a noble word upon the tongue, but one of the most difficult enterprises of the human spirit.

It is hard to be just to those with whom you are intimate; how much harder it is to conceive the problems of those with whom you are not intimate, and be just to them. To live and let live, to work for people and with people, is at the bottom of the kind of experience which must underlie justice.

The sympathy that has the slightest touch of condescension in it has no touch of helpfulness about it. If you are aware of stooping to help a man, you cannot help him. You must realize that he stands on the same earth with yourself and has a heart like your own, and that you are helping him, standing on that common level and using that common impulse of humanity.

In a sense the old enterprise of national law is played out. I mean that the future of mankind depends more upon the relations of nations to one another, more upon the realization of the common brotherhood of mankind, than upon the separate and selfish development of national systems of law; so that the men who can, if I may express it so, think without language, think the common thoughts of humanity, are the men who will be most serviceable in the immediate future.

God grant that there may be many of them, that many men may see this hope and wish to advance it, and that the plain men everywhere may know that there is no language of society in which he has no brothers or collaborators, in order to reach the great ends of equity and of high justice.

PRESIDENT WILSON'S DISCLAIMER THAT AMERICANS ARE DOLLAR WORSHIPPERS—PRESENTATION OF MEDAL BY FRENCH ACADEMY.

In addressing the French Academy of Moral and Political Sciences at Paris on May 10, of which he was elected a foreign associate last year, President Wilson observed that the United States came into the war in the cause of liberty, adding:

Whenever we see the cause of liberty imperiled we are ready to cast our lot in common with the lot of those whose liberty is threatened. That is the spirit of the people of the United States.

The brief accounts of his speech from Paris on the 10th were supplemented by later advices in Associated Press cablegrams May 12 in which it became known that during the course of his remarks he had taken occasion to dispel the idea that Americans were largely materialists, or dollar worshippers. We give as follows what he had to say as reported in the Associated Press advices of the 12th:

"I have had in recent months one very deep sense of privilege. I have been keenly aware that there have been times when the peoples of Europe haven't understood the people of the United States. We have been too

often supposed to have been devoted chiefly, if not entirely, to material enterprises. We have been supposed, in the common phrase, to worship the Almighty Dollar.

"We have accumulated wealth, Sir; we have devoted ourselves to material enterprises with extraordinary success, but there has underlain all of that, all the time, a common sense of humanity and a common sympathy with the high principles of justice, which has never grown dim in the field even of enterprise; and it has been my very great joy in these recent months to interpret the people of the United States to the people of the world.

"I have not done more, Sir. I have not uttered in my public capacity my own private thoughts. I have uttered what I have known to be the thoughts of the great people whom I represent. I have uttered the things that have been stored up in their hearts and purpose from the time of our birth as a nation."

It was at this point that the President made his declaration that the American people, who came into the world consecrated to liberty, were ready to cast in their lot in common with the lot of those whose liberty was threatened whenever the cause of liberty was seen to be imperiled.

"This is the spirit of the people of the United States," he continued, "and they have been privileged to send 2,000,000 men over here to tell you so. It has been their great privilege not merely to tell you so in words, but to tell you so in men and material—the pouring out of their wealth and the offering of their blood."

President Wilson alluded to his studies in the field of political science and to the attempts he had made "to put into the words of learning the thought of a nation, the attitude of a people towards public affairs."

"A great many of my colleagues in American university life," he continued, "got their training, even in political science, as so many men in civil circles did, in German universities. I have been obliged at various times to read a great deal of bad German, difficult German, awkward German, and I have been aware that the thought was as awkward as the phrase, that the thought was rooted in a fundamental misconception of the State and of the political life of peoples. And it has been a portion of my effort to disengage the thought of American university teachers from the misguided instruction which they had received on this side of the sea. Their American spirit anticipated most of them, as a matter of course, but the form of the thought sometimes misled them. They speak too often of the State as a thing which would ignore the individual, as a thing which was privileged to dominate the fortune of men by a sort of inherent and sacred authority.

"Now, as an utter democrat, I have never been able to accept that view of the State. My view of the State is that it must stop and listen to what I have to say, no matter how humble I am, and that each man has the right to have his voice heard and his counsel heeded, in so far as it is worthy of him.

"I have always been among those who believe that the greatest freedom of speech was the greatest safety, because if a man is a fool the best thing to do is to encourage him to advertise the fact by speaking. It cannot be so easily discovered if you allow him to remain silent and look wise, but if you let him speak, the secret is out and the world knows that he is a fool.

"So it is by the exposure of folly that it is defeated; not by the seclusion of folly, and in this free air of free speech men get into that sort of communication with one another which constitutes the basis of all common achievement. France, through many vicissitudes and through many bitter experiences, found the way to this sort of freedom, and now she stands at the front of the world as the representative of constitutional liberty."

An incident of the President's speech was the presentation to him of a specially struck gold medal. The rules of the Academy require that each member must spend one hour in the building of the Academy in order to perfect his membership. President Wilson, therefore, decided to go to the Academy between 1.45 and 2.45 o'clock in the afternoon of the 10th.

LEAGUE OF NATIONS AN OUTGROWTH OF MONROE DOCTRINE, SAYS PRESIDENT WILSON.

Speaking at a dinner given by the Pan-American peace delegation in honor of Dr. Epitacio Pessoa, President-elect of Brazil, on May 27, President Wilson said the League of Nations was indirectly an outgrowth of the bonds between the American nations. He referred to the Monroe Doctrine and to suggestions that had once been made to broaden the principle of non-aggression on the American hemisphere. He remarked that while the United States had undertaken to be champion of America against aggression from Europe, it gave no assurance that it would itself never be an aggressor. "What I wanted to do," said the President, "in the proposals made to other American States, was to give our bond that they were safe against us and any illicit ambition we might entertain—as safe as far as any power of the United States could secure them against foreign nations." Mr. Wilson added that he regretted the proposals were not at that time accepted, but said that the impulse to which the peoples of the American continent have contributed have now led to a pledge on the part of all self-governing nations of the world that they would be friends and would take pains to secure each other's safety, independence, and territorial integrity. From the Associated Press accounts we quote the President's remarks as follows:

The honor has been accorded me of making the first speech to-night, and I am very glad to avail myself of that privilege. I want to say that I feel very much at home in this company, though, after all, I suppose no one of us feels thoroughly at home except on the other side of the water. We all feel in a very real sense that we have a common home because we live in the atmosphere of the same conceptions, and, I think, with the same political ambitions and principles.

I am particularly glad to have the opportunity of paying my respects to Mr. Pessoa. It is very delightful, for one thing, if I may say so, to know that my Presidency is not ahead of me and that his Presidency is ahead of him. I wish him every happiness and every success with the greatest earnestness, and yet I cannot, if I may judge by my own experience, expect for him a very great exhilaration in the performance of the

duties of his office. Because, after all, to be the head of an American State is a task of unrelieved responsibility. American Constitutions, as a rule, put so many duties of the highest sort upon the President, and so much of the responsibility of affairs of state is centred upon him, that his years of office are apt to be years a little weighted with anxiety, a little burdened with the sense of the obligation of speaking for his people, speaking what they really think, and endeavoring to accomplish what they really desire.

I suppose no more delicate task is given any man than to interpret the feelings and the purposes of a great people. I know that, if I may speak for myself, the chief anxiety I have had has been to be the true interpreter of a national spirit, expressing no private and peculiar views, but trying to express the general spirit of a nation. And a nation looks to its President to do that; and the comradeship of an evening like this does not consist merely of the sense of neighborhood. We are neighbors. We have always been friends. But that is all old. Something new has happened. I am not sure that I can put it into words, but there has been added to the common principles which have united the Americas time out of mind a feeling that the world at large has accepted those principles, that there has come a thrill of hope and of expectation throughout the nations of the world which somehow seems to have its source and fountain in the things we always believed in. It is as if the pure waters of the fountains we had always drunk from had now been put to the lips of all peoples, and they have drunk and were refreshed.

And it is a delightful thought to believe that these are fountains which sprang up out of the soil of the Americans. I am not, of course, suggesting or believing that political liberty had its birth in the American hemisphere, because, of course, it had not, but the peculiar expression of it, characteristic of the modern times, that broad republicanism, that genuine feeling and practice of democracy, that is becoming characteristic of the modern world, did have its origin in America, and the response of the peoples of the world to this new expression is, we may perhaps pride ourselves, a response to an American suggestion.

If that is true we owe the world a peculiar service. If we originated practices we must ourselves be worthy of them. I remember not long ago attending a very interesting meeting which was held in the interest of combining Christian missionary effort throughout the world. I mean eliminating the rivalry between churches and agreeing that Christian missionaries should not represent this, that or the other church, but represent the general Christian impulse and principle of the world. I said I was thoroughly in sympathy with the principle, but that I hoped if it was adopted that the inhabitants of the heathen countries would not come to look at us, because we were not ourselves united, but divided, that while we were asking them to unite we ourselves did not set the example.

My moral from that recollection is this: We, among other friends of liberty, are asking the world to unite in the interest of brotherhood and mutual service and the genuine advancement of individual and corporate liberty throughout the world, therefore we must set the example.

I will recall here to some of you an effort that I myself made some years ago soon after I assumed the Presidency of the United States, to do that very thing. I was urging the other States of America to unite with the United States in doing something which very closely resembled the formation of the present League of Nations. I was ambitious to have the Americas for the thing first and set the example to the world of what we are now about to realize. I had a double object in it, not only my pride that the Americas should set the example and show the genuineness of their principles, but that the United States should have a new relation to the other Americas. The United States upon a famous occasion warned the Governments of Europe that it would regard it as an unfriendly act if they tried to overturn free institutions in the Western Hemisphere, and to substitute their own systems of Government, which, at that time, were inimical to those free institutions; but while the United States thus undertook of its own motion to be the champion of America against such aggressions from Europe, it did not give any conclusive assurance that it would never itself be an aggressor. What I wanted to do in the proposals to which I have just referred was to offer to the other American States our own bond that they were safe against us and any illicit ambitions we might entertain, as well as safe, so far as the power of the United States could make them safe, against foreign nations.

Of course, I am sorry that happy consummation did not come, but, after all, no doubt the impulse was contributed to by us which has now led to a sort of mutual pledge on the part of all the self-governing nations of the world that they will be friends to each other, not only, but that they will take pains to secure each others' safety and independence and territorial integrity.

No greater thing has ever happened in the political world than that, and I am particularly gratified to-night to think of the hours I have had the pleasure of spending with Mr. Pessoa as a member, along with him, of the Commission on the League of Nations which prepared the Covenant which was submitted to the Conference. I have felt as I looked down the table and caught his eye, that we had the same American mind in regard to the business, and when I made suggestions or used arguments that I felt were characteristically American, I would always catch sympathy in his eyes; when others perhaps did not catch the point at once, he always caught it, because, though we were not bred to the same language literally, we were bred to the same political language and the same political thought, and our ideas were the same.

It is therefore with a real sense of communication and of fellowship and of something more than neighborly familiarity that I find myself in this congenial company, and that I take my part with joy in paying my tribute and extending my warmest best wishes to the great country of Brazil and to the gentleman who worthily represents her in her Presidential chair.

I ask you to join with me in drinking the health of the President-elect of Brazil.

Dr. Pessoa, in his address, said:

One and the same Ideal brings us together—that of American solidarity for peace, right, justice, work, order, and concord—which are the eternal foundations upon which rests the balance of the world. One of my dearest ambitions in the office to which I have been called by the generosity of my fellow citizens will be to strive for the intangible continuity of work for American concord. In the vast work of solution which is at hand as a result of the great commotion which we have all witnessed, the preponderant part will fall upon America as the unfathomable source of the forces of the future.

America, after having used for her emancipation that which was most practicable and noble to be secured from Europe, will in turn become a powerful factor in the work of civilization and progress which synthesizes all the happiness of mankind. Closely united and firmly attached to the ideals of American solidarity, let us set to work with other peoples in keeping a brotherly spirit for the advent of this new era in which some day a happier life will open on a better world. Such a dream of happiness is no Utopia, for after the catastrophe which has shaken the world to its foundations we may be allowed to believe in the dawn of a long period of peace, where men, even without having accomplished Evangelical Ideals,

will lead us in believing in the fraternity of peoples. If this be a dream, may I at this moment be allowed to suppose that it foreshadows good for the future.

A. C. MILLER ON PRESENT PRICE OUTLOOK AND AFTER-WAR ADJUSTMENT.

Elsewhere we give an extract from an address delivered in Pittsburgh on June 6 by A. C. Miller of the Federal Reserve Board, with reference to the "Mobilization of Our Resources for Europe's Use." The theme of Mr. Miller's address was "After-War Adjustment: The Present Price Outlook," and on this point he spoke in part as follows:

The expectation that prices would drop and go on dropping was expressed by competent students at the time of the armistice and was shared by many business men. Such had been our experience after the Civil War. Indeed, some, who had in mind that experience, feared that the decline of prices might proceed so rapidly as to be disturbing. Prices dropped some 30% in the first six months of the year 1865. This fact suggested that at least a considerable decline might not unreasonably be expected in the United States following the close of the great war. Such, moreover, has been a very common feature of the aftermath of other great wars.

There seemed to be justification, therefore, for the expectation that prices in Europe and the United States would begin to fall with the turn of the year 1918. The only question was how rapid would be the decline and how long continued. The operation of natural economic forces, and particularly the devotion of the productive energy and resources of the different belligerent countries to peace industries, was expected to do much to relieve shortages which were in part responsible for the momentous price changes induced by the war. The fact that fifty million men or more were to be released from armies and from war work led to the belief that there would be a quick resumption of industrial activity in Europe and increased production of goods and resulting declines in values and prices. This conclusion also seemed to be the logical consequence of the general acceptance of the view that the price situation, which had developed throughout the world as a result of war conditions, was highly artificial and highly inflated.

Whatever differences of opinion may have existed during the war as to the cause or causes of the revolutionary advance of prices experienced, it is now coming to be more and more clearly recognized and frankly admitted that the chief factor in the price revolution is to be attributed to the enormous increase in the volume of circulating credit, bank notes and government currency put out in the past four and a half years.

The situation in the United States is coming to be so well understood that no extended reference to it is necessary. It is well known that in our five Liberty Loan campaigns the Treasury has been obliged to borrow from the community and issue Government obligations more rapidly than the comparative rate of savings by the people would support, with the result that a considerable part (perhaps as much as seven billions of dollars) of the several issues of bonds made by the Government have been financed by an expansion of banking credit, and, to the requisite degree, of banking currency.

It is coming to be recognized that our banking and financial situation can never be as healthy and strong as it should be until the banks are relieved of the burden of carrying such large investments, either for themselves or for their customers, in Liberty Bond operations. This means that such parts of the community as have not yet done their full part in absorbing and digesting the government issues, must by one method or another be induced or made to save and pay up, or buy. Those who believed that this process would be rapid, and they were many, and that the Government would soon disappear from the market as a competitor for current loan funds, expected as a natural consequence that the volume of our circulating bank credit and currency would shrink and that with the shrinkage would come a lowering of the price level.

Other countries, it was thought, would move along the same general course as the United States, though of necessity more slowly because of their continuing financial difficulties. A reduction in the volume of circulating media of one kind or another was, however, regarded as such an essential part of good financial policy in the process of post-war readjustment that this reduction was taken almost as a certainty.

The feeling of caution and hesitation, which characterized the temper of the American business community at the close of the war, was the natural outgrowth of this expectation of the probable future course of prices. It is well known that this view was shared by an important agency of the Government, which was set up for the special purpose of assisting the expected downward course of prices by gradual and orderly price revisions. By mediating the transition from war prices to peace prices, the Industrial Board of the Department of Commerce undertook to bring about the resumption of industry and its adjustment to anticipated conditions more quickly than if left to the unassisted working of natural economic forces. Price stabilization was expected to bring buyers into the market, particularly for basic materials required in construction work and thus to accelerate the process of industrial readjustment and improve the employment situation. The abandonment of this policy by the voluntary retirement of the Industrial Board and other steps that have been taken toward decontrol of industry have left the process of readjustment pretty much to the unimpeded action of the market.

The movement since the armistice is interesting. For the first month or two there was little or no change; with the opening of the year 1919, prices moved downward, though slowly; toward the end of March the downward trend halted and with the beginning of April there is a noticeable upward trend—most marked in the retail trades and those manufacturing trades which are closely auxiliary to the leading retail trades (such as the textiles, clothing, boot and shoe trades), but with some evidence recently that it might develop into a more general forward movement. At the moment, prices are close to the war level and, in many instances, moving forward.

Many questions are raised by the behavior of prices since the armistice. Is the recent forward trend to be regarded as indicative of the probable future course of prices, or is the advance to be regarded as accidental and temporary and as merely marking an interruption of the expected downward trend? These questions, of course, can not be answered with positiveness. The factors which influence the price situation and to which it is responsive, even under normal conditions are so diverse and frequently so obscure that the resultant is always a matter of great uncertainty. The unexpected is apt to supervene and destroy the validity of even the most carefully considered forecast. As a result of the war, the price situation in all parts of the world has become so vastly complicated that conjecture is perforce a much more hazardous undertaking than usual, particularly if any attempt is made to deduce general conclusions from tendencies discernible only in particular industries or groups of industries, so subtle and exceptional are the influences now at work in different fields of industry.

Price Situation Clarifying.

However hazardous the undertaking, it seems nevertheless worth while to direct attention to some of the underlying factors which seem now to be emerging and which seem likely to exercise an important bearing upon the future trend of prices, looking forward:

- (1) to a period of some years, during which the general readjustment of the world's industry and trade is being worked out; and,
- (2) to a briefer period of a year or more, during which Europe will be in the first stages of her reconstruction.

All business calculations run in terms of price. Business judgments are for the most part price judgments. Raw materials, labor, fuel, and the other requisites of production are bought at prices; they are converted into goods to be sold at prices. Unless the prices at which the requisites of production are bought and the products are sold are fairly calculable and a satisfactory margin of profit shown between them, the attitude of business will be hesitant. Falling prices are, therefore, obviously to be regarded as an addition to the ordinary hazards of industry. It is therefore a question of vital concern to inquire whether the price situation has clarified itself sufficiently to suggest some expectation of what may be the future price-trend.

Until Europe recovers industrially and brings its productive capacity up to what will be normal for its decimated population, no considerable or rapid fall of commodity prices is, in my opinion, to be expected. Indeed, until the point is reached where the process of recovery is well under way, a rise of prices rather than a fall is to be expected. Should the eventual outcome show what some have often predicted that the war has given an added impulse to the inventive spirit and to the instinct of thrift, the resulting increase in production and savings would have an important effect in hastening the readjustment of prices. It cannot be too strongly emphasized that it is only as more goods are produced in exchange for this inflated currencies of the world, or more income saved from earnings and used for the purpose of liquidating loans and advances made by the banks, that the financial and credit situation will gradually be improved by the reduction of outstanding bank liabilities and prices respond by a gradual fall. How long it may take the movement, as thus defined, to run its course, no one can predict.

It is a matter of common knowledge that it was fourteen years before the currency disorders growing out of the Civil War were measurably corrected and the greenback dollar brought to a parity with gold. It took Europe fifteen years to effect the restoration of public credit, reorganization of currency and banking, and the readjustment of industry to a stable basis, after the close of the Napoleonic wars. Considering the vast reach of the present war, which on its economic side has not yet closed, and considering the great destruction of industrial and financial capital, the terrible disorganization of industry, and the impairment of the morale of the working forces of Europe, there seems little reason to expect that the process of reconstruction and readjustment, first the one and then the other, through which Europe is about to pass, will be short or easy. Ten years would seem, on the whole, a short period in which to expect a restoration of economic conditions in Europe to a normal basis and the rectification of the price situation.

It may well turn out to be the judgment of history, when the record of these remarkable years is written and the transformations, set in motion by Germany's onslaught on the structure of civilization in 1914, are complete, that the most momentous consequence of the war will prove to have been the economic and social revolution which it set agoing. There are people who believe that we are now in the midst of such a revolution and that when the emergence is finally complete, the world will be under the dominion of a very different economic and social order from that which seemed secure in its foundations only five years ago.

Obviously, if some thoroughgoing changes in the fundamentals of the economic and social system of the Western world have got to be reckoned with in the process of economic readjustment and reconstruction, it might well be expected that a very considerable period of time will elapse before anything like a settled and stable working order will have been evolved. Indeed, such a process could only by a euphemism be described as readjustment. There would be too little left in it of old ways of doing things and old points of view. It would then be a veritable reconstruction.

I do not, for my own part, look for any such far-reaching overturn in the established order. The world may be passing through a revolution in thought, and possibly in spirit, but that is a very different thing from a revolution in social and economic institutions.

Every day is making it clearer and clearer that our own country has been extensively and profoundly altered both in economic capacity and in its outlook, and that its position and relation to other countries of the world have experienced a like change. It has become a commonplace that we have become a creditor nation and a world-banker—the most potent single force in the reconstruction of the world's finances. For the most part, finance merely reflects; it is not itself, in any important sense, a cause. The change in our financial relationship to the world is, therefore, to be regarded merely as a reflection and measure of the momentous changes which have taken place in our economic position. Unavoidably and without our seeking, we are to have a larger part than ever before in the alimentation of the world and its industries. We are to have a larger part in the shipping of the world. We are to have a larger part in supplying, out of our own vast resources, a world which has been wasting almost to the point of exhaustion its supply of basic materials. The world is daily becoming more conscious of its dependence upon us, and we, ourselves, are coming to a new consciousness of our vast resources and productive capabilities. It is these that, in the long run, determine the relative positions of countries in the organization of international trade and industry. No one, therefore, can say offhand or in advance to what extent a redistribution of industries is to take place among the different countries.

The nearest analogy to the catastrophe through which the world is now moving is supplied by the Napoleonic Period and the restoration. For a period of 22 years, beginning shortly after the French Revolution, international commerce and industry were thrown out of gear almost completely. In the meantime a revolution took place in industry associated with the invention of the steam engine and many mechanical appliances in the textile and metal trades, which marked this period as the beginning of the modern era in industry. Great changes were found, when peace was established in 1815 to have taken place in the economic capacities of the several nations which required that a new adjustment of international trade and industry should be worked out under which each nation would find its new position. It took fifteen years before the several nations had finally found their places in the new international economic order and things settled down to something which could be regarded as a stable basis. The fifteen years from 1815-30 are suggestive of what the world may now have to go through before a stable basis is reached in industry and commerce and prices are readjusted. They were years of uncertainty, years of commercial rivalry, years of economic difficulty, years of fluctuating price levels and characterized by alternations of periods of intense and feverish activity in trade and industry with periods of sharp reaction, depression and frequent unemployment, sometimes intensified by conditions of crisis or panic.

The general outlook, therefore, may be said to be for a gradual fall of prices during the next ten years or longer, depending mainly upon how rapidly Europe will recover her productive power and correct her currency disorders by deflating her distended currency.

A. C. MILLER ON MOBILIZATION OF OUR RESOURCES FOR EUROPE'S USE.

According to A. C. Miller of the Federal Reserve Board, "no more pressing financial problem confronts the United States than the setting up and putting in motion the machinery for determining the extent to which we can safely undertake to finance reconstruction in Europe." Mr. Miller made this statement in an address on "After-War Adjustment: The Present Price Outlook," delivered at Pittsburgh on June 6 before the National Hardware Association of the United States. Mr. Miller furthermore said:

Fundamentally, the problem is one of keeping the industrial activity of the nation stimulated and, equally important, keeping the savings spirit of the country from weakening. The people must everywhere be made to appreciate that in the present condition of the European world, it is our urgent duty to keep up our newly acquired saving habit. Beyond that, a sufficient portion of the community must be educated to an interest in the purchase of European obligations or American obligations based upon European collateral. More than this, some competent agency, which will merit the confidence of the American people—national and representative in character but preferably not governmental—must be set up for seeing to it that the apportionment of such capital as may be yielded by the savings of the nation shall be made wisely, with due regard for the economic needs of American industry and the American consumer, as well as the needs of European industry and the European consumer. The opportunity to make financial and traders' profits out of the needs of Europe by the sale to Europe of goods and materials on long-term securities floated in the American market is such that great care must be taken that such operations are constantly kept within the limits of national economic prudence, both in our own interest and in Europe's interest. It would therefore be advisable to set up a Committee on Financial Facilities for Europe, composed of a membership—following the analogy of the Federal Reserve organization—one-third representing financial interests, one-third commercial interests and one-third to be selected by the Federal Reserve Board, representing the general public interest. But whether this or some other method is adopted, it is of primary importance that a national and representative character should be given to any movement for the mobilization of our financial and economic resources for Europe's use. The matter is one of too grave consequence to be left to the determination of private interest alone. The situation offers so many temptations that abuse of the credit facilities of the Federal Reserve system would be almost certain to result with a further and disastrous inflation of credit as a consequence. No method of providing for the financing of Europe that does not contain careful safeguards against this contingency can be regarded as satisfactory. What Europe needs is capital. The Federal Reserve banks are not investment institutions; they deal in credit, not capital. The attempt, under any disguise, to use their facilities as a substitute for capital would be fatal to the Federal Reserve system and injurious to the public at large.

ASSURANCES GIVEN UNITED STATES BY MEXICO IN OIL DISPUTE.

Press accounts from Washington May 30 in reporting that assurances had been given the United States by the Mexican Government in the oil dispute said:

The Mexican Government has assured the United States that no law enacted by the Mexican Congress in connection with the petroleum code would have retroactive effect, it was learned from official sources to-day, and the State Department has been advised that the new oil law will not nationalize oil properties acquired by Americans prior to May 1 1917. Charles A. Douglas, who represents the Mexican Government and the Mexican Embassy here (Washington) as legal adviser, to-day said these assurances had been given in good faith and that there was no question that they would be carried out. Mr. Douglas said to-day the same protection would apply to all other foreign investments in Mexico.

Officials here believe that if these assurances are carried out the most serious cause of trouble between the two countries will have been eliminated. It also was said that if Mexico by the enactment of laws protecting foreign rights, gave guarantees that she would comply with her international obligations, she might be invited to become a member of the League of Nations.

RULINGS ON NEW YORK STATE INCOME TAX LAW, APPLICABILITY AS TO NON-RESIDENTS—WITHHOLDING AGENTS.

A protest made by William N. Runyon, Governor of New Jersey, against the provision in the New York State income tax law with regard to the tax as applied to non-residents has brought from Alfred E. Smith, Governor of New York, a letter (published in the Albany "Argus" of the 19th inst.) which says:

There seems to me to be one possible injustice and one error in the provisions of the New York income tax act, as applied to non-residents. Provision should, it seems to me, be made, if it is practically possible, for the \$1,000 and \$2,000 exemption to apply to non-residents who receive their whole income in the State of New York, provided an equal exemption is not granted in the place of their residence.

By inadvertence, also, the withholding agent in the case of the non-resident is required, unless the non-resident pays his tax directly, to deduct 2% in the case of incomes under \$10,000, whereas the tax under another section of the bill is fixed at 1% for incomes under \$10,000.

This error in the bill, as well as the possible injustice above mentioned can be corrected, and should be corrected, at the beginning of the next legislative session in January, two months before the first tax must be paid so that the non-resident taxpayer need not suffer any actual injustice.

We have sought in the provisions to make the act both friendly and reciprocal. The act provides that non-residents shall have rebated to them

any tax on New York income which may be imposed by the State of the taxpayers' residence, providing that the home State of the taxpayer treats New Yorkers in a substantially similar way. In the meantime we only desire, in the most friendly spirit, to tax the non-resident for the benefit to him of the legal and social and physical protection and opportunity offered to him to accumulate wealth and do business and make earnings in the State of New York.

On June 9 it was announced that under a ruling received by New York State Comptroller Travis from the State Attorney-General, Charles D. Newton, the tax imposed under the New York income tax law against non-residents whose income is derived within the State would be figured at 1% on the first \$10,000 and 2% in excess of that amount, instead of 2% in all cases as the law provides. In announcing this as among the first of a series of rulings made known by Comptroller Travis the press dispatches from Albany on June 8 said:

According to his statement, every employer, under the law, will be obliged to keep on file a certificate of residence of each of his employees. In addition he will be required to deduct and withhold from the salaries of all non-residents equalling or exceeding \$1,000 a tax of 1% on the first \$10,000 and 2% in excess of that amount.

This tax applies not only to salaries, but also to wages, commissions, gratuities, emoluments, perquisites, or other fixed and determinable, annual or periodical compensation, earned for personal services in a business, trade, profession or occupation carried on within this State providing that the withholding agent (employer) has not on file a certificate that his employee is a resident of this State, setting forth such residence. Blanks for this purpose have already been provided, and will be sent upon request.

In addition the Comptroller has ruled that withholding agents shall deduct with respect of personal service compensation paid or credited to the payee at any time subsequent to Jan. 1 last, if payments are made or credited to the payee at any time within the calendar year. In other words, the act is retroactive in effect, in that, although it became a law on May 14 its provisions date back to the beginning of the current year.

Should the employee have left the service prior to the above date and had received full compensation up to the time of his departure, no duty or obligation rests on the withholding agent. Despite the fact that the statute provides for a deduction of 2% of all salaries of non-residents employed within the State, the Comptroller believes that this amount was left in the statute through inadvertence when the bill which originally provided for a flat tax of 2% was afterward changed on a graduated scale from 1 to 3%. This ruling not only means a gain to the taxpayers, but relieves the Comptroller's office of considerable unnecessary work incident to returning amount in excess of 1%.

It is learned that in his advices to State Comptroller Travis Attorney-General Newton said in part:

If it were not for the phraseology of other subdivisions of Sec. 366 the first subdivision might make it unavoidably incumbent upon a withholding agent to withhold 2% in every case, even where the tax payable to the State is only 1%. But the phraseology of subdivisions 3, 4 and 5 is such as to make the requirement that 2% be withheld purely technical and unenforceable to the extent of more than 1% in cases where the net income is \$10,000 or less. Subdivision 1 requires the withholding of 2% of determinable annual or periodical income taxable under this article. Section 351 makes incomes of \$10,000 or less taxable at only 1%. Subdivision 3 of Sec. 366 requires the withholding agent to make return and pay "the tax" to the Comptroller. Where the tax is only 1%, that is all that need be paid to the Comptroller. The penalty for failure to withhold is merely a liability to pay the tax with penalties if it be not paid by the recipient of the income. So in case of an income of \$10,000 or less the withholding agent is protected against claim by the State if he pays 1% to the Comptroller—and there can be no object in his withholding or paying more.

Further rulings on "deducting and withholding at the source" were made known by State Comptroller Travis on June 13. Under the rules, it is stated, only incomes earned from personal services are affected—this covering "salaries, wages, commissions, gratuities, emoluments and perquisites," although other kinds of personal service incomes may be added if "fixed, determinable, annual or periodical." The statement issued by the Comptroller's office on the 13th says:

Income is fixed when it is to be paid in amounts definitely predetermined, that is, whenever there is a basis of calculations by which the amount to be paid may be ascertained. This may not necessarily be paid annually, but rather periodically, that is, "from time to time," whether or not at regular intervals. Should the length of time be increased or diminished, the payments are none the less determinable or periodical. To ascertain, however, whether a salary, wage, commission or gratuity is "fixed or determinable, annual or periodical" (1) it must be determined prior to, concurrent with or subsequent to the rendering of the service; (2) based on personal service rendered by the hour, week, month, year or other period; (3) on the performance of certain specified or unspecified duties; (4) on work done on or in connection with one or more of certain articles or parts, regardless whether the payments are made in cash, board or lodging, property, service or otherwise.

Should the payments not be made in cash, the fair market value is to be the medium employed. Fees for professional services are not subject unless paid on an annual or periodical basis. The calendar year is the basis regardless of the methods adopted by the taxpayer. Commissions and other forms of personal service compensation determined and paid or credited to the taxpayer after the close of the taxable-calendar year are to be treated as payments made in the calendar year when paid and credited. However, income is not subject to be deducted when (1) withholding agents have obtained certificates of residence of employee within the State; (2) if of a character other than compensation for personal services, or (3) when personal services are rendered entirely without the State by a non-resident, whether payment be made within or without, irrespective of the status of the withholding agent.

The occasional entry into the State of a non-resident employee, working entirely without the State but returning to report, receive instructions, &c., incidental to his work, does not disturb his classification. Where the non-resident's income is for services partly performed within and without, the withholding agent deducts on the entire compensation unless he files with the Comptroller an affidavit that (1) employee is a non-resident; (2) that part only of the payments were made for services performed within the

State; (3) with the amount in dollars and cents of such part. In apportioning the income of non-resident salesmen and other employees through whose services receipts or remuneration inure directly to the employer, only that portion of the entire salary which the volume of business he transacts within bears to the total carried on within and without, is attachable.

Should the remuneration not inure directly, as in the case of clerks, bookkeepers, &c., the attachable portion of the income is based upon the relationship which the time employed within bears to the time both employed within and without. If the peculiarity of the services performed renders such apportionment impossible, a full statement of such fact must be filed with the Comptroller. Special forms of resident certificates are provided, and the withholding agents are obliged to keep these available for inspection at least one year afterward. Should the employee change his residence, he must notify his employer, failure for which his certificate is revoked and a deduction made from his compensation for the entire year. If he afterwards files a resident certificate before the annual return is made, in no event later than March 15 in the following year, the withholding agent is to return the entire amount deducted.

The New York State income tax law was signed by Governor Smith on May 15. Its text was given in our issue of May 10, pages 1883 to 1887. Following the approval of the measure by the Governor, Comptroller Travis, in a statement explaining its features, said in part:

Individuals carrying on business in partnerships are liable for the tax in their individual capacity, as in the case under the Federal Act, but the partnership is required to file a return. The Act is also applicable to the incomes of estates and all kinds of property held in trust, and in each the fiduciary is made responsible for making the return of income for the estate or trust for which he acts.

Because they are unlike provisions of the Federal Act, those relating to withholding agents are of great importance. It purports to impose the tax on the entire net income of non-residents "from all property owned and from every business, trade, profession or occupation carried on within the State by natural persons not residents thereof."

The term, withholding agent, is defined. Persons standing in that relation to non-residents are required to deduct and withhold 2% of all personal service compensation of whatever kind and in whatever form paid or received, if the amount thereof for a year equals or exceeds \$1,000, and as to all other income of non-residents, the withholding agent is required to return to the Controller complete information if the amount thereof in a single year equals or exceeds \$1,000.

The law applies not only to individuals but in relation to their income from co-partnerships and associations. In determining what is a taxable income, gains, profits, and income from salaries, wages of whatever kind or form, from professions, vocations, paid businesses, commerce, sales, or dealings in property are included, as well as income from interest, rent, dividends, securities, or the transaction of any business carried on for gain, and income derived from any source.

There are, however, certain deductions allowed, such as life insurance policies, gifts acquired by bequests, Federal, State and municipal securities, industrial insurance, compensation of Federal employees, income from religious, charitable, and eleemosynary institutions used exclusively for such purposes. Other deductions allowed in computing the net income include all ordinary expenses for carrying on a trade, losses sustained without insurable compensation, worthless debts, depletion, and depreciation of property.

The law expressly provides, however, that the above deductions are not to be allowed in respect to ordinary living expenses, improvements and betterments, life insurance premiums (when the taxpayer is the beneficiary), and gifts to charitable, hospital and eleemosynary institutions. Other administrative features of special interest include one provision requiring that the utmost secrecy be maintained by the State Controller's office. The Act provides a heavy penalty for divulging or disclosing any information, but permits, however, the publication of statistics so classified as to prevent identification of any particular report.

The law also carefully defines "net income" as gross income less the deductions allowed. In explaining "gross income" as "the total of every item derived from all sources whatever (except those specified as wholly exempt) received during the taxable year." It includes all salaries received for personal service, profits from business, rents, interest of every character, including bank deposits, and all income received from estates and partnership profits, whether distributed or not. All items of foreign income and dividends on stock or from net earnings of foreign corporations are likewise added.

The term "gross income" has quite a different meaning as to non-residents, for it includes only "gross income" from sources within that State. It does not include annuities, interest on bank deposits, bonds, notes, or other interest bearing obligations, and dividends from corporations except to the extent which such incomes shall be a part of a business, trade, profession, occupation, carried on within this State and subject to taxation under this law.

The term "taxable income," while not used in the law, may be defined here to mean that portion of "net income" which forms the base upon which the tax is calculated. In order to determine what is "taxable income," a person's entire income is not necessarily taxed, as the law provides that it shall not include income of certain character, like interest on Liberty bonds, bonds of the State of New York, gifts, &c., in computing gross income.

Further, certain deductions, like ordinary business expenses and losses, bad debts charged off, depreciation, &c., may be subtracted from "gross income" in order to arrive at "net income." Again, personal exemption is allowed to residents as a deduction from "net income" in calculating "taxable income," and is allowed to non residents under certain conditions, like income paid to the State and county of his residence.

One of the provisions that should be emphasized in the tax law is that this measure is a substitute in part for the tax heretofore attempted to be levied upon intangible personal property. Accordingly, certain personal property is exempted from assessment, such as money on hand, on deposit, or at interest, bonds, notes, choses in actions and shares of stock in corporations other than banks owned by an individual or constituting a part of a trust or estate after July 31 1919.

ITEMS ABOUT BANKS, TRUST COMPANIES, ETC.

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

The Governors of the New York Stock Exchange decided on Wednesday last to grant the petition of the members for a holiday on Saturday next (July 5), making a three-day week-end holiday. The New York Cotton Exchange and

the Baltimore and Philadelphia stock exchanges have taken similar action.

H. L. Servoss has been elected Vice-President and Secretary of the United States Mortgage & Trust Co., of this city. C. H. Murphy has been elected Vice-President and Treasurer and A. W. Keevil has become Assistant Secretary

The New York Stock Exchange has authorized the listing of \$300,000 additional capital stock of the Fifth Avenue Bank, of this city, making the total listed \$500,000. The new issue of stock was authorized by the stockholders of the bank on May 26. The enlarged capital becomes effective July 2.

The bond department of the Equitable Trust Co. of New York has removed to larger quarters. This change was necessitated by the great increase in business with the consequent enlargement of the office force. The department will occupy the entire fifth floor of the company's building at 37 Wall Street.

The proposal to increase the capital of the Irving National Bank of this city from \$4,500,000 to \$6,000,000, referred to in our issue of May 24, was ratified by the stockholders on June 20. On the same date the stockholders of the Irving Trust Company ratified the proposal to increase their capital from \$2,250,000 to \$3,000,000. Of the 15,000 bank shares to be issued 11,250 will be offered to stockholders of record June 30 at par (\$100 per share) and of the 7,500 Trust Company shares to be issued 5,625 will be offered to stockholders of record June 30 at par and a quarter (\$125 per share), both at the ratio of one share for every four held, the right to subscribe expiring July 21; the other 3,750 bank shares and 1,875 Trust Company shares will be disposed of at the discretion of the directors at not less than the book value of the stock after the issuance of the 11,250 and 5,625 shares.

On June 24 the directors of the Irving National Bank promoted to the position of Vice-President H. A. Mathews, formerly Assistant Cashier. Mr. Mathews, who for ten years was connected with the Anglo-South American Bank, for the past two years and a half has been with the Irving in its Foreign Department.

The National Bank of South Africa, Ltd. (head office Pretoria) has opened branches at Victoria and Shebante, in Rhodesia.

Fred M. Langdon, Henry P. Seibert, William G. Clinkunbroomer and Howard J. Stieb were made Assistant Cashiers of the American Exchange National Bank of this city on June 24.

Edward K. Cherrill, Vice President of the Atlantic National Bank of New York, was chosen a member of the Executive Committee of the National Bank Section, New York State Bankers' Association, at its recent convention in Albany.

At a meeting of the directors of the Atlantic National Bank, this city, on June 18 a bonus of 2½% of their annual salaries was voted the employees who have been in the service of the bank since April 1. An additional 2½% was voted the employees in the service of the bank six months or more. Those employees who left the bank to go into Government service and who are now employed by the bank will receive the full 5% bonus. These awards are in addition to the yearly bonuses voted Jan. 1.

The New York Agency of the Anglo-South American Bank, Ltd., at 49 Broadway, directs attention to the advantages of investing in the 4% British Funding Loan and Victory bonds owing to the low rate of exchange. The bank states that the issue prices of these bonds are to be £80 and £85 for each £100 par value which at the current rate of exchange approximates £75.10 and £80.10 with an increased proportionate yield on the investment. Bonds are free of British income and super-tax to all bona fide non-residents of Great Britain. The New York officers of the Agency will gladly furnish further information and the bank will transmit applications through its head office in London, which will hold securities in safe custody if desired and also collect interest and drawn bonds free of charge. A copy of "Circular T" will be mailed to interested inquirers on

application to the Anglo-South American Bank, Ltd., 49 Broadway.

The National City Bank of New York announces the opening of a new branch bank in Santa Clara, Cuba; Union del Reys, Cuba, and Pinar del Rio, Cuba.

Edward P. Davis was appointed an Assistant Secretary of the Guaranty Trust Company of New York at a meeting of the Executive Committee on June 19. Mr. Davis came to the Guaranty Trust Company in December 1911. Recently he has been assistant to Assistant Secretary Albert Hopkins.

The Comptroller of the Currency reports the issuance of a charter for the Second National Bank of Hempstead, N. Y., with capital of \$100,000. George H. Baukney is President and C. W. Ludlum Cashier.

William B. Davidson, Cashier of the United States Bank of Hartford, Conn., died on June 16. Mr. Davidson entered the United States Bank as a runner and filled the various posts up to the office of Cashier. He had served in the cashiership since 1905. Mr. Davidson was 57 years of age.

At the annual meeting of the stockholders of the Hanover Trust Company of Boston on June 10 the following changes were made in the personnel of the institution: Henry H. Chmielinski, who had been Vice-President and Treasurer of the bank since its organization in May 1916, was elected President to succeed Gabriel Stabile, who became a Vice-President and will also continue as a director of the institution; James E. Farrell, heretofore holding the position of Actuary, was made a Vice-President in lieu of J. H. Finkham; Edward J. McCarty, formerly Assistant Secretary, was elected Assistant Treasurer, to succeed John J. Reidy and Timothy Harrington was made Assistant Secretary in place of Mr. McCarty. Two new directors were added to the board, namely Thomas J. Kenney and George A. Stuart. Mr. Chmielinski, the new President, is thirty-seven years of age and a native of Poland. His banking career began in the Dime Savings Bank of Wilkes-Barre, Pa. Later he went to Boston and became identified with the Cosmopolitan and Exchange trust companies. Still later he was elected President of the Polish Industrial Association, which conducts a bank in the North End, serving the Association as Treasurer in addition to his duties as President. Three years ago, upon the organization of the Hanover Trust Company, in which he was instrumental, Mr. Chmielinski was made Vice-President and Treasurer, the positions he held until his recent promotion to the Presidency of the institution. Mr. Chmielinski is also a member of the board of the company.

A charter has been issued for the Northern National Bank of Cleveland, Ohio, capital \$500,000. William D. Young is President and J. A. Purcell Cashier. Reference to the application for a charter was made in our issue of March 22.

An increase of \$50,000 in the capital of the First National Bank of Great Bend, Ind., raising it from \$100,000 to \$150,000, has been approved by the Comptroller of the Currency.

Seven employees of the Mississippi Valley Trust Co. of St. Louis were recently awarded prizes for essays entitled "My Job" at a meeting in the company's offices. The idea of having each employee write a description of his duties and how they fit into the organization of the company, originated with Breckinridge Jones, President, and when it commenced, the contest was for a single prize of \$25. Every employee wrote essays and when they were turned in, the officers of the company found it impossible to recognize only one of them. Consequently, the papers were divided into two classes, one submitted by the older and more experienced employees, the other by the younger people, and three prizes were awarded to each class, \$25 for the best essay, \$15 for the second best and \$10 for the third best. As to the results, an announcement from the company says:

In the older employees class, Orville Grove, who has been made Assistant Real Estate Officer since the close of the contest, was awarded first prize, Ralph Bugbee of the New Business Department won second prize, and Louis R. Engel of the Financial Department, third prize.

In the younger class, Miss Katherine Petzold of the New Business Department won first prize; Raymond Ruhlkoetter of the Transit Department won second prize, and the third prize was awarded to Ira Stevens of the Financial Department.

A special prize for distinguished merit was awarded to William K. Moore, the company's sixteen year old colored elevator boy, whose essay was the shortest of all the prize-winning papers, but according to Vice-President William G. Lackey, who awarded the prizes, was in some respects the best of them all.

Brockinridge Jones, President of the company, presided at the meeting and in congratulating the winners said that he will inaugurate a contest next fall wherein a prize will be given to the employee in each department who, in the judgment of his or her associates, shows most efficiency, enthusiasm and vision.

The issuance of a charter for the Continental National Bank of Jackson County, at Kansas City, Mo., is announced by the Comptroller of the Currency. The institution has been formed with a capital of \$1,000,000. The President is W. L. Buechle while George McCarter is Cashier.

Approval of plans whereby the capital of the National City Bank of Memphis, Tenn., is increased from \$200,000 to \$300,000 is announced by the Comptroller of the Currency.

The directors of the Hibernia Bank & Trust Company of New Orleans have elected Bruce Baird manager of its Foreign Trade Department. Mr. Baird gained his knowledge of foreign banking in the Foreign Exchange Department of the First National Bank of Chicago, where he was employed for about fifteen years. He became associated with the Foreign Trade Department of the Hibernia about six months ago. Mr. Baird is Chairman of the National Membership Committee, of the American Institute of Banking and a local member of the Transportation Committee of the 1919 convention which will be held in New Orleans. Last year he was President of Chicago Chapter.

In one part of the item in our issue of June 14 (page 2405) relating to the proposed absorption of the New Orleans National Bank of New Orleans by the Hibernia Bank & Trust Company, the resources of the consolidated institution, it was announced, would be "considerably in excess of \$50,000." Of course "\$50,000,000" was meant, as evidenced by the other figures in the item, and by the statement at the beginning of the item that "the enlarged institution will have resources of more than \$50,000,000."

The Houston National Exchange Bank, Houston, Texas, on June 2 increased its capital stock from \$400,000 to \$800,000, and the bank contemplates within the near future the erection of a handsome office building on its present site an additional fifty foot frontage on Main street having recently been purchased for this purpose.

A meeting of the stockholders of the Security Trust & Savings Bank of Los Angeles, Cal., will be held on July 14 to vote on a proposition to increase the capital of the institution from \$1,800,000 to \$5,000,000. This is an initial step, we understand, in a plan to extend the activities of the Security Trust & Savings Bank over a larger field under the new banking laws and regulations now in force.

The Standard Bank of Canada (head office Toronto) has declared a dividend for the current quarter, ending July 31 1919, at 3 1/4%, being at the rate of 13% per annum upon the paid-up stock of the bank, and which will be payable on and after Aug. 1 1919, to shareholders of record as of the 19th of July next.

THE ENGLISH GOLD AND SILVER MARKETS.

We reprint the following from the weekly circular of Samuel Montagu & Co. of London, written under date of June 12, 1919:

GOLD.

The Bank of England gold reserve against its note issue is £85,227,585, an increase of merely £8,465 as compared with last week's return. The embargo upon the export of gold from the United States of America was removed on the 7th inst. This announcement was followed almost immediately by arrangements for the shipment of about \$11,000,000 to South America, chiefly to Argentina. We understand that this amount will be followed by other important consignments. The "Times" reports a tentative arrangement to export \$1,000,000 to Japan. The price of gold has been quoted in Bombay about Rs.33 per tola fine, and a quantity was attracted to the market about the beginning of May owing to this high figure.

CURRENCY.

Novel modern denominations of currency are being created by new States now called into existence. For instance, the Jugo-Slav kingdom is replacing the Austrian kronen notes in circulation by bank notes expressed in "dinars," the nominal value of which will be decided at a later date.

SILVER.

The market has shown considerable strength during the week owing to the scantiness of supplies. The demand has been far from keen from the

trade. There has been some danger of labor troubles, but this happily has been averted. China and South America have been making purchases in the United States. The Shanghai exchange has risen to 5s. 4d. the tael.

INDIAN CURRENCY RETURNS.

In Lacs of Rupees—	May 15.	May 22.	May 31.
Notes in circulation	15507	15558	15518
Silver coin and bullion in India	3,893	3943	3899
Silver coin and bullion out of India	—	1607	1611
Gold coin and bullion in India	1606	150	150
Gold coin and bullion out of India	—	1608	1608
Securities (Indian Government)	—	8250	8250
Securities (British Government)	—	—	—

This setback in the advancing total of silver reserves is the first since April 22 last. The mintage during the week ending 31st ult. amounted to 165 lacs of rupees. The stock in Shanghai on the 7th inst. consisted of about 26,923,000 ounces in sycee and \$11,300,000, as compared with about 27,360,000 ounces in sycee and \$11,400,000 on the 31st ult. Within the fortnight ending 7th inst. there has been a reduction of 2,300,000 ounces and \$1,300,000. Statistics for the month of May are appended:

Highest price for cash	58d.	Highest price for 2 mos.	57 1/2 d.
Lowest " "	48 9-16d.	Lowest " "	51d.
Average " "	52.104d.		

The average price for 2 mos. delivery from May 9 (the first date since the outbreak of war that such a quotation was fixed) to May 31 was 53.168d. Quotations for bar silver per ounce standard:

June 6	53 1/4 d.	cash	53 1/4 d.	2 mos.	Bank rate	5%
June 7	53 1/4 d.	"	53 1/4 d.	"	Bar gold, per ounce	—
June 10	53 1/4 d.	"	53 1/4 d.	"	standard	77s. 9d.
June 11	54 1/4 d.	"	54 1/4 d.	"		
June 12	54 1/4 d.	"	54 1/4 d.	"		
Average	53.775d.	"	53.775d.	"		

The quotations to-day for cash and forward delivery are each 1 1/2 d. above those 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:

London,	June 21.	June 23.	June 24.	June 25.	June 26.	June 27.
Week ending June 27—	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Silver, per oz.	54 1/4	53 3/4	54 5-16	54 5-16	53 3/4	53 3/4
Consols, 2 1/2 per cents.	Holiday	53 1/2	53 1/2	53	53 1/4	53 1/4
British, 5 per cents.	Holiday	94	94	93 3/4	94	93 3/4
British, 4 1/2 per cents.	Holiday	99 1/2	99 1/2	99 1/2	99 1/2	99 1/2
French Rentes (in Paris), fr.	62.80	62.80	62.80	—	—	—
French War Loan (in Paris), fr.	88.70	88.77	88.70	—	—	—

The price of silver in New York on the same days has been:

Silver in N. Y., per oz.	111 1/4	110 1/4	111 1/4	110 1/4	109 1/2	108 1/4
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Commercial and Miscellaneous News

Breadstuffs figures brought from page 2647.—The statements 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. 190 lbs.	bush. 60 lbs.	bush. 56 lbs.	bush. 56 lbs.	bush. 48 lbs.	bush. 56 lbs.
Chicago	171,000	149,000	1,229,000	2,398,000	865,000	43,000
Minneapolis	999,000	999,000	55,000	575,000	1,028,000	208,000
Duluth	157,000	—	—	5,000	381,000	222,000
Milwaukee	17,000	91,000	139,000	1,110,000	772,000	61,000
Toledo	—	10,000	25,000	148,000	—	—
Detroit	—	7,000	25,000	53,000	—	—
St. Louis	35,000	108,000	488,000	602,000	13,000	1,000
Feoria	46,000	13,000	449,000	135,000	87,000	—
Kansas City	—	97,000	373,000	182,000	—	—
Omaha	—	90,000	520,000	262,000	—	—
Indianapolis	—	2,000	274,000	273,000	—	—
Total wk. '19	269,000	1,723,000	3,566,000	5,748,000	3,116,000	535,000
Same wk. '18	218,000	1,692,000	4,428,000	4,137,000	562,000	125,000
Same wk. '17	260,000	2,646,000	5,068,000	4,224,000	671,000	92,000
Since Aug. 1—						
1918-19	15,488,000	399,343,000	193,785,000	269,472,000	88,003,000	37,315,000
1917-18	14,801,000	163,870,000	223,748,000	299,122,000	61,842,000	22,952,000
1916-17	17,418,000	341,185,000	506,508,000	253,171,000	81,738,000	20,654,000

Total receipts of flour and grain at the seaboard ports for the week ended June 21 1919 follow:

Receipts at—	Flour.	Wheat.	Corn.	Oats.	Barley.	Rye.
	Barrels.	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.
New York	91,000	849,000	1,000	1,671,000	454,000	244,000
Philadelphia	266,000	628,000	97,000	148,000	104,000	435,000
Baltimore	101,000	379,000	40,000	306,000	298,000	86,000
Newport News	102,000	—	—	—	—	—
New Orleans*	108,000	150,000	50,000	34,000	—	—
Galveston	4,000	24,000	—	—	—	—
Montreal	302,000	972,000	—	46,000	568,000	59,000
Boston	17,000	13,000	3,000	51,000	568,000	33,000
Total wk. '19	991,000	3,015,000	191,000	2,156,000	1,992,000	837,000
Since Jan. 1 '19	19,020,000	101,435,000	6,075,000	33,105,000	16,854,000	21,748,000
Week 1918	538,000	166,000	415,000	1,561,000	471,000	90,000
Since Jan. 1 '18	12,531,000	13,630,000	13,620,000	53,880,000	6,568,000	2,636,000

* Receipts do not include grain passing through New Orleans for foreign ports on through bills of lading.

The exports from the several seaboard ports for the week ending June 21 are shown in the annexed statement:

Exports from—	Wheat.	Corn.	Flour.	Oats.	Rye.	Barley.	Peas.
	Bushels.	Bushels.	Barrels.	Bushels.	Bushels.	Bushels.	Bushels.
New York	1,239,248	—	212,005	1,915,843	—	557,477	74,798
Boston	200,000	—	3,000	201,000	—	204,000	—
Philadelphia	320,000	—	125,000	350,000	250,000	—	—
Baltimore	137,000	96,000	129,000	150,000	188,000	—	—
Newport News	—	—	102,000	—	—	—	—
New Orleans	466,000	3,000	13,000	13,000	—	—	3,000
Galveston	106,000	—	—	—	—	—	—
Montreal	1,328,000	—	266,000	96,000	—	72,000	—
Total week	3,856,248	99,000	850,005	2,725,843	438,000	1,541,479	77,798
Week 1918	204,664	345,638	1,603,590	—	—	133,000	49,843

Table with columns: Name of Company, Per Cent., When Payable, Books Closed, Days Inclusive, Name of Company, Per Cent., When Payable, Books Closed, Days Inclusive. Contains financial data for various companies including Railroads, Street and Electric Rys., Banks, and Trust Companies.

Main table with columns: Name of Company, Per Cent., When Payable, Books Closed, Days Inclusive, Name of Company, Per Cent., When Payable, Books Closed, Days Inclusive. The table lists numerous companies and their financial details.

Table with columns: Name of Company, Per Cent., When Payable, Books Closed, Days Inclusive. Includes entries like 'Miscellaneous (Continued)', 'Indiana Coke & Gas, first preferred (quar.)', 'Ingersoll-Rand Co., preferred', etc.

Table with columns: Name of Company, Per Cent., When Payable, Books Closed, Days Inclusive. Includes entries like 'Miscellaneous (Continued)', 'Northern Pipe Line', 'Northwestern Electric Co., pref. (quar.)', 'Nova Scotia Steel & Coal, common (quar.)', etc.

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 JUNE 13 1919.

Substantial declines in the holdings of Treasury certificates and other U. S. war obligations, also large withdrawals of Government deposits accompanied by corresponding increasing in other demand deposits, are indicated in the Federal Reserve Board's statement of condition on June 13 of 770 member banks in leading cities.

Payment of income and excess profit taxes by tax certificate accounts probably for the greater part of the \$2.5 million decrease in Treasury certificates on hand, while decreases of 10.5 and 14.3 millions in U. S. war bonds and Victory notes represent largely the net amounts of these securities sold to customers on the partial payment plan by reporting member banks. An unusually large increase, viz., 105.1 millions, is shown for

other loans and investments, the New York City banks alone reporting an increase of 74.3 millions under this head.

U. S. war obligations and war paper combined show a decrease from 4,019.0 to 3,597.4 millions and constitute 26.1% of the aggregate loans and investments of all reporting banks, as against 26.9% the week before. For the New York banks a decrease in this ratio from 30.5 to 29.3% may be noted.

As against net withdrawals of 235.1 millions of Government deposits there is shown an increase of 196.8 millions in other demand deposits, besides a considerable increase in bills payable and other borrowings from Federal Reserve banks. Reserve balances show a decline of 46.6 millions, largely in New York City, while cash in vault shows a gain of 5.1 millions.

1. Data for all reporting banks in each district. Two ciphers (00) omitted.

Table with columns for Member Banks (Boston, New York, Philadel., Cleveland, Richm'd., Atlanta, Chicago, St. Louis, Minneap., Kan. City, Dallas, San Fran.) and Total. Rows include Number of reporting banks, U.S. bonds to secure circulation, Other U. S. bonds, Liberty bonds, U. S. Victory Notes, U. S. certifs. of indebtedness, Total U. S. securities, Loans sec. by U. S. bonds, etc., All other loans & investments, Reserve bal. with F. R. bank, Cash in vault, Net demand deposits, Time deposits, Government deposits.

2. Data for Banks in Federal Reserve Bank Cities, Federal Reserve Branch Cities and Other Reporting Banks.

Table with columns for New York, Chicago, All F. R. Bank Cities, F. R. Branch Cities, All Other Report'g Banks, and Total. Rows include No. reporting banks, U. S. bonds to secure circulation, Other U. S. bonds, U. S. Victory Notes, U. S. certifs. of indebtedness, Total U. S. securities, Loans sec. by U. S. bonds, etc., All other loans & investments, R. s. balances with F. R. Bk, Cash in vault, Net demand deposits, Time deposits, Government deposits, Ratio of U. S. war securities and war paper to total loans and investments%.

* Separate figures not available. x Subject to correction.

The Federal Reserve Banks. - Following is the weekly statement issued by the Federal Reserve Board on June 20:

Liquidation in some volume of war paper fully offset however by increases of other discounts and of acceptances on hand, also a decrease of 28.1 millions in gold reserves are indicated in the Federal Reserve Board's weekly bank statement issued as at close of business on June 20 1919.

As against a decrease of 73.6 millions in war paper there are shown increases of 32.9 millions in other discounts, and of 40.2 millions in acceptances. The total of war paper on hand includes an amount of 127.5 millions discounted for other F. R. banks by the Cleveland, Chicago, St. Louis and Minneapolis Reserve banks, while the total of acceptances on hand comprises 27.5 millions bought from the New York Federal Reserve Bank without the latter's endorsement. A decline of 2.5 millions in Treasury certificates represents in part liquidation of temporary purchases

of certificates from non-member banks. As a result of all these operations total earning assets show a decline for the week of 3.1 millions.

Government deposits fell off 83.8 millions, reserve deposits increased 15 millions, while the "float" carried by the Reserve banks was 45.5 millions less than the week before. Net deposits show a decrease of 23.4 millions. Federal Reserve note circulation declined about 11 millions, Philadelphia Cleveland and Richmond reporting the largest decreases. Direct withdrawals of gold by member banks and exchange of notes for gold, to meet the export demand, account largely for the decrease of 28.1 millions in gold and of 27.5 millions in cash reserves. The banks' reserve ratio shows a decline from 52.7 to 52.5%.

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.

COMBINED RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT THE CLOSE OF BUSINESS JUNE 20 1919.

Large table with columns for dates from June 20 1919 to June 21 1918. Rows are divided into RESOURCES (Gold coin and certificates, Gold settlement fund, Gold with foreign agencies, Total gold held by banks, Gold with Federal Reserve agents, Gold redemption fund, Total gold reserves, Legal tender notes, silver, etc., Total reserves, Bills discounted, Secured by Govt. war obligations, All other, Bills bought in open market, Total bills on hand, U. S. Government bonds, U. S. Victory Notes, U. S. certifs. of indebtedness, All other earning assets, Total earning assets, Bank premiums, Uncollected items and other deductions from gross deposits, 6% redemption fund, F. R. bank notes, All other resources) and LIABILITIES (Capital paid in, Surplus, Government deposits, Due to members, reserve account, Deferred availability items, Other deposits, Incf. for Govt. credits, Total gross deposits, F. R. notes in actual circulation, F. R. bank notes in circulation-net liab, All other liabilities).

* Amended figures. † Includes One-Year Treasury Notes.

The record of sales during the week of stocks usually inactive, see second page precedents.

Table with columns: HIGH AND LOW SALES PRICES—PER SHARE, NOT PER CENT., Sales for the Week Shares, STOCKS NEW YORK STOCK EXCHANGE, PER SHARE Range Since Jan. 1, On basis of 100-share lots, and PER SHARE Range for Previous Year 1918. Rows list various stocks like California Petroleum, Central Leather, Cerro de Pasco Cop., etc.

* Bid and asked price; no sales on this day. † Less than 100 shares. ‡ Ex-right, § Ex-div, and right, ¶ Ex-dividend.

Main table of bond listings for 'BONDS N. Y. STOCK EXCHANGE' with columns for Bond Name, Interest, Price, Week's Range, Bonds Sold, and Range Since Jan 1.

* No price bid; latest bid asked this week. † Due Jan. ‡ Due Feb. § Due June. ¶ Due July. †† Due Sept. ‡‡ Due Oct. §§§ Option Sale.

Table of N.Y. Stock Exchange Bonds (Week ending June 27) with columns for Bond Name, Interest Period, Price (Friday, June 27), Range (Low, High, Last Sale), and Range since Jan 1. Includes various government and corporate bonds.

Table of N.Y. Stock Exchange Bonds (Week ending June 27) with columns for Bond Name, Interest Period, Price (Friday, June 27), Range (Low, High, Last Sale), and Range since Jan 1. Includes various government and corporate bonds, continuing from the previous page.

* No price Friday; latest bid and asked. # Due Jan. # Due Feb. # Due May. # Due July. # Due Aug. # Due Oct. # Due Nov. # Due Dec. # Option sale.

BONDS				N. Y. STOCK EXCHANGE			
Week ending June 27				Week ending June 27			
Issue	Par	Price	Week's	Issue	Par	Price	Week's
Symbol		Friday	Range or	Symbol		Friday	Range or
		June 27	Last Sale			June 27	Last Sale
Virginia 1st 5s series A	1932	99 1/2	99 1/2	14	89 1/2	90 1/2	90 1/2
Wabash 1st gold 5s	1933	94 1/2	95	95 1/2	93 1/2	94 1/2	94 1/2
2d gold 5s	1933	87	87 1/2	June 19	83	89	89
Debuture series B	1933	93 1/2	94	94 1/2	93 1/2	94 1/2	94 1/2
1st lien equip f d 5s	1931	97 1/2	98	Nov 18	97 1/2	98	98
1st lien 50-yr g term 4s	1931	65	65	Sept 18	65	65	65
Det & Ch Ext 1st g 5s	1931	91	83 1/2	Feb 19	83 1/2	83 1/2	83 1/2
Del Molnes Div 1st g 4s	1931	77 1/2	80	Aug 12	80	80	80
Om Div 1st g 3 1/2s	1941	69	67	Feb 19	67	67	67
Toi & Ch Div 1st g 4s	1941	72 1/2	78	Jan 19	78	78	78
Wash Term 1st gu 3 1/2s	1943	76 1/2	80	May 19	75	75 1/2	75 1/2
1st 40 yr guar 4s	1943	60	61 1/2	60	60	60	60
West Maryland 1st g 4s	1937	97 1/2	99	97 1/2	96 3/4	100	100
West N Y & Pa 1st g 4s	1937	97 1/2	99	97 1/2	96 3/4	100	100
Cons gold 4s	1943	89 1/2	89 1/2	70	Dec 18	81 1/2	86 1/2
Income 5s	1943	91 1/2	91 1/2	36	Oct 17	81 1/2	86 1/2
Western Pac 1st ser A 5s	1945	83 1/2	84	84	84	84	84
Wacellin & L E 1st g 5s	1926	93 1/2	93	93	93	93	93
Wheel Div 1st gold 5s	1928	90 1/2	95	100	Feb 17	84	84
Erton & Imp't gold 5s	1930	93 1/2	95	90 1/2	Mar 17	84	84
Refunding 4 1/2s series A	1936	89 1/2	85	74	Jan 19	84	84
RR 1st consol 4s	1949	80 1/2	80 1/2	80 1/2	80 1/2	80 1/2	80 1/2
Winston-Salem S 1st 4s	1949	75	80	76	June 19	75	76
Wis Cent 50-yr 1st gen 4s	1943	73 1/2	76 1/2	77	June 19	76	80
Sup & Dul div & term 1st 4s 3/8	1936	75 1/2	80	75 1/2	June 19	72 1/2	77

BONDS				N. Y. STOCK EXCHANGE			
Week ending June 27				Week ending June 27			
Issue	Par	Price	Week's	Issue	Par	Price	Week's
Symbol		Friday	Range or	Symbol		Friday	Range or
		June 27	Last Sale			June 27	Last Sale
Virginia 1st 5s series A	1932	99 1/2	99 1/2	14	89 1/2	90 1/2	90 1/2
Wabash 1st gold 5s	1933	94 1/2	95	95 1/2	93 1/2	94 1/2	94 1/2
2d gold 5s	1933	87	87 1/2	June 19	83	89	89
Debuture series B	1933	93 1/2	94	94 1/2	93 1/2	94 1/2	94 1/2
1st lien equip f d 5s	1931	97 1/2	98	Nov 18	97 1/2	98	98
1st lien 50-yr g term 4s	1931	65	65	Sept 18	65	65	65
Det & Ch Ext 1st g 5s	1931	91	83 1/2	Feb 19	83 1/2	83 1/2	83 1/2
Del Molnes Div 1st g 4s	1931	77 1/2	80	Aug 12	80	80	80
Om Div 1st g 3 1/2s	1941	69	67	Feb 19	67	67	67
Toi & Ch Div 1st g 4s	1941	72 1/2	78	Jan 19	78	78	78
Wash Term 1st gu 3 1/2s	1943	76 1/2	80	May 19	75	75 1/2	75 1/2
1st 40 yr guar 4s	1943	60	61 1/2	60	60	60	60
West Maryland 1st g 4s	1937	97 1/2	99	97 1/2	96 3/4	100	100
West N Y & Pa 1st g 4s	1937	97 1/2	99	97 1/2	96 3/4	100	100
Cons gold 4s	1943	89 1/2	89 1/2	70	Dec 18	81 1/2	86 1/2
Income 5s	1943	91 1/2	91 1/2	36	Oct 17	81 1/2	86 1/2
Western Pac 1st ser A 5s	1945	83 1/2	84	84	84	84	84
Wacellin & L E 1st g 5s	1926	93 1/2	93	93	93	93	93
Wheel Div 1st gold 5s	1928	90 1/2	95	100	Feb 17	84	84
Erton & Imp't gold 5s	1930	93 1/2	95	90 1/2	Mar 17	84	84
Refunding 4 1/2s series A	1936	89 1/2	85	74	Jan 19	84	84
RR 1st consol 4s	1949	80 1/2	80 1/2	80 1/2	80 1/2	80 1/2	80 1/2
Winston-Salem S 1st 4s	1949	75	80	76	June 19	75	76
Wis Cent 50-yr 1st gen 4s	1943	73 1/2	76 1/2	77	June 19	76	80
Sup & Dul div & term 1st 4s 3/8	1936	75 1/2	80	75 1/2	June 19	72 1/2	77

*No price Friday; latest bid and asked. a Due Jan. b Due April. c Due May. d Due June. e Due July. f Due Aug. g Due Oct. h Due Nov. i Due Dec. j Option sale.

SHARE PRICES—NOT PER CENTUM PRICES

Table with columns: Saturday June 21, Monday June 23, Tuesday June 24, Wednesday June 25, Thursday June 26, Friday June 27, Sales for the Week, Stocks Boston Stock Exchange (Railroads, Miscellaneous, Mining), Range Since Jan 1 (Lowest, Highest), Range for Previous Year 1918 (Lowest, Highest). Rows list various stock symbols and their prices.

* Bid and asked prices. d Ex-dividend and rights. s Assessment paid. b Ex-stock dividend. A Ex-rights. s Ex-dividend = Half-paid.

Outside Stock Exchanges

Boston Bond Record.—Transactions in bonds at Boston Stock Exchange June 21 to June 27, both inclusive:

Table of Boston Bond Record transactions including columns for Bonds, Friday Last Sale Price, Week's Range of Prices, Sales for Week, and Range since Jan. 1.

Chicago Stock Exchange.—The complete record of transactions at the Chicago Stock Exchange from June 21 to June 27, 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 of Chicago Stock Exchange transactions including columns for Stocks, Friday Last Sale Price, Week's Range of Prices, Sales for Week, and Range since Jan. 1.

Pittsburgh Stock Exchange.—The complete record of transactions at the Pittsburgh Stock Exchange from June 21 to June 27, 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 of Pittsburgh Stock Exchange transactions including columns for Stocks, Friday Last Sale Price, Week's Range of Prices, Sales for Week, and Range since Jan. 1.

Table of Baltimore Stock Exchange transactions including columns for Stocks, Friday Last Sale Price, Week's Range of Prices, Sales for Week, and Range since Jan. 1.

Baltimore Stock Exchange.—The complete record of the transactions at the Baltimore Stock Exchange from June 21 to June 27, 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 of Philadelphia Stock Exchange transactions including columns for Stocks, Friday Last Sale Price, Week's Range of Prices, Sales for Week, and Range since Jan. 1.

Philadelphia Stock Exchange.—The complete record of transactions at the Philadelphia Stock Exchange from June 21 to June 27, 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 of Philadelphia Stock Exchange transactions including columns for Stocks, Friday Last Sale Price, Week's Range of Prices, Sales for Week, and Range since Jan. 1.

Table of stock prices and sales for various companies, including U.S. Steel, Warwick Iron, and various oil and gas stocks. Columns include Stock Name, Friday Last Sale Price, Week's Range of Prices, Sales for Week, and Range since Jan. 1.

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, including weekly, monthly, and yearly data for Stocks, Railroad & Canal Bonds, State, Mun. & Foreign Bonds, and United States Bonds.

Table showing sales at the New York Stock Exchange for various categories like Stocks, Bonds, and Government securities, with data for 1919 and 1918.

DAILY TRANSACTIONS AT THE BOSTON, PHILADELPHIA AND BALTIMORE EXCHANGES.

Table showing daily transactions at the Boston, Philadelphia, and Baltimore exchanges, including weekly, monthly, and yearly data for Stocks and Bonds.

New York "Curb" Market.—Below we give a record of the transactions in the outside security market from June 21 to June 27, both inclusive. It covers the week ending Friday afternoon.

Table of stock prices and sales for various companies in the New York "Curb" market, including Aetna Explosives, Allied Packers, and various oil and gas stocks.

Table of stock prices and sales for various companies, including Hupp Motor Car Corp., Imperial Tug & B, and various oil and gas stocks.

Other Oil Stocks

Table of stock prices and sales for various oil and gas companies, including American Petroleum, Standard Oil, and various independent oil producers.

Table with columns: Mining Stocks, Friday Last Sale, Week's Range of Prices, Sales for Week, Range since Jan. 1. Includes stocks like Adelphi M & M, Alaska-Brit Col Metals, etc.

The Guaranty Trust Co. of New York has been appointed Transfer Agent of the capital stock of the Barnsdall Corporation and White Eagle Oil & Refining Co.

For New York City Banks and Trust Companies usually given here, see page 2603. For New York City Realty and Surety Companies usually given here, see page 2608.

Quotations for Sundry Securities

All bond prices are "and interest" except where marked "I"

Large table of market quotations for Standard Oil Stocks, RR. Equipments, Ordnance Stocks, Public Utilities, and Industrial & Miscellaneous. Includes prices for various companies like Anglo-American Oil, Borden's Condensed Milk, etc.

CURRENT NOTICES. -Ray M. Mann has become associated with the bond house of F. O. Hoehler & Co., 301-306 Second National Bank Building, Toledo, Ohio, as Office Sales Manager. -Chandler & Co., Inc., Philadelphia, New York and Boston, have compiled a little pamphlet regarding Chain Stores...

* Per share. † Buys. ‡ Purchaser also pays accrued dividend. § New stock. ¶ Flat 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 railways are brought together separately on a subsequent page.

Main table with columns: ROADS, Latest Gross Earnings (Week of Month, Current Year, Previous Year), Jan. 1 to Latest Date (Current Year, Previous Year). Lists various railroads like Alabama & Vicksburg, Ann Arbor, etc.

AGGREGATE OF GROSS EARNINGS—Weekly and Monthly.

Summary table with columns: *Weekly Summaries (Current Year, Previous Year, Increase or Decrease, %), *Monthly Summaries (Mileage, Curr. Yr., Prev. Yr., Current Year, Previous Year, Increase or Decrease, %).

*We no longer include Mexican roads in any of our totals.

Latest Gross Earnings by Weeks.—For the second week of June our final statement covers 14 roads and shows 5.31% increase in the aggregate over the same week last year.

Table with columns: Second Week of June, 1919, 1918, Increase, Decrease. Lists various railroad companies and their earnings.

Net Earnings Monthly to Latest Dates.—The table following shows the gross and net earnings with charges and surplus of STEAM railroad and industrial companies reported this week:

Table with columns: Roads, Gross Earnings (Current, Previous), Net Earnings (Current, Previous). Lists monthly earnings for various railroads.

a Net earnings here given are after deducting taxes. b Net earnings here given are before deducting taxes.

Table with columns: Gross Earnings, Net after Taxes, Other Income, Gross Income, Fixed Charges, Balance, Surplus. Lists earnings for Fonda, Johnstown & Gloversville RR.

ELECTRIC RAILWAY AND PUBLIC UTILITY COS.

Table with columns: Name of Road or Company, Latest Gross Earnings (Month, Current Year, Previous Year), Jan. 1 to Latest Date (Current Year, Previous Year). Lists electric and utility companies.

Table with columns: Name of Road or Company, Latest Gross Earnings (Month, Current Year, Previous Year), Jan. 1 to Latest Date (Current Year, Previous Year). Lists various electric and utility companies.

a Includes Milwaukee Light, Heat & Traction Co. b Includes all sources. c Earnings given in milreis. d Includes constituent or subsidiary companies. e Subsidiary companies only. f Leviston Augusta & Waterville Street Ry. earnings, expenses, etc., not included in 1919. g Includes Tennessee Ry., Light & Power Co., the Nashville Ry. & Light Co., the Tennessee Power Co. and the Chattanooga Ry. & Light Co. h Includes both elevated and subway lines.

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, Previous), Net Earnings (Current, Previous). Lists net earnings for various electric and utility companies.

a Net earnings here given are after deducting taxes.

Table with columns: Gross Earnings, Net after Taxes, Fixed Charges, Balance, Surplus. Lists earnings for Adirondack Electric Power Corp and other companies.

z After allowing for other income received.

Table with columns: Company, Date, Gross Earnings, Net Earnings, Fixed Chgs. & Taxes, Balance, Surplus.

* Fixed charges include dividends on outstanding preferred stocks of constituent companies in addition to taxes and interest.

FINANCIAL REPORTS.

Annual, &c., Reports.—The following is an index to all annual and other reports of steam railroads, street railways and miscellaneous companies published since May 31.

This index, which is given monthly, does not include reports in to-day's "Chronicle."

Full-face figures indicate reports published at length.

Large index table listing various railroads, electric companies, and miscellaneous firms with page references.

Monongahela Valley Traction Co.

(Report for Fiscal Year ending Dec. 31 1918.)

President G. M. Alexander, May 12, wrote in substance:

Results.—The financial results are not flattering, for notwithstanding normal increases in the volume of patronage, the net surplus for the year shows a decrease of \$361,558, or over 37%, as compared with previous years.

provision has been made for extension to a capacity of 100,000 k.v.a. Building, brick and steel construction, 200 ft. long by 170 ft. wide and 100 ft. high...

New Coal Property.—A mining plant has been constructed adjacent to the new Rivesville power station, intended primarily to furnish coal to the power plant without transportation cost.

The entire output of gas from this plant is to be used in a large glass factory immediately adjoining the plant, which has built new furnaces for the utilization of the gas.

Increased Rates.—Effective Feb. 20 1918, the rate for the sale of industrial gas was increased from 12c. to 18c. per 1,000 cu. ft.

New Bond Issue.—General Mortgage 7% 5-year gold bonds to the amount of \$5,500,000 were issued July 1 1918 for the purpose of retiring \$2,833,000 1-year 6% gold notes due Feb. 1 1919 and to provide funds for a construction program...

INCOME ACCOUNT FOR YEAR ENDING DEC. 31.

Table with columns: 1918, 1917, 1918, 1917, 1918, 1917.

x After deducting \$406,824 6% stock dividend on common stock paid Jan. 12 1917 and \$3,439 adjustments in 1917; \$7,769 adjustments in 1918 and \$2,349 paid on minority preferred stock of K. T. & E. Co.

BALANCE SHEET DEC. 31.

Table with columns: 1918, 1917, 1918, 1917, 1918, 1917.

American Car & Foundry Co.

(20th Annual Report—Year ending April 30 1919.)

The report of President W. H. Woodin with balance sheet, income account, &c., will be found on a subsequent page.

FISCAL RESULTS FOR YEARS ENDING APRIL 30.

Table with columns: 1918-19, 1917-18, 1916-17, 1915-16.

BALANCE SHEET APRIL 30.

Table with columns: 1919, 1918, 1919, 1918.

Federal Sugar Refining Co.

(Report for Fiscal Year ended May 31 1919.)

INCOME ACCOUNT.

Table with columns: Years ending, May 31 '19, May 25 '18, May 26 '17.

BALANCE SHEET.

Table with columns for Assets and Liabilities, and rows for May 31 '19 and May 25 '18. Assets include Plant, machinery, investments, cash, etc. Liabilities include Common stock, preferred stock, notes payable, etc.

Total 25,764,059 21,560,653. The investment accounts, amounting as of May 31 1919 to \$4,701,162, an increase for the year of \$2,435,000, now includes, it is understood, a large proportion of the \$3,321,800 6% Pref. stock. The Pref. stock outstanding is convertible into Common, and apparently \$1,000 thereof has been converted during the year.—V. 107, p. 85.

Eastman Kodak Co. (of N. J.), Rochester, N. Y. (Report for Fiscal Year ending Dec. 31 1918.)

"The balance sheet shows carried to surplus for the 12 months the amount of \$4,889,747, after charging off liberal amounts for depreciation, and paying four quarterly dividends of 1 1/4% each on its Pref. stock, four quarterly divs. of 2 1/2% each, and extra divs. amounting to 35% on its Com. stock." [Signed Walter S. Hubbell.]

COMBINED INCOME ACCOUNT FOR CALENDAR YEARS.

Table with columns for 1918, 1917, 1916, 1915. Rows include Net profits before taxes, Net profits after taxes, War inc. & exc. prof. tax, Divs. paid and accrued, etc.

Balance surplus \$4,889,747 \$8,311,105 \$3,244,629 \$3,651,831 Annual Earnings Divs., &c., for Certain Earlier Years, and Total for 16 1/2 Years ended Dec. 31 1918.

Table with columns for Net Profits, Pfd. Divs., Com. Divs., Res. Fds., Surplus. Rows for 1902-6 mos, 1903, 1906, 1909, 1913, 1914.

Total 16 1/2 yrs. 161,186,425 6,065,235 102,201,338 5,250,000 47,669,852 Deduct—Reserve required in addition to previous reserves and appropriations to offset entire book value of goodwill & patents 15,798,081

Balance (being amount of surplus Dec. 31 1918—Ed.) \$31,971,771 The reserve fund, \$5,250,000, was accumulated in 1905 to 1909 and 1911 to 1913.

COMBINED BALANCE SHEET DEC. 31 (INCLUDING SUB. COS.).

Table with columns for Assets and Liabilities, and rows for 1918 and 1917. Assets include Real estate, build-ings, &c., Welfare f'd assets, Supplies and bills, etc. Liabilities include Common stock, preferred stock, etc.

Total 76,648,063 63,906,105 Total 76,648,063 63,906,105 a Includes real estate, buildings, plant, machinery and capital investments at cost less depreciation reserve. b Includes in 1917 Liberty Loan subscriptions due by employees \$837,328. c Marketable bonds and stocks at or below cost. d Includes in 1917 \$9,294,510 cash on deposit at interest and \$3,439,216 cash at banks on current accounts and on hand.—V. 108, p. 1939.

Griffin Wheel Company. (Balance Sheet and Earnings.)

A compilation by Estabrook & Co. permits the following: Calendar Years— 1918, 1917, 1916, 1915. Net available for dividends \$1,326,943 \$1,143,240 \$1,649,018 \$1,096,431 Per cent. earned on prof. stock 22.68 19.54 28.19 18.74

a After deducting \$1,160,000 reserve for Federal taxes and contingencies.

BALANCE SHEET.

Table with columns for Assets and Liabilities, and rows for Mar 31 '18 and Dec 31 '17. Assets include Plant & prop., &c., Good will, &c., Inventories, Cash, etc. Liabilities include Preferred stock, Common stock, etc.

Total 19,860,124 18,288,835 Total 19,860,124 18,288,835 Figures for 1917 inserted by Editor.

See also offering of American Steel Foundries Co. on a subsequent page.—V. 108, p. 2437.

Kaufmann Department Stores, Inc. (6th Annual Report—Year Ended Dec. 31 1918.)

INCOME ACCOUNT FOR CALENDAR YEARS.

Table with columns for 1918, 1917, 1916, 1915. Rows include Net sales, Net profit, Preferred divs. (7%), etc.

Balance, surplus \$639,463 \$576,114 \$867,070 \$340,614 x After deducting yearly all depreciation and interest charges and also in 1917 and 1918 all Federal taxes.

BALANCE SHEET DEC. 31.

Table with columns for Assets and Liabilities, and rows for 1918 and 1917. Assets include Plants, &c., Good-will, &c., Leases, Investments, etc. Liabilities include Preferred stock, Common stock, etc.

Total 14,720,916 14,448,057 Total 14,720,916 14,448,057 A Less reserve for bad and doubtful debts. Note.—The company guarantees \$1,050,000 Investment Land Co. bonds and \$800,000 notes (the cost of the new building and fixtures being \$2,298,015). The rent payable by the company to the Investment Land Co. has been fixed at an amount which will provide for the payment of the bonds in full and the contingent liability in connection with the bonds and notes is, therefore, remote.—V. 108, p. 2532.

American Window Glass Machine Co. (Report for Fiscal Year ending April 30 1919.)

Table with columns for 1918-19, 1917-18, 1916-17. Rows include Royalty received, Other income, Total income, General expenses and taxes, Preferred dividends, etc.

Balance, surplus \$532,220 def. \$76,740 \$84,553

BALANCE SHEET APRIL 30.

Table with columns for 1919, 1918. Rows include Pat. rts. in U. S., Invest. in 129.991 sh. com. atk., Am. W. Gl. Co., Cash, U. S. Lib. bonds, etc.

Total \$20,546,547 \$20,089,399 Total \$20,546,547 \$20,089,399 —V. 108, p. 1938.

Central & South American Telegraph Co. (Report for the Fiscal Year ending Dec. 31 1918.)

INCOME ACCOUNT FOR CALENDAR YEARS.

Table with columns for 1918, 1917. Rows include Gross revenue from operations, Deduct—Operating and general expenses, Net income from operations, Add—Revenue from investments, interest on bank balances, &c., Net profit, before charging Federal income and war profits taxes, Federal income and war profits taxes, etc.

Profit and loss surplus \$2,144,039 \$1,382,896

BALANCE SHEET, DECEMBER 31.

Table with columns for Assets and Liabilities, and rows for 1918 and 1917. Assets include Plant and equip., Inv. (approx. val), Inventory, Accounts receiv., etc. Liabilities include Capital stock, Accounts payable, Sundry creditors, etc.

Total 17,921,201 16,325,759 Total 17,921,201 16,325,759 Compare news item on a subsequent page and V. 108, p. 2531.

Safety Car Heating & Lighting Co. (Report for Fiscal Year ending Dec. 31 1919.)

Vice-Pres. W. L. Conwell, N. Y., May 1, wrote in subst.:

Notwithstanding the fact that the sales of gas for the year showed a decrease over the previous year, and the demand on the part of railroads for materials such as we manufacture at our works in Jersey City was reduced to a small fraction of ordinary requirements, we have been able to realize considerable margin over dividends for increased taxes, depreciation and surplus, as below shown.

The average number of new passenger cars purchased per year for the 15 years previous to 1917 was 2,800, while during the past two years a total of 134 new passenger cars has been ordered. Undoubtedly this condition will react in increased purchases in the future.

We have been fortunate in securing orders for sufficient electric lighting equipments for application to old cars, and other work, to insure full operation of our works and the prospects for additional business for 1919 are good.

PROFITS FOR CALENDAR YEARS.

Table with columns for 1918, 1917, 1916. Rows include Earnings, aft. exp. & tax. (exc. war tax.), Paid in dividends, Reserved for war taxes, Other reserves (depr. & conting. fds.), etc.

Balance to surplus \$31,146 \$8,963

CONSOLIDATED BALANCE SHEET DEC. 31.

Table with columns for Assets and Liabilities, and rows for 1918 and 1917. Assets include Real estate, machinery, &c., Materials & supp., Accts. receivable, Investments in marketable secur., Cash, etc. Liabilities include Cap. stock (Auth. \$10,000,000) out., Accounts payable, Deduc. from earnings for deprec., contingencies, &c., Surplus, etc.

Total 16,392,303 16,033,557 Total 16,392,303 16,033,557 *After deducting payment of dividend Dec.—V. 108, p. 2027.

T. H. Symington Company. (Report for Fiscal Year ending Dec. 31 1918.)

President T. H. Symington, Baltimore, June 13 1919, wrote in substance:

Results.—Buying of equipment by the U. S. RR. Administration did not meet expectations, due to the many adverse conditions affecting railroad operations. Your company obtained its fair share of the business offered and earnings are considered satisfactory.

The Rochester works were fully maintained, and such additions and improvements show a substantial reduction in operating costs. Depreciation charges amounted to \$356,611, of which \$130,020 was credited to depreciation reserve accounts and \$225,992 was written off.

Dividends.—Four quarterly dividends aggregating 16% were paid on the Preferred stock; 8% for the year and 8% against accumulated dividends. Preferred dividends in arrears at Dec. 31 1918 amounted to 32%.

Munitions, Output, &c.—Our subsidiary companies have discontinued war work, and their accounts are now being liquidated, pending final settlement with the U. S. Government, both as regards collection of moneys due and tax returns. It is not feasible to submit at this time an accurate estimate of the profits from these operations, but we believe they will prove satisfactory to the stockholders.

The Symington Machine Corporation with three plants at Rochester, N. Y., has manufactured and delivered artillery ammunition, as below: 75 m-m. shrapnel—Russia 1,476,862 18 pr. shrapnel—Great Britain 550,220 3-inch shrapnel—United States 2,007,061 75 m-m. shrapnel—do 5,773,833 75 m-m. high explosive shell—do 2,674,806 Forgings for 75 m-m. shrapnel and shell—do 3,443,885

The Symington Chicago Corporation began July 1 1918 at Chicago the construction of a plant to produce 10,000 forgings and high explosive shells per day for 155 m-m. (6-inch) G. P. F. rifles. This plant, covering 14 acres, and costing to date about \$6,000,000, had commenced production when all work was discontinued by the War Department upon the signing of the armistice Nov. 11.

This Symington-Anderson Co. has delivered to the War Department from plants at Rochester, 75 m-m. guns, American type..... 416 75 m-m. guns, French type..... 560 6-inch trench mortars..... 524 and at close of operations had in course of completion 1,380 additional 75 m-m. French type guns and 60 9-inch trench mortars.

INCOME ACCOUNT FOR CALENDAR YEARS.

Table with columns for 1918, 1917, 1916, and 1915. Rows include Net profit, Other income, Total income, Interest (net), Depreciation, Reserve for Federal taxes, Miscellaneous, Preferred dividends, and Balance, surplus.

x Includes 8% paid against accumulated dividends and 8% for year 1918. Preferred dividends in arrears Dec. 31 1918 aggregated 32%. y No provision has been made for Federal taxes estimated at \$42,200.

CONSOLIDATED BALANCE SHEET DECEMBER 31.

Table with columns for 1918 and 1917. Rows include Assets (Plant, Goodwill, Investments, Raw & finished material, Acc'ts & bills receivable, Cash, U.S. Liberty bonds, Sundry assets) and Liabilities (Common stock, Preferred stock, Accounts payable, Accrued taxes and expenses, Depreciation, Surplus).

a Includes \$50,000 of the \$100,000 capital stock of Symington-Anderson Co. and the entire \$1,000 stock of Symington Marchine Co. The last-named company owns the entire capital stock of the Symington Chicago Corp. (see above).—V. 108, p. 2533.

Standard Textile Products Co., Youngstown, O.

(Report for Fiscal Year ending Dec. 31 1918.)

This company, until recently known as the Standard Oil Cloth Co., reports as shown below for the calendar year:

[At the stockholders' meeting held May 13 1919 the required action was taken to increase the capital stock from \$9,000,000 to \$15,000,000, of which increased stock \$2,000,000 is class "A" pref. stock, \$2,000,000 class "B" pref. stock and \$2,000,000 common stock. The option of the stockholders to subscribe at par for \$2,000,000 of the new class "A" pref. stock and \$1,000,000 of the common stock expired June 5 (compare V. 108, p. 2028). A banker's circular, offering a block of the 7% preferred and giving many facts regarding the property is cited on a subsequent page.

INCOME ACCOUNT FOR CALENDAR YEARS.

Table with columns for 1918, 1917, 1916, and 1915. Rows include Net sales, Cost of sales, Gross earnings, General expense, Net earnings, Other income, Gross income, Bal., surp., and Total.

BALANCE SHEET DEC. 31.

Table with columns for 1918 and 1917. Rows include Assets (Land, bldgs., Furniture, Cash, Receivables, Inventories, Other investments, Development, Unearned insur., taxes & interest) and Liabilities (Pref. "A" stock, Pref. "B" stock, Common stock, 1st Mtge. bonds, Meritax Mills, Notes payable, Accts. pay. & accr., Deferred credits, Deprec. n reserve, Other reserves, Surplus).

—V. 108, p. 2028, 1724.

MacAndrews & Forbes Co., Camden, N. J.

(Report for Fiscal Year ending Dec. 31 1918.)

Table with columns for 1918, 1917, 1916, and 1915. Rows include Calendar Years (Net earnings, Pref. dividends, Common), Balance, surplus, and Total.

a Total net earnings from sale of floorice, dyewoods, box boards, wall boards, &c., after deducting all charges, expenses of management, &c. In addition the company paid, June 15 1915, a common stock dividend of 33 1/3% on the \$3,000,000 common stock, calling for \$1,000,000.

BALANCE SHEET DECEMBER 31.

Table with columns for 1918 and 1917. Rows include Assets (Real estate, machinery, will, Raw material, Stocks and bonds, Cash, Bills & accts. receivable) and Liabilities (Preferred stock, Common stock, Bills & accts. pay., Deprec'n reserve, Provision for divs., do Fed. tax, Surplus).

—V. 108, p. 1278.

National Fuel Gas Company.

(Report for the Fiscal Year ending Dec. 31 1918.)

President Walter Jennings says in brief: The earnings shown in the report include only the proportion of the business of the underlying companies owned by National Fuel Gas Co. Said companies, their capital and the percentage of each owned directly or indirectly are as follows:

Table listing ownership percentages for various companies: United Natural Gas Co., Iroquois Natural Gas Co., Pennsylvania Gas Co., Pennsylvania Oil Co., Provincial Natural Gas & Fuel Co. of Ontario, Ltd., Iroquois Building Corporation, Clarion Gas Co., and The Mars Company.

The principal places supplied with natural gas are: (1) In N. Y. State: Buffalo, Jamestown, Olean, Salamanca, Lackawanna, Lancaster, Depew, Hamburg, East Aurora, Angola, Springville. (2) In Pennsylvania: Erie, Oil City, Bradford, Warren, Meadville, Sharon, DuBois, Franklin, Titusville, Corry, Clarion, Brookville, Reynoldsville, Tidluote, Youngsville, Mercer, Greenville, Sheffield. (3) In Canada: Niagara Falls, Welland, Bridgeburg, Fort Erie, Sherston.

[The company has paid regular dividends at the rate of 10% (2 1/4% Q.-J.) since the summer of 1908, with no extras.]

Table with columns for 1918, 1917, 1916, and 1915. Rows include Earnings for Cal. Years (Number of consumers, P. Co. owned by N.F.G. Co., From sales of gas, From miscellaneous) and Total earnings, Expenses and taxes, Gas purchased.

Table with columns for 1918, 1917, 1916, and 1915. Rows include Total earnings, Expenses and taxes, Gas purchased, and Net earnings.

BALANCE SHEET DEC. 31.

Table with columns for 1918 and 1917. Rows include Assets (Stocks & bonds of underlying cos., Sec. & accts. rec., Cash, Office equipment) and Liabilities (Capital stock, Div. pay. Jan. 15, Capital stock premium account, Surplus).

It is understood that the company has been paying regular quarterly dividends at the rate of 10% per annum (2 1/4% Q.-J.) since 1900, with possibly some extras.—V. 108, p. 2027.

International Motor Truck Corp. and Sub. Cos., N. Y. (Consolidated Balance Sheet Dec. 31 1918.)

PROFIT AND LOSS ACCOUNT.

Table with columns for 1918 and 1917. Rows include Balance brought forward Dec. 31 (after adjustments), Net profit for year, Total profit and loss surplus Dec. 31.

CONSOLIDATED BALANCE SHEET DEC. 31.

Table with columns for 1918 and 1917. Rows include Assets (Real estate, plants and all equip't., Licenses, patent rights & good-will, Investments, U. S. Liberty bds., Cash, Accounts and notes receivable, Inventories, Prepaid insurance, taxes, &c.) and Liabilities (1st pref. stock, 2d pref. stock, Common stock, Bonds & mtges., Notes pay., Accounts payable, Accrued accounts, Customers' deposs., Depr., &c., reserves, Unacquired secur., of Int. Mot. Co., Surplus).

* 53,083 shares no par value, stated at \$5 per share.—V. 108, p. 2245.

Mexican Telegraph Company.

(Report for the Fiscal Year ending Dec. 31 1918.)

INCOME ACCOUNT FOR CALENDAR YEARS.

Table with columns for 1918 and 1917. Rows include Gross revenue from operations, Deduct—Operating and general expenses, Net income from operations, Add—Revenue from investments, interest on bank balances, &c., Net profit, before charging Federal income and excess profits taxes, Deduct—Federal income and excess profits taxes, Net profit, Previous surplus.

Table with columns for 1918 and 1917. Rows include Total, Depreciation of investments, Stock dividend Apr. 1 1917, Cash dividends, Profit and loss surplus.

BALANCE SHEET, DECEMBER 31.

Table with columns for 1918 and 1917. Rows include Assets (Plant and equip., Inv. (approx. value), Inventory, Accounts receivable—Mexican Govt., Connecting lines, Sundry customers' accounts, Int. acc. on invest., Divs. rec. on invest., Cash) and Liabilities (Capital stock, Accounts payable—Central & South Am. Tel. Co., Sundry creditors, Federal taxes, Dividend payable, Reserve for fire losses, Surplus).

Compare news item on a subsequent page.—V. 108, p. 1515.

Standard Screw Co., New York.

(19th Annual Report—Year ended Dec. 31 1918.)

President Philip B. Gale May 14 wrote in substance: When the armistice was signed, early in the last quarter, we promptly received heavy cancellations of parts to be used in war equipment and our profits took a sudden drop. Ample charges for all taxes and substantial deduction for depreciation leave a net profit which, under the circumstances, we consider reasonable.

The current year will not show as favorable results, due to the temporary depression now prevailing in the various trades to which your company sells its products, but at the time this report is written a moderate general improvement is noted and the future need not be regarded as discouraging.

Quiet conditions give opportunity for the construction and installation of new and improved equipment which has been under design, and experiment during the past two years. Its construction is proceeding rapidly. This new machinery will put the company in an advantageous position to meet coming demands on its capacity. Our financial condition also is well fortified to meet whatever the future may have in store.

RESULTS FOR FISCAL PERIODS.

Table with columns for Year end, 9 Mos. end., Yrs. end., Mar. 31—Dec. 31 '18, Dec. 31 '17, 1916-17, 1915-16. Rows include Net profits (combined), Bond interest, Int. on borrowed money.

Table with columns for 1918, 1917, 1916, and 1915. Rows include Balance, Pref. div. "A" (6%), Pref. div. "B", Common dividend (24%), Balance, surplus.

a After deducting taxes and ample charges for depreciation.

BALANCE SHEET DEC. 31.

Table with columns for 1918 and 1917, and sub-columns for Assets and Liabilities. Assets include Plant and equip't, Material & supp't, etc. Liabilities include Pref. 6% stk., Common stock, etc.

During the year 1916-17 \$829,700 pref. "B" stock was purchased for redemption; the balance was redeemed on July 1 1917 at 110 and interest.

National Conduit & Cable Co., Inc.

(Report for Fiscal Year ending Dec. 31 1918.)

Pres. H. J. Pritchard, Feb. 18 1919, wrote in substance:

Results.—The volume of business done was in all respects satisfactory, considering that it was affected by the fact that a large quantity of metal was furnished by the Government and other customers for fabrication, and therefore does not appear in the sales.

Had it not been for the losses sustained in the manufacture of munitions for the U. S. Government and the allotment by the Government of other orders which ordinarily would not have been accepted by us, the results of operation would not have been unfavorable.

Change in Plant Values.—The reduction (\$698,903) in machinery and equipment is largely due to the sale of cartridge machinery, fortunately disposed of prior to the cessation of hostilities. The reduction (\$49,958) in transportation equipment is due to the sale of the steam lighters commandeered by the Government, less the cost of equipment purchased during the year.

The inventories were taken on the basis of cost, and as compared with current market prices, they will neither materially appreciate nor depreciate, as they consist practically of metals covered by sales contracts.

Outlook.—The company's working capital clearly indicates its strong financial position. Reserves have been set up which should be adequate to meet the ordinary contingencies of the business.

Since Jan. 1 1919 the company has completed the reorganization and strengthening of its management by securing the services of a Vice-President of Manufacture and a Vice-President of Sales—both men of long experience and proven value in their respective departments.

RESULTS FOR CAL. YEAR 1918 AND NINE MOS. END. DEC. 31 1917

Table comparing 1918 (9 Mos.) and 1917 (9 Mos.) results. Columns include Cal. Year, Gross sales, Costs, Mfg. profit, Other income, Total income, Deduct—Taxes, Interest on bonds, do floating debt, Note.

CONSOLIDATED BALANCE SHEET DECEMBER 31.

Table with columns for 1918 and 1917, and sub-columns for Assets and Liabilities. Assets include Land, buildings, equipm't, etc.; Patents & goodwill; Cap. stk. sub. eos.; Cash; Notes receivable; Accounts receivable; Inventories; Pay'ns in advance; Liberty bonds, &c.; Acrued interest; Securities; Cash on deposit for bond sink fund; Fund from sale of capital assets; Organa'n expense; Unexpired insur'ce; Prepaid int.; &c.; Deficit.

*The total, \$5,736,063, includes: Land, \$1,578,736; bldgs. and equipment, \$1,505,149; machinery and equipment, \$2,655,176; transportation equipment, \$130,167; furniture and fixtures, \$37,187; construction, \$39,006; less depreciation, \$220,349. y Represents a "declared value" of \$35 a share, for each of the 250,000 shares, which have no par value.—V. 108, p. 2027.

GENERAL INVESTMENT NEWS

RAILROADS, INCLUDING ELECTRIC ROADS.

Government Control of Railroads.—Loans to Railroads. The War Finance Corporation on June 21 made loans of \$392,000 to the Alabama Great Southern RR. and \$191,350 to the Cincinnati New Orleans & Texas Pacific RR., both secured by certificates of indebtedness issued by the Director-General of Railroads and are payable on demand.—V. 108, p. 2527, 2432.

Alabama Great Southern RR.—Loan.—See "Government Control of Railroads" above.—V. 108, p. 2432.

The Allentown Terminal RR.—Extension of \$450,000 1st M. 4% Bonds of 1889, Maturing July 1 1919, at 6% till July 1 1920, Callable at 102½—Guaranty to Be Canceled.—

The company offers to extend the above named 1st M. 4% bonds, so that they shall mature July 1 1929 (subject to redemption at 102½% and int. on any interest date on or after July 1 1920, upon 30 days' notice, with interest at 6% p. an., payable semi-annually J. & J. at its office in Philadelphia; the present mortgage security to remain unimpaired, but the guaranty of the Philadelphia & Reading RR. Co. (foreclosed) and the Lehigh Coal & Navigation Co. endorsed thereon to be canceled as of July 1 1919. The payment of the principal and interest of such bond, as extended, shall be made at the office of the Allentown Terminal RR. Co. in Philadelphia, in U. S. gold coin of the present standard of weight and fineness, without deduction from either the principal or interest for any tax or taxes which may be payable under any present or future laws of the U. S. of America or the State of Pennsylvania, for national, State or municipal purposes, the Allentown Terminal RR. Co. agreeing to pay any such tax or taxes, which it may now or hereafter be required by any such law to retain therefrom.

The Pennsylvania Company for Insurances on Lives & Granting Annuities, Philadelphia, referring to the above notice announces (a) that the extension privilege applies only to such bonds as shall be deposited at

their office, 517 Chestnut St., on or before July 1 1919; (b) that they will purchase at par, from such bondholders as do not accept the above extension offer, all bonds presented at their office on or after July 1 1919. Coupons due July 1 1919 should be detached and sent for collection to the Allentown Terminal RR. Co. as in the past.—V. 50, p. 422.

American Railways Co.—Earnings Subsidiary Cos.—

Table with columns for Month April 1919, Inc. over 1918, 4 Months to Apr. 30—1919, Inc. over 1918. Rows include Operating revenues, Operating expenses, Ratio of operating exps. to operating revenues, Taxes, Operating income, Non-operating income, Gross income, Deduct—Int. on funded debt, Rentals, Int. amortiz., &c., Prof. dividends accrued, Total deductions, Profit and loss.

Includes interest on floating debt, sinking fund reserves, amortization of bond discount and miscellaneous interest, \$69,336; and miscellaneous deductions, \$205.—V. 108, p. 2240, 1390.

Aurora Elgin & Chicago (Electric) RR.—Int. Delayed.

The semi-annual interest due July 1 on the \$3,079,000 First and Refunding 5s will be delayed, but Secretary Lang says: "We hope to pay it later in the year." The interest due Jan. 1 1919 was also deferred and at last advices had not been paid. Compare V. 108, p. 971, 2021, 2122, 2329.

Baltimore & Ohio RR.—Offering of Bonds—Federal Contract Signed.

A syndicate composed of Kuhn, Loeb & Co., Speyer & Co. and the National City Co., New York, are offering at 96½ and int., to yield 6½%, \$35,000,000 6% Secured Gold bonds dated July 1 1919, due July 1 1929.

Denom. \$1,000 c&r*. Int. payable J. & J. without deduction for any tax, assessment or governmental charge (other than income taxes exceeding in the aggregate 2%), which the company may be required to pay or to retain therefrom under any present or future law. Redeemable, in whole but not in part, upon 60 days' notice on any int. date at 102½% and int. U. S. Mfg. & Trust Co., N. Y., trustee.

Data from Letter of President Daniel Willard Dated June 25 1919.

Purpose of Issue.—The proceeds are to be used almost entirely to pay off maturing funded obligations and to repay temporary loans incurred for capital expenditures. [These include \$7,500,000 Secured Notes of 1917 and \$18,500,000 short-term notes and bank loans.—Ed.]

Security.—Secured by deposit and pledge of the following securities, having an estimated market value of \$45,000,000:

Table with columns for Security and Est. Mkt. Value. Rows include \$6,000,000 Reading Co. First Preferred stock, \$30,750,000 Reading Co. Second Preferred stock, 9,200,000 Reading Co. Common stock, 15,000,000 Balto. & Ohio RR. Ref. & Gen. Mfg. 6% bonds, Series "B," due Dec. 1 1995, 14,250,000.

The bonds may be issued from time to time as the pro rata amount of the several classes of security are pledged or upon the deposit of cash in accordance with provisions of the trust indenture, which provides that the aggregate value of the collateral deposited shall always be maintained at least equal to 125% of the amount of bonds outstanding.

Expenditures Fund.—The company, by resolution of its board of directors, has determined to set aside in each year part of its net income, after the payment of its fixed charges, to be devoted to capital expenditures. Because of this policy, the trust indenture will provide that the company in each year, beginning July 1 1919, after providing for the payment of its fixed charges, will set aside out of net income accruing after that date, not less than \$3,500,000 per annum until a total of \$17,500,000 has been so set aside, such sums to be used, from time to time, solely for capital expenditures heretofore made, to pay loans incurred, capital expenditures heretofore made, or to pay maturing funded obligations. Moneys set aside in any year in excess of \$3,500,000 may be credited against moneys required to be set aside in subsequent years.

Federal Contract and Earnings for 1918.—The company has executed a contract with the Director-General of Railroads, fixing the annual compensation at \$30,031,000; add other income, amounting to \$3,299,806; total, \$33,330,806; fixed charges and corporate expenses, \$22,062,803, leaving a balance of \$11,268,013 available for Federal income taxes, reserves, divs., &c. The company has outstanding \$60,900,000 4% Preferred stock and \$162,314,800 Common stock.

The Ten-Year bonds have been approved by the Director-General of RRs. and application for approval is about to be made to the Maryland P. S. Commission. Application will be made in due course to list the bonds on the N. Y. Stock Exchange.

The directors have declared from the earnings for the 6 mos. ended June 30 a dividend of 2% on the Preferred stock, payable Sept. 2 to holders of record July 19, provided the necessary funds are received from the Government on account of compensation on or before that date.

Dividend Omitted.

It was announced on Thursday that the directors have decided temporarily to suspend dividend payments on the Common shares in order to set aside part of the road's income for capital expenditures so that the company's credit shall not be extended under existing conditions. In March last a dividend of 2% was paid on Common. The Sept. 1918 dividend delayed until Feb. 1919 was also 2%.—V. 108, p. 1935.

Bangor (Me.) Ry. & Electric Co.—Car Trust Certificates.

The Maine P. S. Commission has authorized the company to issue 36 promissory notes, each for the sum of \$1,466, dated April 23 1919, bearing 6% int., maturing in monthly installments and secured by a car trust mortgage.—V. 107, p. 2287.

Boston & Maine RR.—Bill in Equity Filed by Stockholders

Attacking Validity of Loans.—Arthur H. Stevens of Boston, William C. Hunneman of Brookline, trustee, Madeline Foster of Newton, Cornelia M. Dodd of Boston, and William H. Colby of Salem, stockholders, through their counsel, Robert M. Morse, on June 23 filed a bill in equity in the Mass. Supreme Court attacking the validity of the company's outstanding loans and its leased lines on March 31 1915, amounting to \$13,600,000. The legislature of 1915, in what is known as the reorganization plan, authorized the company to fund that debt. It is claimed by the complainants that this Act is unconstitutional in that the legislature exercised executive and judicial powers, and also deprived persons of property without trial by jury. In March bill filed alleges that prior to June 30 1909 the company had no floating debt, and in detail gives the transactions which led to the debt of \$13,600,000.—V. 108, p. 2342.

Brooklyn Rapid Transit Co.—Equipment Financing.

P. S. Commissioner Lewis Nixon has announced that he will shortly approve an order to permit the surface line companies of the B. R. T. to issue lease warrants or notes for 80% of the value of 200 of the 300 new cars which each company must buy, by order of the Commission. Before his approval is granted the company must submit schedules of the principal and interest amounts which are involved. The companies are to pay 20% of the value of the cars in cash, each car to cost \$5,600. The total cost, including interest and discount, it was stated by A. M. Williams, of counsel to the B. R. T. companies, would amount to \$1,245,696.—V. 108, p. 2527, 2329.

Chicago City Railway.—Dividend.

A quarterly dividend of 1¼% has been declared payable June 30 to holders of record June 26. In March last 1¼% was paid. In Dec. 1918 dividend was omitted. In September paid 1%.—V. 108, p. 1822.

Chicago Great Western RR.—Dividend.—

A dividend of 1% has been declared on the preferred stock, payable July 15 to holders of record July 1. This dividend ordinarily would have been paid July 1, but owing to delay in receiving approval from Washington it became necessary to change record and payment dates.—V. 108, p. 1936, 1714.

Cincinnati New Orleans & Texas Pac. RR.—Loan.—

See "Government Control of Railroads" above.—V. 108, p. 2432.

Cleveland, Cincinnati, Chicago & St. Louis Ry.—Financial Plan Approved.—

The shareholders at the adjourned meeting which was held on June 18 approved the proposition to make a new mortgage and referred the matter to the board of directors with power to act. See plan in V. 108, p. 1511; V. 108, p. 2122, 2324, 2432.

Bonds.—

The \$2,000,000 Indianapolis & St. Louis Ry. 1st M. 7s, series A, B and C, due July 1, will be paid at and after that date at the office of J. P. Morgan & Co., New York, together with interest thereon due July 1. Income tax certificates to cover interest on Series B (four months) and Series C (two months) should accompany the bonds.—V. 108, p. 2432, 2329.

Columbus (Ga.) Electric Co.—Offering of Notes.—

Stone & Webster are offering at 97 1/4 and int., to yield over 7%, \$1,750,000 Three-Year 6% gold coupon notes, dated July 1 1919, due July 1 1922. A circular shows: Interest payable J. & J. 1 at office of Commonwealth Trust Co., trustee, Boston, without deduction for normal Federal income tax up to 2%. Denom. \$1,000, \$500 and \$100 c., interchangeable. Callable as a whole at 100 and int. on any int. day upon 30 days' notice. Should the company place any further lien or encumbrance on its property, it will secure this issue of notes equally, and will not increase its outstanding First Mtge. Coll. Trust bonds, unless the proceeds are used to retire notes of this series. Purpose of Issue.—The proceeds will be used to retire the present issue of \$1,500,000 6% notes, due July 1 1919, and the floating debt amounting to \$170,000, incurred for additions and extensions to the plant.

Table with 3 columns: Description, Amount, and another Amount. Rows include First Mtge. Collateral Trust 5s, 1933; Columbus Power Co. 1st M. 5s, 1936; Three-Year 6% notes, 1922 (this issue); Preferred stock, 6% (par \$100); Common stock (par \$100).

* Guaranteed, prin, int, and sink, fund by Columbus Electric Co. The mortgage securing these bonds is closed. \$240,000 bonds have been purchased for the sinking fund and canceled.

Earnings for Calendar Years and Twelve Months ended April 30 1919.

Table with 5 columns: Year, Gross earnings, Net earnings, Interest on outstanding bonds, Present earnings. Rows for 1905, 1909, 1911, 1914, 1918-19.

Present earnings are over 1 1/2 times all interest charges, and, after deducting interest charges, are over three times interest charges on the coupon notes. Approximately 80% of the company's gross earnings are derived from its lighting and power business; 14% from the street railway, and 6% from the gas business.

Delaware & Hudson Co.—Dividend Payment.—

The company having received the necessary funds from the U. S. Railroad Administration is paying the quarterly dividend recently declared. Compare V. 108, p. 2022.

Duluth South Shore & Atlantic Ry.—Report.—

In the annual report for the cal. year 1918 just issued, President E. Pennington says: "Contracts covering the D. S. S. & A. and Mineral Range properties have been negotiated, the contracts are now in the hands of the printer and will doubtless receive the signatures of all parties in the very near future."

Table with 2 columns: Description, Amount. Rows for Federal rental year 1918, Other income, Gross income, Net loss.

Gainesville Midland RR.—Federal Contract Signed.—

The company has signed the Federal operating contract with the Director-General of Railroads fixing the annual compensation at \$22,731.—V. 108, p. 1060.

Grand Trunk Ry. of Canada.—Bond Call, &c.—

See Wellington Grey & Bruce Ry. below.—V. 108, p. 2528.

Hartford (Conn.) & Springfield St. Ry.—Leases Line.—

The company, it is stated, has completed arrangements whereby it will operate under a lease from the Connecticut Co. the Suffolk Street Ry., extending from Spencer's Corner, Suffield, to the State line.—V. 107, p. 2476.

Illinois Central RR.—Listing.—

The New York Stock Exchange has authorized the listing of \$16,000,000 temporary 15-year 5 1/2% bonds.—V. 108, p. 2528, 1823.

Ind. New Castle & East. Trac. Co.—Bonds Extended.—

See Union Traction Co. of Indiana below.—V. 102, p. 2341.

Indianapolis Street Ry. Co.—Injunction Sought.—

An injunction order by the Judge of the Marion County Circuit Court restraining officers and directors of this company and the Indianapolis Traction & Terminal Co. from proceeding further with steps toward a merger of the companies and a court order for the cancellation of the lease of the street railway company's properties by the Traction & Terminal Co. entered into in 1902, are asked in a suit filed in Circuit Court June 11 by William J. Holliday, Robert B. Falley and Alvin S. Lockhard, stockholders in the Indianapolis Street Ry. Defendants named in the suit are the Indianapolis Street Ry., the Indianapolis Traction & Terminal Co., the Terre Haute Indianapolis & Eastern Traction Co. and their directors and officers, who with Jameson, Ball, Durbin, McGowan, Appel and Todd are named as directors of the proposed consolidated Indianapolis Street Ry. Co. Compare V. 108, p. 2329.

Interborough Rapid Transit Co.—Int. Pay.—Listing.—

It is understood that the July 1 interest on the \$160,585,000 1st & Ref. 5% gold bonds will be paid as usual. The New York Stock Exchange has authorized the listing of \$160,957,000 First & Refunding Mortgage 5% bonds.—V. 108, p. 878, 683.

Marshall & East Texas RR.—Leased.—

A press dispatch from Marshall, Tex., states that C. E. Owen and P. E. Hicdon of Tyler, Tex., have leased the road from St. Louis Union Trust Co. The road runs between Wimbors and Elysian Fields, 92 miles.—V. 107, p. 1385.

Mauch Chunk (Pa.) & Leighton Transit Co.—Org.—

This company has been organized as successor to the Carbon Transit Co., purchased by holders of the \$100,000 2d M. bonds (V. 108, p. 377). The new company has \$150,000 Common stock, all issued; \$50,000 of Preferred stock authorized, issued \$37,500; \$150,000 6% 40-year bonds authorized, issued \$100,000, and \$150,000 Carbon Transit Co. First Lien 5% bonds,

making the total capital liabilities \$437,500. Officers are: Ben Branch, Pres.; William Dods, V.-Pres.; Dr. George H. Mayer, Treas.; V. M. Wolff, Sec.; C. A. Secor, Comptroller; Granville Rehrig, Supt., and Dennis Duga, Asst. to Supt.—V. 108, p. 377.

Mobile Light & RR. Co.—Petition Withdrawn.—

An official statement explains as follows the reasons of the company for withdrawing its appeal to the Council for a 6-cent fare. Improvements needed would cost at present more than \$300,000, about \$125,000 above what we believe would be the cost a year from now. We prefer rather than run the risk of financial embarrassment by adding such a large amount of our investment which may not be needed 18 months from now, to continue the present schedule of rates and wait and see what the future has in store as regards the volume of our business and the cost of power-house machinery, cars, tracks and the cost of building additional car houses.

The statement submitted for six months from Oct. 1 1918 to April 1 1919 was for a period when the shipping plants were extremely active. This statement showed a deficit from operating of \$7,159. A careful estimate for one year from the date of any grant allowing an increased fare on a ticket proposition figured on the basis of the six months' statement for an unusually heavy period of transportation would increase the gross revenue of our company less than \$40,000 for one year, or after deducting the deficit for one year, on the basis of the deficit shown for six months, would leave only about \$25,000 net income for a year, or only one-fifth of the excess cost above normal of the improvements mentioned.

We appreciate the almost universal opinion of the citizens of Mobile that we were entitled to an increase in fare, and we will do the best we can with our present plant and equipment, but cannot extend the same under present conditions.—V. 86, p. 1529.

Monongahela Valley Traction Co.—Further Particulars.—

The Fidelity Trust Co. of Baltimore, who offered \$2,000,000 One-Year 6% gold notes at 99 and int., to yield over 7 1/8% (V. 108, p. 2330), report in substance:

Dated June 1 1919, due June 1 1920. Interest payable quarterly, Sept. 1 &c. Redeemable in whole or in part at any time at par and int. on 30 days notice. Denom. \$1,000 and \$5,000 c. The Fidelity Trust Co., Baltimore, Md., trustee.

Property.—Company owns and operates, without competition, a system of electric railways in West Virginia and Ohio approximately 200 miles of track; also electric lighting and gas plants, coal mining properties, producer by-product gas plants. The replacement value of the entire property has been estimated to exceed \$21,000,000, against which there are at present outstanding \$14,850,000 of bonds. It serves a population of over 225,000, including Fairmont, Clarksburg, Parkersburg and other important cities along its lines.

These Notes.—A direct obligation followed by \$3,358,602 Preferred stock (par \$25), paying 6% dividends, and \$8,279,637 Common stock (par \$25).

Earnings.—Increase in Rates.—For 12 months ending Mar. 31 1919 the gross earnings were \$3,825,189, and the balance, after fixed charges and depreciation, were \$292,529. Improvements from which practically no revenue has as yet been received (including the new power plant) involved an expenditure of \$4,119,900. The principal part of this new property will be in operation by July 1, and it is estimated that an additional increase in net revenues amounting to \$325,000 annually will result therefrom.

An increase in rates has just been granted by the P. S. Commission of W. Va., effective June 1, which, it is estimated, will result in an annual increase in net earnings in excess of \$225,000.

Purpose of Issue.—Proceeds from sale of these notes are to be applied to completion of payments on power plant costing a total of \$3,000,000; extending transmission lines, providing additional equipment to meet the necessities of increased traffic, &c.

Restriction.—The company will not, during the life of these notes, issue any additional Gen. M. 7% bonds (V. 107, p. 1004, 1287) beyond \$600,000 now issuable thereunder, except for the purpose of retiring or purchasing these notes; nor issue any obligations under any future mortgage, or incur any debt other than notes or accounts payable created in the regular operation of its business.

For statement of history, property, replacement value, &c., see V. 107, p. 1287.

General Balance Sheet March 1919 (Including These \$2,000,000 Notes).

Table with 2 columns: Assets and Liabilities. Rows include Property, plant & equip; xStocks pledged under; General Mortgage; Advances to K. Tr. & El. Co.; Other investments; Current assets; Deferred assets; Unadjusted debits; Total (assets and liabilities); Common stock; Preferred stock; xFunded debt; One-Year notes; Current liabilities; Unadjusted credits; Reserves for deprec., &c.; Profit and loss.

x Kanawha Traction & Electric Co. Common stock, \$1,096,759; Preferred stock, \$1,073,670.

y Fairmont & Clarksburg Traction Co. 1st M. 5s, \$2,500,000; Monongahela Valley Traction Co. 1st M. 5s, \$4,250,000; Gen. M. 7s, \$5,500,000.

Officers.—James O. Watson, Chairman; G. M. Alexander, Pres.; Smith Hoad, Vice-Pres.; Walton Miller, Sec'y & Treas. The board includes with the other following officers of the Consolidation Coal Co., viz.: J. H. Wheelwright, Chairman; C. W. Watson, President; S. D. Camden, and George T. Watson, Vice-Presidents; Brooks Fleming, Jr., Asst. Gen. Mgr. See Annual report on a preceding page of this issue.—V. 108, p. 2330, 973.

New York Railways.—Disintegration of System, &c.—

Judge Mayer on June 25 directed the receiver not to pay the semi-annual interest due July 1 on the (\$18,061,290) First Real Estate & Refunding Mtge. 4s, it being shown that if the interest on the 4% bonds was paid there would be a deficit for the nine months ended March 31 last of \$1,382,078.

Regarding the leased lines Judge Mayer stated: The Court wishes to keep the system intact, but it has no right to destroy property. The New York Rys. Co. is running at a deficit every day. There is no doubt about that. Public Service Commissioner Nixon has indicated that he will take the matter of transfers, and I presume he will give an answer at an early date. I believe the solution of the transfer problem will mean the solving of the problems we have been considering. As for the Eighth and Ninth Avenue lines, we know we cannot pay the rentals, and we have no right to keep the property running at a loss. The owners promise to run the cars in a way that will serve the public if we return them. The responsibility of breaking up the property cannot be charged to the Court, which is not going to take money out of the pockets of the owners of the lines. If Judge O'Brien will present to me by noon on July 8 a satisfactory plan of operation I will instruct the receiver to return the lines [With reference to the Eighth Avenue road, Public Service Commissioner Lewis Nixon is quoted as saying: "The lease of this line is \$215,000 a year; capital, \$1,000,000; certificates of indebtedness, \$750,000 at 6%. Last year dividend of \$140,000 was paid by the company to its stockholders and a surplus of \$98,000 was carried over into this fiscal year. The quarterly rent was not paid by the New York Railways Co. on Jan. 1 1919, but a substantial dividend fund still exists. If this line is turned back to its owners, it will be operated as a separate line."—V. 108, p. 2528, 2433.

Northern California Power, Consolidated.—Proposed Sale to Pacific Gas & Electric Co.—

A circular sent to the stockholders announcing the proposed sale of the properties to the Pacific Gas & Electric Co., and signed by W. F. Detert, C. D. Carman, S. Waldo Coleman, H. H. Noble and F. Reis Jr., directors, states in substance: "After extended negotiations by W. F. Detert, President, with several prospective purchasers, he made a sale of the capital stock and properties of the company, subject to the approval of the stockholders, directors and the California Railroad Commission.

"Under this conditional sale, subject to the necessary approval and authorization of the Railroad Commission, the Pacific Gas & Electric Co. has agreed to pay \$34 a share for all, or not less than two-thirds of the capital stock of 100,000 shares of this company, on condition that the properties of the company be conveyed to the Pacific Gas & Electric Co. for \$3,400,000, or at a valuation of \$34 a share for the 100,000 shares of stock.

The sale agreement provides that stockholders shall deposit their certificates of stock, duly endorsed, and their written assent to the sale with the Mercantile Trust Co., San Francisco, before July 19 1919.

Nova Scotia Tramways & Power Co.—Bonds.—The shareholders on June 24 authorized an issue of \$2,000,000 3-yr. 7% gold coupon bonds of which \$1,000,000 is to be issued presently for improvements subject to the ruling of the P. U. Commission.—V. 108, p. 2434.

Ohio Traction Co., Cincinnati.—Earnings.—An officer of the company writing June 19 says:

Under a service-at-cost revised franchise in Cincinnati, we earned during the month of May at a rate which, if maintained for a year, would supply an amount sufficient to pay one-half of the dividend on the Preferred stock. This was on a 5 1/2 c. fare for the first three months of 1919, and a 6c. fare to date. Automatically fares are advanced July 1 to 6 1/2 c. ticket rate and 7c. cash. No dividend has, as yet, been declared on the Preferred stock since Nov. 1915.—V. 108, p. 873.

Pacific Gas & Electric Co.—Directors Ratify Contemplated Purchase of Northern California Power, Consolidated.—The directors on June 14 ratified the agreement to purchase the Northern California Power, Consolidated, at \$34 a share. See that company above.

Pennsylvania Company.—Semi-Annual Dividend.—The directors declared a semi-annual dividend of 3% on the stock, all of which is owned by the Pennsylvania RR., payable June 30 to holders of record June 25. In June and Dec. 1918 a dividend of 3% was paid.—V. 108, p. 967.

Peoria (Ill.) Ry.—Fare Increase.—The P. U. Commission of Illinois has entered an order allowing the company to charge a 6-cent fare in the city of Peoria and suburbs, effective June 7, to continue one year, when the fare will automatically revert to 5 cents and 12 rides for 50 cents unless otherwise ordered by the Commission. The company on receipt of the order signed an agreement with its employees granting them an increase of 8 cents an hour, dating from May 1 1919.—V. 101, p. 213.

Philadelphia Company.—New Stock.—Stockholders will vote Aug. 30 on increasing the authorized capital stock from \$71,933,400 (consisting of \$44,900,000 Common, \$25,000,000 6% cum. Pref. and the remainder 5% non-cum. Pref. to \$75,683,400, said increase of \$3,750,000 to be in Common stock.

Bonds Retired—Subsidiary Company Bonds.—The Philadelphia Stock Exchange struck from the regular list \$308,000 Consolidated Mtge. & Collateral Trust % bonds due Nov. 1 1951, canceled for the sinking fund, leaving the amount listed at this date \$13,204,000.

See Duquesne Light Co. under "Industrials and Miscellaneous" below.—V. 108, p. 2429, 2330.

Philippine Railways Co.—Earnings.

Calendar Year—	1918.	1917.	1916.	1915.
Gross income	\$508,029	\$474,270	\$378,306	\$362,407
Net, after taxes	\$183,397	\$143,476	\$141,128	\$125,397
Other income	2,340	2,007	2,935	3,250
Gross income	\$185,746	\$145,483	\$144,063	\$128,653
Interest	341,980	341,980	344,076	343,305
Additions, &c.	37,726	13,996	2,890	468
Balance, deficit	\$193,940	\$210,473	\$202,902	\$215,121

—V. 104, p. 2553.

Pittsburgh Canonsb. & Wash. St. Ry.—Coupons.—See Pittsburgh Ry. Co. below.—V. 106, p. 131.

Pittsburgh Railways.—Interest Payment Ordered.—Judge C. P. Orr in the U. S. District Court June 21 handed down an opinion ordering payment of \$18,750 semi-annual interest due the Peoples Savings & Trust Co., trustee under the First Mtge. 6s. of the Pittsburgh Canonsburg & Washington St. Ry. Interest was also ordered paid back to January, when the semi-annual interest payment was due, but was not made by the receivers of the Pittsburgh Railways.

Fares Increased to Ten Cents, Effective Aug. 1.—The receivers announce that on and after Aug. 1 a 10-cent cash fare will obtain on the system; the present 5 and 7-cent fare service will be abolished, and tickets will be sold at the rate of four for 30 cents, making the fare 7 1/2 cents to ticket holders. Notice of the raise in fare has been given by the State P. U. Commission. The receivers declare the new rate is necessary to produce the needed revenue, otherwise dissolution of the system is inevitable.—V. 108, p. 2529, 2434.

Puget Sound Trac., Lt. & Power Co.—Div. Resumed.—A quarterly dividend of 75 cents per share has been declared on the preferred capital stock, payable July 15 to holders of record June 26. This is the first distribution on the 6% cum. preferred stock since Oct. 1917, when 1/4 % was paid. Accumulated divs. to July 15 aggregate 17 1/4 %.—V. 108, p. 1391, 1061.

Rapid Transit in N. Y. City.—Ext. Ready by Feb. 1.—Frank Hedley, Vice-Pres. & Gen. Mgr. of the Interborough Rapid Transit Co. at a hearing before the P. S. Commission recently announced that the Eastern Parkway Subway in Brooklyn, extending from Flatbush avenue to the Utica station on Eastern Parkway will be ready for opening about Feb. 1 1920.—V. 108, p. 2441.

Reading Co.—Guaranty to Be Canceled.—See Allentown Terminal RR. above.—V. 108, p. 2330, 2324.

Rhode Island Co.—Receivership.—See United Traction & Electric Co., Providence, below.—V. 108, p. 2434.

Terminal RR. Association of St. Louis.—Bonds.—The Missouri P. S. Commission has authorized the company to issue \$1,000,000 bonds, to reimburse its treasury for a like amount expended for improvements out of current income.—V. 108, p. 2529.

Terre Haute Indianapolis & Eastern Trac. Co.—Earnings.

Calendar Years—	1918.	1917.	1916.	1915.
Gross earnings	\$3,731,288	\$3,386,365	\$0,970,395	\$6,436,317
Operating expenses	2,472,220	2,087,473	4,383,821	4,114,246
Taxes	232,537	179,303		
Net earnings	\$1,026,531	\$2,317,415	\$2,586,574	\$2,322,071

—V. 108, p. 1722.

Tiffin Fostoria & Eastern (El.) Ry.—Service Abandoned.—A press report states that this company, which operates the city lines in Tiffin, O., announces that it will not resume operation of city cars, which have been suspended since. It is stated that the tracks will be torn up. The reason assigned is that the company has lost an average of \$400 a month for the last year in operating its city lines.—V. 108, p. 1512.

United Rys. & Electric Co., Baltimore.—Div. Postponed.—A press dispatch from Baltimore states that the directors on June 25 took no action on the Common stock dividend. In April last the dividend was also omitted. The last quarterly dividend of 50 cents was paid Jan. 22.—V. 108, p. 2434.

Union Traction Co. of Indiana.—Extension of Bonds Approved by Public Service Commission—Notes.

The Indiana P. S. Commission on June 14 approved the extension of (1) the \$1,023,000 General Mortgage 5s. due July 1, to July 1 1922 at 6%, as set forth in detail in V. 108, p. 2434; (2) \$1,200,000 Indianapolis New Castle & Eastern Traction Co. 6% bonds, which became due June 1, to June 1 1922 at 6%. These bonds are callable at 101 1/2% and int., and are secured by a first mtge. upon about 62 miles of road extending from Indianapolis, by way of New Castle, to Muncie, and operated under lease as a part of the street and interurban railroad system of the Union Traction Co. of Indiana, which under said lease agrees to pay the interest on the bonds.

The interest coupons are free of normal income tax up to 2%. (3) \$328,000 Marion City Ry. 6s which became due May 1, to May 1 1922 at 6%.

On June 24 the company filed a petition with the Indiana P. S. Commission for permission to issue \$150,000 three-year promissory notes dated July 1 to replace a similar issue due on that date. The new note issue is to be secured by \$40,000 par value of the company's stock, \$18,017 common stock of Shirley Realty Co., and \$25,000 1st Mtge. 6s of 1928 Union Traction, Light & Power Co.—V. 108, p. 2434.

United Traction & Electric Co., Providence, R. I.—Receivership Made Permanent.

On June 23 1919 Presiding Justice Tanner of the Superior Court, Providence, appointed Cornelius S. Sweetland permanent receiver upon the petition of the Central Union Trust Co., N. Y., trustee of the First Mortgage bonds, due March 1 1933.—V. 108, p. 2434.

Washington Ry. & Electric Co.—Seeks Six-Cent Fare.—The company on June 19 filed a petition with the P. U. Commission asking a flat fare of 6 cents in lieu of the 2-cent transfer charge.—V. 108, p. 2434.

Wellington Grey & Bruce Ry.—Bonds Called—Interest.—Forty (\$4,000) 1st Mtge. 7% bonds have been called for payment at par on July 1 at the offices of Grand Trunk Ry. in Montreal, Canada, and London, England. There will also be paid on July 1 from the estimated earnings for the half year ending June 30 £2 16s. 1d. per £100 bond, being second installment on account of coupon No. 70, due July 1 1905.—V. 95, p. 112.

INDUSTRIAL AND MISCELLANEOUS.

Advance Rumely Co.—Prof. Stock.—Press reports say that Finley P. Mount, President of the Advance Rumely Co. denies that a plan to retire part of the Preferred stock is in contemplation or under discussion at present by the board of directors.—V. 108, p. 1508.

Aetna Explosives Co.—Interest Ordered Paid.—The receivers have been authorized by Judge Mayer to pay \$27,460 interest due July 1 on the outstanding bonds.

Notice to Common Shareholders.—F. H. Prince & Co., Court and Washington streets, Boston, and 25 Broad St., N. Y., announce, by advertisement on another page, their acceptance on account of their own large holdings of common stock and as representatives of other common shareholders of the plan of reorganization based on the court order of May 23. The receivers, George C. Holt and Benjamin B. Odell, unite with F. H. Prince & Co. in urging that all common stockholders execute and forward to that firm proxies for the necessary votes and consents to carry out the terms of settlement. Prompt action is important. See adv. pages and compare V. 108, p. 2243, 2331, 2434, 2529.

Allied Packers, Inc., N. Y. City.—Preliminary Earnings Fiscal Year ended April 30 1919.

Net sales	\$99,817,335	Total income	\$3,803,837
Cost of sales	92,412,654	Other deduction	578,436
Gross profits	7,404,681	Balance before taxes	\$3,225,401
Expenses	3,921,460	Estimated Federal inc. & profits taxes	543,594
Other income	320,618	Net earnings	\$2,681,807
Balance	3,453,221		

The above figures represent the earnings of the companies already purchased. In addition interest earned on money acquired for the purchase of additional plants is conservatively estimated to amount to \$400,000.

Public offering of the \$16,000,000 Debenture will be made next week by a syndicate headed by Imbrie & Co., N. Y.

See statement giving names of companies merged, preliminary balance sheet as of April 30 1919 and list of directors and officers in V. 108, p. 2434.

American & British Mfg. Corp., N. Y. City.—Reorg. Co.—This company was incorporated at Albany, N. Y., on June 23 with \$3,000,000 of auth. 6% cum. pref. stock (par \$100 a share), and 52,000 shares, of no par value, as successor of the American & British Mfg. Co. per plan in V. 108, p. 2124, 2243, 2526.

American Gas Co., Philadelphia.—\$2,000,000 7% One-Year Refunding Notes Sold.—The entire issue of \$2,000,000 7% Secured notes underwritten by Bioren & Co., Bonbright & Co. and E. B. Smith & Co. has been sold. These notes which were offered by the bankers at par int. were issued to refund a like amount of 6% notes of 1917, due Sept. 1 of this year (V. 105, p. 911), with it is understood an option to holders of the maturing notes to exchange the same for the new issue. A circular shows:

American Gas Co. 7% Secured notes, free of normal Federal income tax of 2% Penn. State tax refunded. Dated June 1 1919, due June 1 1920, but callable on Dec. 1 1919 at 100 1/4 and int. Coupons J. & D. Merchants-Union Trust Co., Philadelphia, trustee. Authorized \$2,000,000.

Security.—These notes are directly secured by deposit with the trustee of: \$1,000,000 Winooski Valley Power Co. 1st Mtge. 5s. 1903; 57,000 St. Clair County Gas & Elec. 1st Cons. 5s; 125,000 Waukesha Gas & Elec. 1st 5s; 100,000 Citizens Gas & Elec. of Water-Cons. 6s. 1931. 874,000 100 & Cedar Falls, Ia. Gen. & Ref. 5s. 1937.

These notes are further secured by deposit of the following collateral, subject to the lien of \$1,570,000 5% bonds of 1910, due June 1 1920 (V. 90, p. 978), viz: (a) \$4,455,000 Common and \$800,000 Pref. stock (Phila. Suburban G. & E.); (b) \$1,997,500 stock of Luzerne Co. G. & E. Co.; (c) \$1,249,875 stock of Burlington Gas Light Co., par \$25; (d) \$897,500 stock of Kingston Gas & Elec. Co. (N. Y.); (e) \$599,500 stock of Rockford Gas Light & Coke Co.; (f) \$450,000 Consolidated Light & Power Co., Kewanee, Ill., 5% bonds; and (g) \$500,000 St. Clair Co. Gas & Elec. 5% bonds.

The American Gas Co. has outstanding \$7,804,100 capital stock, fully paid in cash, listed on the Philadelphia Stock Exchange.

Income.—The income from collateral, directly pledged for 12 months ending April 30 1919, was \$117,540; add income from collateral subject to \$1,570,000 5% bonds after deduction of interest, \$262,152; total available for interest on 7% notes, \$379,692; interest on 7% notes calls for \$140,000. Compare V. 106, p. 88, 1576; V. 108, p. 1166, 2529.

American Gas & Electric Co.—Dividend.—The special dividend of 2 1/2 % announced on June 13 as to be paid Oct. 1 in Common stock was declared, the official statement says. "To enable the company to procure Common stock to be disposed of to its employees (except executive officers and directors) and to the employees of its subsidiary companies under a plan to be determined by the board of directors, and stockholders will receive a circular letter asking them to sell back to the company, or its nominee, the stock they are entitled to receive under this special dividend at par (\$50 per share)." Compare V. 108, p. 2435, 2124.

American Malt & Grain Co.—Capital Stock.—See American Malting Co. below.—V. 108, p. 2435.

American Malting Co.—Liquidation, &c.—On behalf of Mr. W. Forbes Morgan, Chairman of the committee of First Pref. stockholders in liquidation, the following statement is made: "On or about June 5 1919 the liquidating trustees declared a dividend on account of distribution of net assets amounting to \$30 per share to the holders of First Pref. stock, of which the committee received the sum of \$2,039,370 on account of the First Pref. stock deposited with it under agreement of July 31 1918. Out of this sum the committee paid \$1,764,907.20 in full payment of subscriptions for 49,025.2 shares of the capital stock of the American Malt & Grain Co. on account of subscriptions at \$36 per share, now quoted on the Curb at about \$50.—Ed.] made by holders of subscribing

certificates of deposit, which payment in effect amounted to a distribution to such holders of \$25 20 per share of First Pref. stock of the American Malt...

On the 23d inst. the liquidating trustees declared a further or second dividend of \$30 per share on the First Pref. stock, of which the committee received \$2,039,370 on account of the First Pref. stock deposited with it...

The committee expects that in the near future there will be a final small dividend declared by the liquidating trustees which, less the expenses of the committee, will be distributed to the holders of certificates of deposit in proportion to the shares of First Pref. stock represented thereby.

The committee now expects that the stock certificates of the American Malt & Grain Co. will be ready for delivery to subscribers therefor early in the week beginning June 30.

American Screw Co.—Extra Dividend.—

An extra dividend of 1 1/2% has been declared on the capital stock along with the regular quarterly dividend of 1 3/4%, both payable July 1 1919 to holders of record June 23 1919.

American Shipbuilding Co.—Extra Dividend.—

An extra dividend of 2 1/4% has been declared on the Common stock, along with the regular quarterly of 1 3/4%, both payable Aug. 1 to holders of record July 15.

American Steel Foundries.—Offering of Preferred Stock.—

Richardson, Hill & Co., Boston, and John Burnham & Co., Chicago, are offering at 98 1/2 and div. by advertisement on another page \$9,000,000 7% Cumulative Preferred stock, par \$100.

Capitalization (upon comp. of pres. financing)—Authorized Outstanding: Debentures, 4%, payable serially \$1,372,800 \$1,372,800

Digest of Letter of President R. P. Lamont, dated June 14 1919

Plants.—Operates 8 foundries, located at Chester, Franklin, Sharon and Pittsburgh, Pa.; Alliance, Ohio; Indiana Harbor, Ind.; Granite City and East St. Louis, Ill., having an annual capacity of between 250,000 and 300,000 tons of steel castings...

Earnings.—The average earnings of the American Steel Foundries for the past 13 years after all taxes and average annual depreciation of \$344,750, but before int. charges and bond retirement have been \$1,781,966.

Net earnings, after depreciation, war and excess profits taxes, for the past three calendar years have been as follows: 1916, \$3,908,570; 1917, \$5,631,839; 1918, \$2,695,727.

The annual div. requirements for this \$9,000,000 of Pref. stock will be \$630,000; the int. requirements for the 4% Debentures, \$54,012.

Purpose of Issue.—New preferred stock under the amended certificate of incorporation was created to enable the company, among other things, to acquire, as opportunity may offer, other properties and enterprises of established earning power...

This \$9,000,000 issue will be used to purchase control of the Griffin Wheel Co., the largest manufacturer of iron wheels for steam and street cars, with well-located plants at Chicago, Detroit, Denver, St. Paul, Tacoma, Kansas City, Boston and Los Angeles.

GRIFFIN WHEEL COMPANY BALANCE SHEET DEC. 31 1918.

Table with 2 columns: Assets and Liabilities. Total (assets & liabilities) \$1,942,601

Earnings.—The average annual earnings of the Griffin Wheel Co. for the past 6 years have been \$1,198,470, after deduction for depreciation of an annual average of \$187,748.

Net earnings after depreciation and war and excess profits taxes have been for the past three calendar years as follows: 1916, \$1,649,018; 1917, \$1,143,240; 1918, \$1,336,343.

Combined Earnings & Assets.—Assuming the acquisition under our offer of all the Com. stock of the Griffin Wheel Co. there would, on the average earnings of that company for the past 6 years and our company for the past 13 years, be applicable for divs. on this issue from the combined earnings, after deduction of our debenture interest and Griffin Preferred stock div., and after average depreciations of \$532,498, the sum of \$2,574,596 annually, or over 4 times the dividend requirements of this issue.

The net quick assets of the combined companies at Dec. 31, 1918 are \$17,606,899; deducting therefrom the outstanding 4% Debentures and the Preferred stock of the Griffin Company, there remains a balance of \$10,384,709, or \$1 1/2 share applicable to this issue.

Preferred Stock Provisions.—(a) No mortgage or lien may be placed upon the property, nor can the stock owned in any corporation of which a majority of the capital stock is owned by the company be voted in favor of the creation of any mortgage or lien upon the property of such corporation...

Voting Power.—The Pref. stock has no voting power unless payment of four consecutive quarterly divs. is in arrears, or six months' default of any other provisions or restrictions.

American Writing Paper Co.—Listing.—

The New York Stock Exchange has authorized the listing of \$12,000,000 First Mortgage 20-year Sinking Fund 7-6% bonds.

Amoskeag Mfg. Co.—Dividends.—

A dividend of \$1 25 per share on the Common shares has been declared, along with a semi-annual \$2 25 on the Preferred, payable Aug. 2 to holders of record June 24.

Anaconda Copper Mining Co.—Dividend.—

The directors have declared a quarterly dividend of \$1 (2%) per share on the \$116,562,500 outstanding capital stock (par \$50), payable Aug. 25 to holders of record July 19.

Anglo-American Commercial Corp.—Listed in Boston.—

The Common stock, to a total of 116,060 shares (no par value) has been listed on the Boston Exchange. The company was recently incorporated at Albany, N. Y., and succeeded to the International exporting and importing business carried on for some years past by the River Plate Commercial Co., Inc.

Anglo-American Oil Co.—Dividend.— A Central News cable dispatch reports that an interim dividend of 3 shillings has been declared on the stock, payable July 15.

Barnet Leather Co.—Stocks Sold.—Priehitt & Co., New York, announce that all of the \$1,500,000 7% Cumulative Preferred stock (see advertising pages) and the block of Common stock which was recently offered by them has been sold.

Capitalization Authorized and to Be Issued. Preferred stock, 7% cumulative (par \$100) \$2,000,000 Common stock (par \$100) 4,000,000

Digest of Letter of President M. S. Barnet, Dated June 18 1919. History.—The present Barnet Leather Co., which is to be taken over by a new corporation, was started 45 years ago by M. S. Barnet, with a nominal amount of cash, as a dealer in hides and skins at Albany, N. Y.

Manufactures high-grade calf leathers. Among our largest American customers are: T. G. Plant Co., Roxbury, Mass.; W. L. Douglas Shoe Co., Brockton, Mass.; George B. Keith Co., Campello, Mass.; Sears-Roebuck Co., Cambridge, Mass.; Selby Shoe Co., Portsmouth, Ohio; Commonwealth Shoe & Leather Co., Whitman, Mass.

Sales and Net Profits, Cal. Years (x1918 after Tax. Reserve of \$545,000). 1915 Sales \$2,185,000 Net Before Taxes \$223,000

On Dec. 31 1918 (after depreciation and income tax reserves) surplus was about \$1,900,000. Allowing for the introduction of the new capital, the balance sheet on July 1 next will show net tangible assets of at least \$4,000,000, or twice the par value of the entire issue of preferred stock.

Barnsdall Corporation.—Listed in Pittsburgh.— The Pittsburgh Stock Exchange has admitted to list the \$13,000,000 outstanding stock, par \$25.

Bethlehem Steel Corporation.—Bond Call.— All of the outstanding Secured Serial 7% gold notes of Series "B" and "C" which have not been previously exchanged for Consolidated Mortgage 30-year sink. fund 6% gold bonds, Series "A," have been called for payment July 30.

Brasburn Steel Co.—Balance Sheet.— See Marlin-Rockwell Corporation below.

Bunte Brothers.—Listed in Chicago.— The Chicago Stock Exchange has listed the \$1,000,000 Preferred stock, par \$100, and \$1,000,000 Common stock, par \$10.—V. 106, p. 1129

Bush Terminal Co.—Special Dividend Continued.— The directors have declared a special dividend of 2 1/2% on the common stock, payable in stock, along with the regular semi-annual dividends of \$3 on the pref. and \$2 50 on the common.

Central & South American Telegraph Co.—Earnings.— Pres. John L. Merrill, June 20, reported in substance: Results—Quarters end, June 30 (partly estimated)— 1919. 1918.

Charcoal Iron Co. of America.—Stock Dividend, &c.— The shareholders, it is announced, will vote July 31 on increasing the authorized Common stock from \$2,839,350 to \$5,000,000.

Results for Calendar Year 1918 and Three Months to Mar. 31 1919. Net profit for the calendar year 1918 \$1,603,385 Dividends paid, deprec'n, Fed'l taxes, amortiz. of war constr., &c. 1,404,897

Balance, surplus, for year \$198,488 Net profits for three months ended March 31 1919 \$233,807 Total profit and loss surplus Mar. 31 1919 before deducting Federal taxes \$1,976,187

Bond Call.— The final \$125,000 First Mtge. 6% gold bonds, due Jan. 1 1920, have been called for payment July 1 at par and int. at the Detroit Trust Co., Detroit.—V. 108, p. 2332.

Edmunds & Jones Corporation.—Earnings.—

Calendar Years—	1918.	1917.	1916.
Gross sales	\$2,717,057	\$4,100,136	\$2,820,285
Net profit	56,266	417,034	661,927
Federal taxes	6,699	79,908	
Preferred dividends	(8¼)79,371	(7)64,365	(5¼)51,625
Common dividend	(\$½)20,000	(\$3¼)130,000	(\$3)120,000
Adjustments (Cr.)	16,084		
Balance, surplus	def.\$33,721	\$142,761	\$380,302

—V. 108, p. 2126.

Endicott-Johnson Corporation.—Listing—Earnings.—
 The New York Stock Exchange has authorized the listing of \$15,000,000 7% Cum. Pref. stock and \$14,000,000 Com. stock.
 The sales for the four months period ending Apr. 17 1919, as reported to the Exchange, were \$17,149,168; cost of sales, \$13,420,220; gross profit, \$3,728,948; other income, \$7,129; total income, \$3,736,077; expenses and interest, \$1,821,553; leaving net profit before Federal taxes, \$1,914,524.—V. 108, p. 2436.

Famous Players-Lasky Corp., N. Y.—New Stock.—
 Stockholders of record July 5 will have the right to subscribe at par (\$100) on or before 12 noon July 26 (when full payment must be made) for 25,000 shares of Treasury stock to the extent of one share for every seven shares now held. This will bring the outstanding capital to 200,000 shares, the total amount authorized. Subscription warrants will be issued on or before July 12.
 President Adolph Zukor, in circular letter of June 24, says in substance: "In my opinion, world conditions as related to the motion picture industry are ripe for legitimate and healthy extension. This sale of treasury stock has been underwritten by Messrs. Dominick & Dominick and Hallgarten & Co."
 "The company is in prosperous condition, our earnings during the first five months of this year having exceeded those of the entire year of 1918." New York office, 485 Fifth Ave.—See also V. 108, p. 2436.

(William) Farrell & Sons, Inc.—Further Information.—
 In connection with this company's offering of Preferred stock by Spencer Trask & Co. and Ladenburg, Thalmann & Co. (V. 108, p. 2126; see also advertisement on page xxx of May 24 issue of the "Chronicle" by J. S. Bache & Co. as to common stock), we give the following information:
Data from Letter of Pres. Thomas F. Farrell, Dated N. Y., May 19 1919.

Company.—Incorp. Jan. 29 1919 in N. Y. State to acquire the business, assets and good-will of representative coal dealers in the Boroughs of Manhattan and the Bronx, N. Y. City, including, with others, the following whose business was started in the years indicated, viz.: William Farrell & Son (1852), Robt. Gordon & Son, Inc. (1867), Hencken & Willenbrock Co. (1870), Theford-Eltz Coal Co. (1877), S. Trimmer & Sons, Inc. (1877), O. H. Perry & Son (1879), Pattison & Bowns (1892), Scranton & Wyoming Coal Co. (1914).
 These companies represent an annual tonnage of approximately 2,750,000 and it is proposed to apply a portion of the treasury cash of the new company to acquire the business, assets, &c., of several additional retail coal dealers, thereby increasing the tonnage substantially.

Capitalization Authorized and to Be Presently Issued (No Funded Debt).
 7% Cumulative preferred stock (par value \$100).....\$3,000,000
 Common stock (no par value).....130,000 shares

Earnings.—The average returns for the past three years of the several companies named above indicate net earnings of approximately \$1,020,000 p. a., while other contracts have been signed which will, it is estimated, produce approximately \$100,000 additional net earnings. The company also has in process of completion contracts which will show further net earnings of approximately \$250,000. This would indicate total net earnings, after allowing for depreciation, but before deducting taxes, of approximately \$1,370,000 per annum, a sum more than three times the total annual requirements of the reserve fund.

Property.—The property and equipment is modern and adequate for any reasonable increase in business. A recent appraisal places the value of the properties (exclusive of horses, wagons, motor trucks and coal barges) reasonably worth \$700,000 at approximately \$2,100,000. The net current assets are estimated at about \$2,000,000, making the total estimated assets approximately \$4,800,000, without allowance for good-will, leases and contracts.

Leases.—Will operate a well-distributed chain of 15 yards in the Boroughs of Manhattan and the Bronx in N. Y. City and one yard in Jersey City. Although the leases on these yards run for various periods, tenure is practically permanent, owing to renewal provisions.

Preferred Stock.—(1) Dissolved as to assets and 7% cumulative dividends. (2) In case of voluntary dissolution or liquidation, or if called for redemption, entitled to \$120 per share and accrued dividends. (3) Reserve fund to receive annually from the surplus profits (before any dividend can be declared on the common stock) a sum equal to 12% of the total amount of pref. stock issued, whether or not then outstanding. This fund is applicable solely (a) to pay all cumulated and unpaid divs. on the pref. stock; (b) to the maintenance of an appropriated surplus sufficient to meet the cumulative dividends on the outstanding pref. stock for one year in advance, and (c) purchase of the pref. stock. After meeting pref. dividend requirements any remainder may, and after April 1 1922 shall, be applied to the retirement and cancellation of pref. stock. (4) The consent of 75% of the outstanding stock of each class, or parity with, the pref. stock at present authorized, preference over, or parity with, the pref. stock at present authorized. (5) The consent of 75% of the outstanding pref. stock is required in order to create any mortgage or other lien, except purchase money mortgages, or to issue or guarantee any bonds, debentures or other debt running more than one year, or to alter the rights of the preferred stock.

Voting Power.—The pref. stock shall have no voting power except in case of default in the payment of divs. aggregating at any time 7%, in which event, at the next meeting of the stockholders, exclusive voting power shall be vested in the pref. stock and shall so continue until all accrued dividends in default shall have been paid.

The company has since acquired the retail coal distributors, Matthew Wilson Coal Co. and Joseph Gordon, Inc., having a combined annual retail business of 150,000 tons, thus bringing the annual business up to 2,900,000 tons. The new concern, it is stated, is negotiating for four additional properties.—V. 108, p. 2126.

Freeport Texas Co.—Earnings—Listing.—
 The gross sales for the four months ending March 31 1919, as reported to the Exchange, were \$1,103,566; cost of sales, \$219,090; profit on sales, \$884,476; selling and general expenses, \$285,831; net profits, \$598,645; other income, \$78,282; total income, \$676,927; previous surplus, \$6,984,444; reserves and taxes, \$847,423, leaving a total profit and loss surplus of \$6,872,948.
 The New York Stock Exchange has authorized the listing of 494,147 shares of the capital stock permanent engraved certificates to replace voting trust certificates.—V. 108, p. 2025, 1940.

Fate-Root-Heath Co., Plymouth, O.—Offering of Pref. Stock.—Otis & Co., Roland T. Meacham and United Security Co., Cleveland, are offering, at 96 and int., yielding 7.29%, \$250,000 7% Cumulative Sinking Fund Preferred stock. A circular shows:
 Divs. payable quarterly Jan. 1, &c. Pref. as to a. & d. Redeemable as a whole or in part for sinking fund at 110. Sinking fund of \$15,000, beginning July 1 1920, is provided.

Capitalization.
 7% Cumulative Preferred stock.....\$250,000
 Common stock (no par value).....7,500 shs., 4,000 shs.

Data from Letter of Pres. J. A. Root, Dated June 4 1919.
 The company has been incorporated under the laws of Delaware, and has acquired the property and business of: (a) The J. D. Fate Co., which has been in operation for 25 years; business consists of the manufacturing of brick and tile-making machinery; prospects of this line are excellent. (b) The Root-Heath Mfg. Co., which started 24 years ago making a line of hardware specialties.
 Owns in fee about 12 acres of land upon which are located 15 brick and iron buildings with a ground floor space of about 160,000 sq. ft. A new foundry building is now under construction. The lands, plants, &c., have a present depreciated value of \$244,292.

Purpose of Issue.—Of the proceeds of this stock \$125,000 will be expended in new construction, and the balance used in part payment of the purchase of the present properties.

Balance Sheet March 31 1919, Adjusted to Give Effect to Present Financing

Assets—	Liabilities—
Land, buildings, &c.....\$244,293	Preferred stock.....\$250,000
Patents, &c.....6,665	*Common stock (no par).....371,193
Current assets.....315,892	Current liabilities.....86,872
Special cash fund.....125,000	Reserves.....40,500
Other assets.....45,518	Deferred liability.....5,000
Deferred assets.....16,197	Total (both sides).....\$753,564

*Authorized 7,500 shares; issued, 4,000 shares, represented by net worth of properties acquired in excess of Preferred capital stock.
Earnings.—The combined average 12 months' sales and earnings of the companies for 3¼ years ending March 31 1919, as furnished us by Ernst & Ernst, have been as follows: Net sales, \$600,230; earnings before Federal taxes and contingencies but after full depreciation, \$68,321; net earnings after reserves for Federal taxes and contingencies, \$46,369.

General Cigar Co., Inc., N. Y.—\$5,000,000 7% Cum. Sinking Fund Debenture [2nd] Pref. Stock, Convertible Into Common at Par, Underwritten—Subscription Rights.—President Fred Hirschhorn in circular of June 20 says in subst.:

The expansion of business since organization through the acquisition of additional businesses and properties, and the great increase in the business, especially during the past year, has greatly increased our requirements for working capital. There is every indication that the present large earnings will continue.

The net earnings for the calendar year 1918 after making provision for Federal income and excess profits taxes and officers profit sharing were approximately 7.23% on the outstanding Common stock, and the net earnings for the first five months of 1919, after deducting estimated Federal taxes and officers profit sharing for such five months, were at the rate of approximately 11.25% p. ann. on such Common stock.

The increased working capital has up to the present time been secured through short term bank loans and sale of our commercial paper. Your directors are of the opinion these obligations should be very materially reduced through the issue and sale of approximately \$5,000,000 7% Cumulative Debenture Preferred stock convertible into Common stock at par at any time.

Subject to the necessary stockholders' action, at a special meeting called for July 7 1919, the privilege is to be given to the holders of the Preferred and Common stock of the company of record on July 14 to subscribe at par with accrued dividend from July 1 1919 for such new stock in amounts equal to 20% of their respective holdings. Subscription warrants will be issued shortly after July 14 and must be filed with payment in full at Lawyers' Title & Trust Co., 160 Broadway, N. Y., not later than 3 p. m. July 30. The company will not sell fractions.

The company has arranged with Goldman, Sachs & Co. and Lehman Bros. both in the City of New York, to form a syndicate to underwrite the purchase of said issue of debenture Preferred stock. Samuel Sachs and Philip Lehman are directors of the company.

Your directors and officers believe that the financial condition of the company will be very much strengthened by the issue and sale of the debenture Preferred stock above mentioned and that the company will be placed in a position thereby which will make it possible for it materially to increase the rate of dividends on the Common stock. They strongly urge, therefore, the increase of the capital stock by \$10,000,000, of which \$5,000,000 is to be such debenture Preferred stock and \$5,000,000 Common stock, the latter reserved so far as necessary for conversion of debenture Preferred stock, but otherwise to be available for general purposes.

When increased the total authorized capital stock will be \$35,000,000 in \$100 shares, viz.: (a) Present \$5,000,000 7% Cum. Pref. stock, (b) \$5,000,000 new 7% Debenture Preferred stock, (c) \$25,000,000 Common stock, of which \$18,104,000 is now outstanding.

Digest of Description of 7% Cumulative Debenture [2nd] Pref. Stock.

Subject to all of the preferences and privileges of the present Preferred stock, but to be preferred over the Common stock, both as to dividends and assets. Entitled to cumulative dividends of 7% p. ann. from July 1 1919, but no more payable quarterly Oct. 1, &c.; also to receive on any involuntary liquidation, par and accrued and unpaid dividends, plus, in case such liquidation is voluntary, a premium of 10% of par, and no more, before any distribution is made to the Common stockholders. Subject also to redemption at any time in whole or in part at 110% of par, plus accrued and unpaid dividends on 60 days' notice.

Entitled to a cumulative sinking fund to which the company is to pay each June 1, beginning with 1921, a sum sufficient to purchase and cancel all not exceeding 110 & div. 1,500 shares of Debenture Preferred stock.

Exchangeable, at option of holders thereof, at any time (except when transfer books are closed) and except if called for or the redemption during the 10 days just prior to the redemption date for Common stock, share for share, with a cash adjustment of dividends.

The company shall not, without the consent of 75% of the Debenture Pref. stock at the time outstanding, (1) Mortgage or otherwise encumber its properties, except (a) its quick assets to secure loans in the ordinary course of business (b) purchase money mortgages or liens; (2) increase the present Preferred stock or the Debenture Preferred stock or create any further stock prior to or on a parity with the Debenture Preferred stock; or (3) sell the assets and business as an entirety.

Will have no voting power unless the company shall fail to pay two successive quarterly dividends thereon whereupon each shall thereof will have equal voting rights with each share of the Common stock, subject, however, to the voting rights of the existing Preferred stock in case the company fails to pay dividends thereon.—V. 108, p. 2437.

General Motors Corporation.—Earnings, &c.—The following published statement, while not given out officially, is understood to be approximately correct:

The earnings for the six months ending June 30 1919, it is estimated, will exceed \$45,000,000. The corporation's cash position as of June 30 was Cash on hand and in bank.....\$74,567,419
 Sight drafts attached to bills of lading.....7,430,208
 \$24,324,000 Liberty bonds valued on books at.....23,242,025

Total.....\$105,239,652
 The syndicate reports the 300,000 share issue well over 90% sold.—V. 108, p. 2437.

Godchaux Sugars, Inc.—Financing.—P. W. Chapman & Co., Ames, Emeric & Co. and A. B. Leach & Co. have purchased \$3,500,000 7% First Preferred stock and a block of the Common stock and are organizing a distributing syndicate which will offer the securities to investors in the near future. A circular shows:
 The tangible assets, without considering good-will, trade-names, &c., are \$10,196,895, which represent a value of more than \$291 per share on the First Preferred stock and more than \$45 per share on the Common stock. The Second Preferred stock and the majority of the Common stock will be owned by the Godchaux families and their associates, who will continue to manage the property.
 Sales for the first four months of the present fiscal year were \$5,622,000 and for the year are estimated at between \$15,000,000 and \$20,000,000. Upon completion of the present financing the capitalization, it is said, will consist of \$3,500,000 First Preferred stock, \$500,000 Second Preferred stock and 70,000 shares Common stock (no par value.)

(B. F.) Goodrich Co.—New Preferred Stock.
 The shareholders on June 26 approved the plan to issue \$7,500,000 additional 7% Cumulative Preferred stock, which will be offered to preferred and common stockholders of record July 1 at \$102 and dividend. The new stock has been underwritten by New York bankers, including, it is understood, Goldman, Sachs & Co., Lehman Brothers, the Bankers Trust Co., Guaranty Trust Co. and Chase Securities Corp. See also V. 108, p. 2437.

Griffin Wheel Co.—Earnings, &c.
 See American Steel Foundries Co. above.—V. 108, p. 2437.

Gulf Oil Corporation.—Notes All Sold.—Union Trust Co. and Mellon National Bank, Pittsburgh; Guaranty Trust

Since the consolidation dividends have been paid on First and Second Preferred stocks...

Outlook.—The business during the first four months of 1919 was \$18,616,000 (more than \$1,000,000 per month increase over 1918)...

Financing.—New Stock.—The company did no public financing until Sept. 1916, when \$2,500,000 First Preferred stock was sold...

Exclusive rights to subscribe to it will be given to stockholders, but will expire July 15 1919...

Company's Capitalization, Incl. This Issue.—Authorized, Issued. First preferred, \$20,000,000 \$15,000,000...

The consolidated balance sheet of Mar. 31 1919, but including the proceeds of this new issue, will show net quick assets (cash, receivables and merchandise)...

The parent company has no bonded debt. Two highly successful subsidiaries had real estate and mortgage bonds outstanding...

There is not a single department of our business nor a subsidiary which is losing money—each has been developed rapidly on a profitable basis...

The stockholders on June 24 voted to increase the authorized First Preferred stock from \$7,500,000 to \$20,000,000...

United Iron Works, Inc.—Offering of Bonds.—Imbrie & Co., New York, &c., are offering at prices to yield 7% \$1,500,000 First Mtge. 7% Sinking Fund gold bonds dated June 1 1919...

Interest payable J. & D., without deduction for taxes, except Federal income taxes in excess of 4%. Denom. \$1,000 and \$500 c*.

The mortgage provides a semi-annual cumulative sinking fund of \$25,000 beginning Jan. 15 1920.

Security.—Secured by a first mortgage on all of the plants, machinery, &c., now owned or hereafter acquired.

Company.—Successor to the United Iron Works Co. of Kansas City, which has been in operation since 1903.

Earnings.—Year ended May 31 '19 and Four-Year Averages. Period ended May 31 '19.

Table with columns for Assets, Liabilities, and Total. Rows include Real estate, plants, equipment, trade names, etc.

United Retail Stores Corp.—New Co.—Exchange of Stock, &c.—The "Wall Street Journal," June 26 1919, said:

George J. Whelan, James B. Duke and their associates have initially paid in \$70 per share in cash for the first 50,000 shares of the new company.

There will also be issued founders' stock to take the place of the present bonus plan in operation in the management of United Cigar Stores.

United Cigar Stores will keep its trade-mark and organization and as such will seek to secure more than its present \$65,000,000 gross of the \$1,200,000,000 tobacco business in this country.

Mr. Whelan and his family propose to turn into the new company 65,000 shares of United Cigar Stores stock and take 130,000 shares of the new Retail Stores Corporation.

U. S. Food Products Corporation.—Listing.—The New York Stock Exchange has authorized the listing of \$30,774,200 capital stock to replace temporary certificates.

United States Gypsum Co.—Offering of Preferred Stock.—A syndicate headed by John Burnham & Co., Chicago, are offering, at 99 and div., a block of this company's 7% Cumulative Preferred stock...

Incorporated in New Jersey in 1901 as a consolidation. Manufactures all classes of gypsum hard-wall plasters and other gypsum products...

Capitalization.—\$1,000,000 5% notes due Sept. 1 1921; \$6,000,000 7% Cumulative Pref. Stock (total auth.); \$3,904,000 Common Stock.

Virginia-Carolina Chemical Co.—Extra Dividend.—An extra dividend of 2% has been declared on the Common stock...

Vulcan Detinning Co.—Preferred Dividend.—A quarterly dividend of 1 1/2% has been declared on the Pref. stock...

Warren Brothers Co., Boston.—Report for Cal. Years.—Calendar Years—1918, 1917, 1916, 1915, 1914.

Table with columns for Balance, surplus and Assets. Rows include Real est., plant, &c., Patents & good-will, etc.

* Includes accrued interest. A After deducting \$12,734 adjustments.—V. 107, p. 87.

White Eagle Oil & Refining Co., Wichita, Kan.—Further Data.—In connection with the offering of this company's stock by Merrill, Lynch & Co., Josephthal & Co., New York, and Strandberg, McGreevy & Co., Kansas City...

Consolidated Profit and Loss Account of All the Companies April 30 1919. Sales \$8,095,436 Net profit, \$642,097; deduct discounts (net), \$8,461; balance, 633,636...

Consolidated Balance Sheet as at April 30 1919, after giving effect to the issue of 154,300 shares of stock to be exchanged for the Outstanding Accumulated Capital Stock of the Companies Mentioned.

Table with columns for Assets and Liabilities. Rows include Fixed assets—Real estate, \$29,000; plant and equipment, \$707,470...

See further particulars in V. 108, p. 2534.

White Motor Co.—Listing.—The New York Stock Exchange has authorized the listing of \$4,000,000 capital stock.

Willys-Overland Co., Toledo, O.—Operations Resumed.

Acting under the authority of Judge John N. Killits of the U. S. District Court, the Toledo plant began operating June 13 with P. O. Jones as the Court's representative...

Wilson & Co.—Listed in Chicago.—The Chicago Stock Exchange has authorized the listing of \$20,000,000 10-year convertible 6% bonds...

Worcester (Mass.) Gas Light Co.—Present Rates Allowed.—The Mass. Board of Gas & Electric Light Commissioners has authorized the company to charge \$1 15 per 1,000 cu. ft. for gas until March 1 1920...

Wright Wire Co.—Merger.—See Clinton-Wright Wire Co. above.—V. 108, p. 2534.

CURRENT NOTICES

The formation of a new investment house in St. Louis, to be known as Pape, Potter & Kauffman, is announced. In addition to Charles Pape, Harry Potter and Andrew H. Kauffman, C. Sewall Thomas, an engineer who has made himself conspicuous in numerous private and governmental enterprises...

Reports and Documents.

AMERICAN CAR AND FOUNDRY COMPANY

TWENTIETH ANNUAL REPORT—FOR THE FISCAL YEAR ENDING APRIL 30 1919.

To the Stockholders:

The twelve months comprising the Company's fiscal year 1918-1919 have, happily, seen the ending of the Great War and the dawn of peace. A year ago the industries and resources of our country were marshalled for the supreme effort, the results of which were later seen on the battlefields of France and Belgium—in Flanders, on the Marne and in the Argonne—and which had its culmination in the military collapse of Germany and of her allies and the armistice of last November.

Few outside of its own organization and the officials of the different Governmental departments for which its work was done realize what a great part in the war the Company has played. While hostilities continued, it manifestly was improper to divulge either the extent or the variety of the Company's war activities. That as little publicity as possible be given to the matter, was a Governmental request. With the war ended, however, the reasons for such secrecy no longer exist. The management has in course of preparation a book, to be sent when completed to each stockholder, telling of the Company's war work—but it is proper that at least a passing reference be made here to what has been accomplished.

Prior to 1917 the Company had already in some degree adapted itself to war conditions. It had been a producer in large quantity of munitions of different kinds for Great Britain and some of her allies. Its activities along these lines naturally became more intensified after our country entered the war. Practically all its facilities and its entire organization were thereafter devoted to the working out of the many and often perplexing questions attendant upon supplying Government requirements. Some of the most difficult problems in the quantity production of Governmental war needs were turned over to it—and in no single instance has it failed in their solution. No demand has been made upon it which it has not met promptly and efficiently. For what it has accomplished, it has received the commendation of the Government. The thanks of the Company are due to the various officers of the Government with whom its work has brought it in contact for the courtesy, care and resourcefulness with which they have co-operated to bring about the desired results. Their unselfish patriotism and single-minded devotion to the public good merit all praise.

The Company's output has been not only large but most diversified. Besides a great variety of smaller articles of different kinds, it has produced shell, both gas and high explosives, in enormous quantities and running in size from the 3-inch to the 10-inch. Practically the Government's entire requirements of the 6-inch gas and 10-inch high explosive shell came from the Company's plants. It produced a very great part of all the 3-inch shell called for by the Navy. It alone made the specially designed railroad gun mounts for the 7-inch and 8-inch guns and the 12-inch mortars used by our armies abroad. Many thousands of the military railroad cars used for the supply of our forces in France came from its workshops. Its production of caissons, limbers, battery, escort and supply wagons and artillery vehicles of all kinds ran into the tens of thousands. The Company has a record of accomplishment of which the stockholders may well be proud.

With the cessation of military activities have come the problems of resolving into its elements the mighty machine built for the winning of the war, the distribution of those elements in the fields of peaceful commerce and industry, and the return of the forces of our National life to their normal channels of effort. The signing of the armistice promptly led to a relaxation of military effort. Supplies contracted for and in the making were no longer needed—and there began the processes of curtailment of production, of adjustment with the Government as to contracts suspended or canceled, and of re-adaptation of the Company's plants and facilities to their ordinary functions. These matters are proceeding in a manner entirely satisfactory to the Management.

The greatest of the industrial problems remaining to be solved in connection with the transition from a war to a peace basis is that of the railroads. They were taken over

by the Government as a war measure. Shall they continue under Governmental control and operation or shall they be restored to their owners—and if the latter, when and under what conditions? These questions press for solution. Of purely domestic matters, there are none of greater importance before the Congress. The future of the railroads is of concern to the whole country, and is of vital concern to this Company. President Wilson has said that the roads will be returned to private ownership before the close of the current year—but their ultimate disposition rests with the Congress. So long as that remains uncertain, so long it is likely there will be a lack of activity in the buying of equipment for domestic use. It would seem that the entire matter has been so thoroughly discussed from every viewpoint that it is ripe for final decision. At the heart of the problem lies the question, Shall the twenty-three hundred railroads of the country, representing an investment of \$17,000,000,000, be compelled to continue to furnish their commodity—transportation—at a price which is not fundamentally based upon the cost of the production of that commodity? There can be but one answer to this. Whether the remedy for the anomalous condition now existing, and which has existed for the past decade, shall be found in Governmental ownership, or in a continuance of Governmental operation, or in a Governmental guarantee, or in a Federal railroad incorporation Act, or in a consolidation of all the roads into a limited number of systems, it is a fact demonstrated by experience and not to be lost sight of, that the power to make rates should not be entrusted to any body of men who are not to be held accountable for the adequacy of the rates made. The people have the right to expect that the Congress will not adjourn without making a final decision that will be fair to the roads, to the owners of their securities, and to the commerce and industry of the country that are, directly or indirectly, dependent upon the prosperity and the efficient operation of the roads.

In the letter to the Stockholders of June 27, 1918, it was stated that the Director-General of Railroads had placed orders with the various equipment companies for 100,000 freight cars of various kinds, and that this Company had been awarded the building of 31,000 of these cars. During the year, work on the construction of these cars had proceeded—but because of the omission of the Congress, prior to its adjournment in March last, to replenish the fund available to the Director-General, that official found himself without the money necessary to meet his obligations with respect to payments. This situation naturally was the cause of considerable anxiety. Various ways to meet the difficulty were discussed with the officials of the Railroad Administration, and it finally was decided that the Director-General should issue his Certificates of Indebtedness—these to be paid as soon as he shall have available the money with which so to do. It is entirely certain that the Director-General will not be able to take up these Certificates out of the ordinary income of the roads under his control. It is essential, therefore, that the Congress should make the appropriation necessary not only to permit him to redeem these Certificates but also to pay for the equipment remaining to be built.

The company began the year with \$290,000,000 of business on its books. By reason of the suspension or cancellation, in whole or in part, of various of its contracts with the Government, consequent upon the cessation of hostilities, it was unable to complete a considerable portion of the business booked. Nevertheless the volume of business done during the year was large—much greater than ever before in the Company's history. Particularly gratifying is what has been done in the manufacture and sale of miscellaneous supplies and the profit resulting therefrom. It has been the policy of the Management to foster the growth and development of this Department, and because of the diversity of the Company's productive facilities there may reasonably be expected from it a steady flow of business with a satisfactory margin of profit.

The new Federal tax law which was in the making at the beginning of the year has since become effective. As was expected, it very materially increased the tax charge upon the profits for the year, as compared with that charge for the preceding year. Although this new law was not enacted until near the close of the Company's fiscal year and was retroactive in its operation, nevertheless the Management had made adequate provision to meet the additional burden, and the very heavy payments (\$24,475,000 as estimated) will be made promptly and without inconvenience.

The uncertainty of the Governmental policy with respect to the railroads, already referred to, renders impossible at this writing any forecast as to what business may be expected, during the year now current, in the way of equipment for domestic use. There already is, and undoubtedly will continue to be, a demand for the Company's products from

foreign countries—both from the new nations which have come into being with the peace, and from the older countries whose activities for almost five years have been given over to the prosecution of the war. Such demand from these countries is likely to be large and insistent—larger and more insistent than can for some time to come be met by their own facilities for production. This will open up new problems of finance and of credit—but there is no reason to believe that these problems cannot be solved, or that the Company will not be able to obtain its fair share of the business. During the fiscal year just closed, orders for 10,000 cars for Italy and for 3,250 cars for India were booked.

It has recently been stated in the public prints that the Company had taken over the National Steel Car Company, located at Hamilton, Ontario. The Management did have under serious consideration a proposition involving the addition of the manufacturing capacity of that Company to its own, but it was impossible to arrive at a satisfactory basis upon which the transaction might be concluded, and the matter was dropped without commitment on either side.

The results of the year's operations are reflected in the annexed General Balance Sheet, to which is appended the usual Certificate of Audit. The net earnings, after making provision for Federal Income and War Profits Taxes, amounted to \$11,771,813 30. Out of this there were paid during the year the regular dividends—7% (\$2,100,000) on the Preferred and 8% (\$2,400,000) on the Common Capital Stock. Improvements made at several of the plants have increased the Property and Plant Account by \$742,739 69. There has been added \$2,400,000 to the Reserve for Dividends on Common Stock, to be paid when and as declared by the Board of Directors—making in this Reserve \$7,200,000, or three years' dividends at the rate of 8% per annum upon such stock. There has been no change made in the Insurance Reserve. From the Reserve for General Overhauling, Improvement and Maintenance, as shown by the Balance Sheet of April 30 1918, there was expended during the year \$2,023,343 37, and this Reserve has been replenished by the addition of \$3,000,000 transferred to it from the year's net earnings. In the Reserve for Improving the Working Condition of Employees there remains \$513,063 23. There has been added \$1,871,813 30 to the Surplus Account.

The inventory has been taken in accordance with the usual practice—all items being appraised at cost or less and in no case in excess of present market value. Included in the item of Materials on Hand is the large amount of material assembled for the completion of the equipment the Company has under construction for the Federal Railroad Administration. It will be noted that there is carried as a separate item a liability of \$13,195,169 80, this representing moneys advanced by the Railroad Administration for material for use in the construction of cars not delivered at the close of the fiscal year. The investment in United States Certificates of Indebtedness (not to be confused with the Certificates of Indebtedness issued by the Director-General of Railroads and referred to above) is for the purpose of enabling the ready payment of the Income and War Profits Taxes chargeable against the Company's operations for the year.

The Company entered upon its new fiscal year with approximately \$100,000,000 of business on its books.

Too much praise cannot be accorded to the members of the Company's working organization for the zeal and energy displayed in the working out of the difficult questions presented by the Government's insistent demands for war material of a kind and at a rate of production hitherto unheard of. Its members have labored unceasingly with a high degree of intelligence and ingenuity, and at all times in a spirit of hearty co-operation with the Management. The Board cannot complete its review of the year's work without recording its high appreciation of the intelligent and sincere devotion shown by the working organization for the welfare of the Company and its Stockholders.

By order of the Board.

Respectfully submitted,
W. H. WOODIN, *President.*

June 26 1919.

GENERAL BALANCE SHEET APRIL 30 1919.

ASSETS.	
Property and Plant Account.....	\$67,525,272 20
Cost to April 30 1918.....	\$66,782,532 51
ADD: For expenditure for additions to plants during year.....	742,739 69
Current Assets.....	110,266,604 90
MATERIALS ON HAND, inventoried at cost or less, and not in excess of present market prices.....	\$46,276,397 74
ACCOUNTS AND NOTES RECEIVABLE.....	14,024,529 36
U. S. CERTIFICATES OF INDEBTEDNESS AND LIBERTY BONDS.....	33,052,000 00
STOCKS AND BONDS of other Companies at cost or less.....	1,070,090 68
CASH IN BANKS AND ON HAND.....	16,843,587 12
	<u>\$177,791,877 10</u>
LIABILITIES.	
Preferred Capital Stock.....	\$30,000,000 00
Common Capital Stock.....	30,000,000 00
Current Liabilities.....	73,152,326 52
ACCOUNTS PAYABLE, and Bills Payable not due; and Pay Rolls (paid May 10 1919).....	\$34,357,156 72
UNITED STATES RAILROAD ADMINISTRATION ADVANCES FOR MATERIALS.....	13,195,169 80
PROVISION FOR FEDERAL INCOME AND WAR PROFITS TAXES.....	24,475,000 00
DIVIDEND No. 81 on Preferred Capital Stock (payable July 1 1919).....	525,000 00
DIVIDEND No. 67 on Common Capital Stock (payable July 1 1919).....	600,000 00
Reserve Accounts.....	13,315,029 75
For Insurance.....	\$1,500,000 00
For General Overhauling, Improvements and Maintenance.....	4,101,966 52
For Dividends on Common Capital Stock, to be paid when and as declared by Board of Directors.....	7,200,000 00
For Improving Working Conditions of Employees.....	513,063 23
Surplus Account.....	31,324,520 83
	<u>\$177,791,877 10</u>

STATEMENT OF NET EARNINGS AND DISPOSITION OF SAME.

Earnings from all sources for the twentieth fiscal year, ending April 30 1919—before deducting Repairs, Renewals, &c., as noted hereunder—and after making provision for taxes.....	\$17,273,172 03
Less: Renewals, Replacements, Repairs, New Patterns, Fixturs, &c.....	5,501,358 73
Net Earnings.....	\$11,771,813 30
Less:	
DIVIDENDS:	
On Preferred Capital Stock, 7%.....	\$2,100,000 00
On Common Capital Stock, 8%.....	2,400,000 00
Addition to Reserve for General Overhauling, Improvements and Maintenance.....	3,000,000 00
Addition to Reserve for Dividends on Common Capital Stock, to be paid when and as declared by Board of Directors.....	2,400,000 00
	<u>9,900 000 00</u>
Surplus Earnings for the year.....	\$1,871,813 30
Surplus, April 30 1918, as per last annual statement.....	29,452,707 53
Surplus, April 30 1919.....	<u>\$31,324,520 83</u>

STATEMENT OF WORKING CAPITAL.

Working Capital, April 30 1918.....	\$22,670,175 02
Add: Surplus Earnings for year ending April 30 1919.....	\$1,871,813 30
Less: Expended for additions to plants during year.....	742,739 69
	<u>1,129,073 61</u>
Net Working Capital, excluding Reserves, April 30 1919.....	<u>\$23,799,248 63</u>

W. H. Woodin, Esq., *President American Car & Foundry Co., New York:*

Dear Sir—We have made an audit of the books and accounts of the American Car & Foundry Company for the fiscal year ending April 30 1919, and in accordance therewith we certify that, in our opinion, the foregoing statements of Income and the General Balance Sheet are true exhibits of the results of the operation of the Company for said period, and of its condition as of April 30, 1919.

THE AUDIT COMPANY OF NEW YORK,
H. I. LUNDQUIST, Secretary.

A. W. DUNNING, President.

New York, June 21 1919.

CURRENT NOTICES

—Prominent Chicago people are the organizers and backers of a new investment banking firm to be known as Mitchell, Hutchins & Co. which will begin business about July 1st, and promises to take a leading position among similar institutions of the West. The officers and directors are: W. Edwin Stanley, President; James O. Hutchins, Jr., Vice-President; Robert A. Gardner, Treasurer; William H. Mitchell, Secretary; J. Ogden Armour, Chauncey Keep, and Charles Garfield King. In addition to the officers and directors, the stockholders will include J. J. Mitchell, President, Illinois Trust and Savings Bank, H. M. Byllesby, Wm. Wrigley, Jr., Robert E. Hunter, and A. D. Lasker. Mr. Hutchins who recently returned from military service in France, was previously connected with Lee, Higginson & Co.

—Estabrook & Co., New York, Boston, &c., have issued a 33 page pamphlet describing the preferred stocks and financial status of 15 companies incorporated under the laws of Massachusetts, namely: American Mfg. Co., Bigelow-Hartford Carpet Co., Boston Fish Market Corp., Clinton Wire Cloth Co., Commonwealth Ice & Cold Storage Co., Copley Square Trust, Dennison Mfg. Co., Federal Rubber Co., Fisk Rubber Co., Griffin Wheel Co., Slater, William A., Mills, Inc., Stollwerck Chocolate Co., Union Twist Drill Co., Walitt & Bond, Inc., Warren, S. D., Co.

—Swartwout & Appenzeller, members New York Stock Exchange, of 141 Broadway, announce the reopening on July 15 of their branch office at "The Balsams," Dixville Notch, N. H., under the management of Leo H. Graham. The office has direct private wire connection to New York.

—Colgate, Parker & Co., 49 Wall St., advertise to banks and investment bankers that they have a Liberty Loan department as a part of their regular organization, which deals actively in all issues of Liberty bonds in 50, 100, 500 and 1,000 dollar denominations. The firm will purchase the small denominations 0.10% below and sell 0.10% above market prices. Colgate Parker & Co. invite buyers and sellers to communicate with them as to details of payment and delivery.

—Adrien Michel, 8 Rue Floreal Mathieu Oran, Algeria, 30 years of age, a veteran of the world war and now employed in a responsible position in a bank with which he became connected 13 years ago, desires to act as agent or representative for American interests in Algiers, Tunis and Morocco, where he tells the "Chronicle" he has numerous business acquaintances. He is able to give security he says to a total of at least 50,000 francs.

—Thornton Cooke and Harold R. Bailey (formerly Assistant Manager of the Bond Department of the Fidelity National Bank & Trust Co. of Kansas City, Mo.) have announced the formation of a co-partnership under the name of Thornton Cooke & Co., with offices at 205 Scarritt Arcade, Kansas City, Mo. They will engage in the buying and selling of municipal and Government bonds and other high-class securities.

—Pyncheon & Co. announce that Mr. E. B. Baker has become associated with them in their Chicago office, in charge of the bond department.

—The Equitable Trust Co. of New York has been appointed Transfer Agent of the Allied Packers, Inc., and Y Oil & Gas Co.

—Columbia Trust Co. has been appointed Registrar of the capital stock of White Eagle Oil and Refining Co.

The Commercial Times

COMMERCIAL EPITOME

Friday Night, June 27 1919.

General trade continues to expand. Outside the metals trades the demand in many directions exceeds the supply, and there is complaint of slow deliveries. The crops in the main look well, cotton alone excepted. The July Government report on cotton it is feared will be one of the poorest for many years past. But the food crops will be big. On this hinges a big trade all over the country especially in the great grain States of the West. There the buying power of the people is expected to be something unprecedented in American history. And the thought seems to thrill the entire business world of the great West. There they expect big prices for grain and hogs and in the South they are talking of the possibility of 35 to 40-cent cotton. In wholesale jobbing and retail branches of business the feeling is almost universally optimistic. Some of the big shoe factories of the country have sold their production for a considerable time ahead. It looks as though there might be a scarcity of cotton and woolen goods. Certainly buyers in many cases have to be content with receiving a certain percentage of the quantities ordered. To all appearance the reduced hours of labor in this country are telling on production. It may be interesting to watch the effect of a shortened week on the output in some industries. The demand is so sharp for jewelry, furniture and household goods that it has overlapped production. The same is true of agricultural implements, lumber and a good many other things including as already intimated shoes. Collections in the meantime are in the main good. Coffee has risen sharply in response to a big rise in Brazil. Supplies are much smaller than those of a year ago. Prices of cattle are lower but prices for hogs have reached a new high level. In general the cost of food is somewhat higher. During the new grain season, beginning July 1, it is hoped that food prices will decline. It would seem that they ought to. Copper has advanced; also lead and spelter. There is a more cheerful tone in the steel and iron trade with a growing business. Building activity increases. There is a keen demand for lumber at the West and in the South and deliveries are too slow. It is said that Northern Pacific shipments of lumber are some 10,000 cars behind the orders. The business world is not sorry to see a quieter stock market regarding it as a sign of greater conservatism. Meanwhile leading financiers are concerting measures looking to the granting of enormous credits to Europe after the signing of the peace treaty to the end that the wants of Europe may be supplied and American export business at the same time conserved. Exports of wheat are still on a big scale. For fifty-two weeks of the present season they approximately 400,500,000 bushels, or 170,000,000 bushels ahead of those for the same time last year. The corn crop is making good progress. Finally business failures continue remarkably small.

American shipping is moving ahead. More than 31% of ocean-borne export trade of the United States during April was carried in American ships compared with 20% last year. British bottoms carried 33.6% in April compared with 50.6% last year. The silly season is evidently drawing near. The evidence of this is seen in the fact that the Farmers National Council announces it will oppose the plan of bankers to finance the reconstruction of Europe because "it would put financiers in dangerous control of foreign governments." It is a fact of historic interest in connection with the commercialization of the airplane that the first building in New York equipped with a landing field on its roof will be erected on Columbia street, south of Hamilton Avenue, Brooklyn. A special elevator to the basement will be used to transfer freight carried by airplanes to automobiles.

It is a curious sign of these agitated times that the State of Kansas has had to organize a volunteer police to protect its wheat harvest from incendiaries in the early stages of shipment. The Department of Commerce will establish business offices in various parts of Europe in order to stimulate world trade by co-ordinating supply and demand. So great is the demand for clothing, &c., that it is predicted that during the next few months the imports of cotton goods from China and Japan will exceed all previous records. American production is hampered by the shortened hours of labor. Following the wholesalers' increase in the price of ice from \$6 to \$8 a ton, Newark, N. J. Retail Ice Dealers' Association advanced the price 75 to 90 cents one hundred pounds to consumers. New York-Chicago aerial mail service begins July 1. Judging from the records of Alcock-Brown Atlantic flight aeronautic experts state an airplane capable of carrying 100,000 lbs. can be constructed and a non-stop flight made from Atlantic City to England on a consumption of not over one gallon of gasoline per mile. Owing to speculation in London the trading in linseed oil, cottonseed oil and cotton oil will be confined to holders of Government licenses.

LARD quiet and lower; prime Western, \$35.05@35.15; refined to the Continent, 38c.; South American, 38.25c.; Brazil in kegs, 39.25c. Futures declines on free selling by packers. The position had become overbought. Considerable of the selling was on stop loss orders. The recent big advance is believed to have discounted post-war bullish conditions. And also cash trade has been disappointing. Exports from New York last week, however, included 9,689,400 lbs. of lard and 17,952,425 lbs. of bacon. Today prices fell and end lower for the week.

DAILY CLOSING PRICES OF LARD FUTURES IN CHICAGO.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July delivery	cts. 35.22	35.20	34.42	34.10	34.35	34.12
September delivery	35.05	35.00	34.25	34.00	34.17	34.05

PORK quiet and unchanged; mess, \$58@58.50 nominal; clear, \$54@56.2. September pork closed at \$49.45 a rise of 15c for the week. Beef steady; mess, \$35@36; packet, \$38@39; extra India mess, \$65@67. No. 1 canned roast beef, \$3.75; No. 2, \$7.25. Cut meats quiet but steady; pickled hams, 10 to 20 lbs., 34 1/2c.; pickled bellies 33@34c. Butter, creamery extras, 53@53 1/2c. Cheese, flats, 25@32c. Eggs, fresh gathered extras, 51@52c.; first to extra firsts, 45@48c.

COFFEE on the spot has been quiet but higher; No. 7 Rio, 23 1/2c.; No. 4 Santos, 29c.; fair to good Cuenta, 25 3/4 @26c. Futures amid great excitement advanced 150 points, the permitted limit in a single day, both on the 21st and 23rd inst., owing among other things to peace prospects and a big advance in Brazil, forcing prices here above the high point of December coffee in 1887, which was 22.25c. On June 21 1919 it was 22.50c.; on June 23 it reached 24c. On the 23d inst. futures in Santos advanced 2,750 reis, as compared with the close on the 20th inst. Two things are back of the great advance. First there is approaching peace, which means an end of European blockades and in all likelihood an increased consumption in Europe. Second, there is an expectation of a sharp decrease in the Santos crop, which is estimated at only 3,000,000 bags—a mere bagatelle compared with the crops of recent years. Also the available supply in this country is small. In New York that of Brazilian is only 196,795 bags, against 1,143,640 a year ago; in the United States only 322,552 bags, against 1,277,479 bags a year ago. Total in sight for the United States, 1,157,552 bags, against 2,185,000 bags a year ago. Rio de Janeiro has only 419,000 bags, against 797,000 bags a year ago; Santos, 2,154,000, against 2,858,000 at this time in 1918. Prohibition is also expected to cause an increased consumption of coffee. Sharp reactions have occurred, however. The receipts at Santos thus far this season are 7,308,000 bags, against 12,058,000 bags during the same period last season and 9,744,000 two seasons ago; at Rio, 1,725,000 bags, against 2,912,000 up to this time last season and 2,263,000 two seasons ago; total, 9,033,000 bags, against 14,970,000 a year ago and 12,007,000 at this time in 1917. On Thursday prices advanced again over 100 points, with Santos prices also higher. On the 25th inst., on the other hand, heavy liquidation on the delay in the signing of the peace treaty sent prices down 150 points, the full limit allowed. Previously, also, there had been sharp reactions on profit-taking. Moreover, although a rise was reported on the 25th in Santos of 1,075 to 1,300 reis, later on there was a decline there of 1,025 to 1,175 reis. It has certainly been an extraordinary week. The Havre coffee market, which closed in January 1918, has reopened for dealings in futures. To-day prices advanced, then reacted, closing 80 points higher for the week on December. Today Santos was reported 1,275 to 2,075 reis lower. The limit on daily fluctuations here has just been raised to 200 points. A membership on the New York Coffee and Sugar Exchange has been sold at \$6,500, an advance of \$250 over the previous sale. Closing prices were as follows:

July	23.55@22.50	January	21.75@21.77
September	22.30@22.35	March	21.85@21.70
October	22.16@22.18	May	21.50@21.55
December	21.80@21.51		

SUGAR.—Raw, 7.28c. for centrifugal, 96 degrees test. Granulated, 9c. Trading and distribution are very large. The Sugar Equalization Board has reported purchases of no less than 600,000 bags of Cuba for July loading at 5.88c., cost and freight, and 13,650 tons of Porto Rico at 7.28c. e. i. f., July loading. The Sugar Exchange is considering the question of adopting a new contract. It is supposed that it contemplates the delivery of sugar in store in Cuba instead of New York, as under the old contract. The effect it is believed would be greatly to broaden the trading in sugar futures when it is resumed. The production of Cuba it is believed will run considerably over 4,000,000 tons. Stocks at U. S. Atlantic ports on June 25 were 104,783 tons, against 105,126 a week previous, 87,498 last year and 302,718 two years ago; receipts for the week 72,657 tons, against 73,317 in the previous week and 70,787 in 1918; meltings, 73,000 tons, against 72,000 in the previous week, 60,000 last year and 62,000 two years ago. Refined is in good demand. Although refiners are working at their full capacity they cannot keep pace with it.

OILS.—Linseed in good demand but slightly lower; June-December oil in cars, \$1 88; five-bbl. lots, \$1 91; less than five bbls., \$1 94. Lard prime edible steady at 2.80@2.90c. Coconut oil, Ceylon, bbls. firmer at 20c. Cod, domestic, 1.05@1.10c.; Newfoundland, 1.10@1.12c. Spirits of turpentine, \$1 05. Common to good strained

rosin, \$16 10. Flaxseed at Duluth touched \$5 01, the highest price on record, on a big demand from crushers to cover export linseed oil contracts and very dry weather in Montana and parts of North Dakota.

PETROLEUM meets with a brisk demand and steady; refined in barrels \$17 25@18 25; bulk New York, \$9 25@10 25; cases, New York, \$20 25@21 25. Gasoline continues active and steady; motor gasoline in steel barrels 24 1/2c.; to consumers, 26 1/2c. Gas machine, 41 1/2c. As to Northwest Texas, in which interest largely centres, Eastland County, contrary to all expectations, it is said, is producing a total of 120,180 barrels daily, an increase of 4,080 barrels over the previous week. This gain, added to an increase in Burkburnett of 6,890 barrels and an increase in Stephens County of 825 barrels, daily, brings the total production of the entire Northwest Texas field to 180,605 barrels daily, the largest production for a week since the discovery of oil in Northwest Texas. On June 17 the production in Texas approximated, it is stated, 259,000 barrels of crude petroleum a day. About 192,000 barrels was light oil from Central Western fields and 67,000 barrels heavy oil from Gulf coast fields. The completion of a 2,500-barrel well in Section 7-12-10, Bull Bayou district, has created considerable excitement in Louisiana. It is located between the discovery well at Bull Bayou and the famous Gusher Bend development in the Crichton field. In the eastern fields the largest well of the year was completed in Big Sandy district, Kanawha County, W. Va. It started at the rate of 1,320 barrels a day from the Weir sand. In the same district there was completed a 500-barrel well and a 430-barrel producer. The most promising development in West Virginia is on Jones Creek, Sherman district, where four good wells have been drilled in the Berea Grit. Two wells starting at 150 barrels each, were completed in Lee County, the leading development of Kentucky.

RUBBER is in ample supply and trade is quiet. But prices have been generally steady, but now seem weaker. Trade is also slow in London. Para-upriver fine, 55 1/2c.; coarse 32 1/2@33c. Smoked ribbed sheets on the spot 40c.; first late xpale crepe 41c. Recently prices in London have been easier. The stock there is 22,957 tons, against 15,713 tons a year ago. Stocks here are heavy and buyers are certainly indifferent.

OCEAN FREIGHTS have been rather quiet at times in some directions and the supply of tonnage is steadily increasing. To be sure, rates are considered for all that pretty steady in most trades at least for the time being. A brisk demand prevails for sailing vessels to load lumber and coal. Big grain and general cargoes are going to the Mediterranean; also a moderate business to the Baltic. Foreign merchants complain, however, of the delay in receiving the shipping documents. Charters include coal, Virginia to Buenos Aires, \$18 50 prompt; deals from a provincial port to the United Kingdom, 345s.; molasses from Barbadoes to St. John, N. B., \$6 per 110 gallons; lumber from a Gulf port to Las Palmas, \$52 50; lumber from a Gulf port to the west coast of Italy, \$75; lumber from a Gulf port to Spain, \$65; deals from Picton, N. S., to the United Kingdom, 340s., and from West Bay, N. S., to the United Kingdom, 345s. Sugar from Philadelphia or New York to Havre, 70s. July 25; grain from Portland to picked ports in the United Kingdom, 8s. 6d. prompt; merchandise from Tampa and New Orleans to Barcelona, \$40 net form, prompt; a 12-months' time charter, 25s.; another for 6 months in American trade, \$9 50 prompt, and coal from Hampton Roads to Genoa at \$26 50, July-August. Rates on cotton to Marseilles are higher, being \$2 per 100 lbs. on high density and \$2 25 on standards. To the United Kingdom the rate is up to \$1 50 per 100 lbs. for standard. European labor trouble is interfering with shipping on this side to some extent. The United States Shipping Board has reduced rates on general cargoes about 15% as follows from the United States and Gulf ports: To the United Kingdom, \$1 15; to Rotterdam, \$1 40; Antwerp, \$1 40; Havre and Bordeaux, \$1 50; Marseilles and Cette, \$1 75; Barcelona, \$2; Genoa and Naples \$1 75; Copenhagen, \$1 65; Gothenburg, \$1 65; Stockholm, \$1 90. These rates do not apply to steel, cotton, tobacco and canned goods, but they do to practically all other general cargo shipments.

TOBACCO has been in fair demand. In fact most of the Penn., Wisconsin and Conn. crop of 1918 is said to have been bought by manufacturers and packers. Ohio prices, it is intimated, are being reduced by growers. It looks like a better business in Sumatra. Certainly samples have arrived and the way is being cleared for business. This year's crop of Porto Rico is, it is said, bringing high prices. Shipments of Havana tobacco to the U. S. will no doubt increase materially before long. The labor troubles there have been settled. The Government weekly report says that tobacco is mostly transplanted in the Wisconsin area at an unusually early date. The tobacco crop needs rain in New England and parts of the central districts. In Georgia some tobacco has been cut.

COPPER more active and higher; electrolytic, 18 1/2c. Tin quiet and easier at 70@71c. Lead higher at 5.40@5.45c. for New York and 5.15c. for St. Louis. Spelter in better demand and higher at 7.25c. spot New York.

PIG IRON business steadily grows, stimulated in a measure by prospects of early peace. In any case, however, a good many deferred orders are being filled. It is believed that the sales for June will show a marked increase over those for May. American pig iron is reported as \$3.45 below British. The export situation is attracting rather more attention. The signing of the peace treaty, it is believed, improved the export outlook.

STEEL business continues to increase. Ingot capacity is said to have expanded to about 60% June's increase, it is believed, will be 10% over that of May. There is better business in pipe, wire, and sheets. The demand might be greater for bars, plates and shapes. In fact, just now it is comparatively light. Yet the sales of wire and wire products, as well as iron and steel pipe, are active enough to give rise to hopes in some quarters of better prices ere long. It remains to be seen whether they will be realized. But the tone is undoubtedly more cheerful. It is described as firm throughout the country. Labor surplus is no longer reported. That is significant. One trouble, it is true, is that the railroads are not buying. But there is less easing of prices in sheets, as the mills are operating on about a 75% basis. Germany has begun to buy steel in neutral markets, at below English prices. These are steadily rising, especially as to rails. While rails are \$45, here they are \$73 60 in England where the hands now work only 6 hours a day, after having had their wages increased 12 1/2%.

COTTON

Friday Night, June 27 1919.

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 140,572 bales, against 138,529 bales last week and 165,339 bales the previous week, making the total receipts since Aug. 1 1918 5,509,746 bales, against 5,659,824 bales for the same period of 1917-18, showing a decrease since Aug. 1 1918 of 150,078 bales.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.	Total.
Galveston	4,892	6,119	11,031	9,065	6,347	4,994	42,448
Texas City	2,604	2,520		3,040		2,181	9,745
Port Arthur, &c.							
New Orleans	6,843	7,928	9,696	3,280	4,319	3,409	35,475
Mobile	28	71	1,443	272	178	1,342	3,334
Pensacola							
Jacksonville							
Savannah	4,920	5,626	6,918	5,698	6,263	2,914	32,339
Brunswick							5,000
Charleston	298	527	1,274	231	630	309	3,269
Wilmington	612	319	881	535	1,220	1,031	4,598
Norfolk	281	374	2,099	150	559	87	3,550
N'port News, &c.							46
New York			203				203
Boston	42		166	135			343
Baltimore							187
Philadelphia							35
Totals this week	19,920	23,484	33,711	22,406	19,516	21,635	140,572

The following shows the week's total receipts, the total since Aug. 1 1918 and the stocks to-night, compared with last year:

Receipts to June 27.	1918-19.		1917-18.		Stock.	
	This Week.	Since Aug 1 1918.	This Week.	Since Aug 1 1917.	1919.	1918.
Galveston	42,448	1,838,985	12,591	1,599,877	265,645	182,822
Texas City	9,745	102,250		70,921	30,782	35,635
Port Arthur				8,102		
Aranas Pass, &c.		53,527	392	32,005		
New Orleans	35,475	1,500,342	13,942	1,619,707	424,222	393,979
Mobile	3,334	147,812	831	98,637	23,780	13,063
Pensacola		9,812		33,792		
Jacksonville		21,432	900	42,336	10,650	10,750
Savannah	32,339	1,035,279	9,088	1,101,681	219,462	176,370
Brunswick	5,000	90,180		135,500		21,000
Charleston	3,269	198,961	377	202,648	62,812	39,724
Wilmington	4,598	136,769	1,336	97,276	69,128	38,008
Norfolk	3,550	309,824	854	294,755	104,557	78,034
N'port News, &c.	46	3,334		5,420		
New York	203	10,685	261	126,901	104,375	143,280
Boston	343	29,006	1,303	108,645	11,089	18,563
Baltimore	187	20,546	473	77,831	7,239	17,015
Philadelphia	35	1,002	65	3,790	4,630	7,751
Totals	140,572	5,509,746	42,413	5,659,824	1,328,371	1,176,094

In order that comparison may be made with other years, we give below the totals at leading ports for six seasons:

Receipts at—	1919.	1918.	1917.	1916.	1915.	1914.
Galveston	42,448	12,591	15,168	24,703	11,753	15,632
Texas City &c.	9,745	392		350	731	
New Orleans	35,475	13,942	14,546	16,712	8,359	5,638
Mobile	3,334	831	1,023	2,244	483	1,517
Savannah	32,339	9,088	17,732	9,845	3,414	1,295
Brunswick	5,000		6,000	1,000		
Charleston &c.	3,269	377	1,264	48	426	62
Wilmington	4,598	1,336	33	3,022	418	114
Norfolk	3,550	854	4,873	5,951	1,690	1,157
N'port N., &c.	46		117			
All others	768	3,002	3,656	3,406	532	7,194
Total this w'k	140,572	42,413	65,302	67,281	27,800	32,609
Since Aug. 1	5,509,746	5,659,824	6,687,761	6,931,522	10,307,787	10,472,891

The exports for the week ending this evening reach a total of 111,183 bales, of which 82,101 were to Great Britain, 13,912 to France and 15,170 to other destinations. Exports for the week and since Aug. 1 1918 are as follows:

Muskogee, Okla.—Rain on two days of the week. The rainfall has been three inches and fifty-three hundredths. Average thermometer 80, highest 95, lowest 65.

Eldorado, Ark.—It has rained on four days of the week, the rainfall reaching one inch and eighty-seven hundredths. The thermometer has averaged 82, the highest being 94 and the lowest 69.

Little Rock, Ark.—It has rained on four days of the week, the rainfall reaching one inch and forty-four hundredths. The thermometer has averaged 85, ranging from 72 to 97.

Alexandria, La.—We have had rain on five days during the week, the rainfall being two inches and thirty hundredths. The thermometer has ranged from 73 to 92, averaging 83.

New Orleans, La.—It has rained on five days of the week, the rainfall reaching one inch and seventy-four hundredths. Average thermometer 80.

Abilene, Tex.—It has rained on five days of the week, the rainfall reaching seventy-one hundredths of an inch. The thermometer has averaged 78, ranging from 68 to 88.

Brenham, Tex.—We have had rain on six days during the week, the rainfall being three inches and twenty-three hundredths. The thermometer has ranged from 72 to 87, average being 80.

Brownsville, Tex.—Rain on three days of the week. The rainfall has been eighty-four hundredths of an inch. Average thermometer 84, highest 94, lowest 74.

Shreveport, La.—It has rained on four days of the week, the rainfall reaching two inches and fifty-two hundredths. The thermometer has averaged 80, the highest being 88, and the lowest 71.

Columbus, Miss.—It has rained on two days of the week, the rainfall reaching one inch and fifth three hundredths. The thermometer has averaged 83, ranging from 71 to 95.

Vicksburg, Miss.—We have had rain on two days during the week, the rainfall being one inch and seventy hundredths inch. The thermometer has ranged from 70 to 90, averaging 80.

Mobile, Ala.—Frequent showers keep grass growing to the detriment of cotton. A large area needs cultivation and labor is scarce. The week's rainfall has been thirty-one hundredths of an inch on one day. Average thermometer 81, highest 91, lowest, 73.

Montgomery, Ala.—There has been rain on two days of the week, to the extent of four hundredths of an inch. The thermometer has averaged 83, the highest being 92 and the lowest 73.

Selma, Ala.—We have had rain on one day of the past week, the rainfall being five hundredths of an inch. Thermometer has averaged 83, ranging from 78 to 98.

Madison, Ala.—We have had rain on two days during the week, the rainfall being one inch and fifty-eight hundredths of an inch. The thermometer has ranged from 72 to 95 averaging 84.

Savannah, Ga.—The week's rainfall has been one inch and seventy-eight hundredths of an inch on four days. Average thermometer 77, highest 92, lowest 69.

Atlanta, Ga.—We have had rain on five days of the past week, the rainfall being fifty-one hundredths of an inch. The thermometer has averaged 80, the highest being 91 and the lowest 68.

Augusta, Ga.—It has rained on five days of the week, the rainfall reaching three inches and fifty-four hundredths. The thermometer has averaged 82, ranging from 68 to 95.

Charleston, S. C.—There has been rain on four days during the week, to the extent of one inch and eleven hundredths. The thermometer has ranged from 69 to 92, averaging 80.

Spartanburg, S. C.—We have had rain on five days of the past week, the rainfall being two inches and twenty-two hundredths. The thermometer has averaged 80, the highest being 93 and the lowest 66.

Charlotte, N. C.—We have had good rain on five days of the past week, the rainfall being one inch and thirty-one hundredths. Thermometer has averaged 78, ranging from 64 to 92.

Weldon, N. C.—Rain has fallen on three days during the week, the precipitation reaching one inch and fifty hundredths. The thermometer has ranged from 55 to 93, averaging 74.

Dyersburg, Tenn.—The week's rainfall has been seventeen hundredths of an inch on two days. Average thermometer 80, highest 88, lowest 72.

Memphis, Tenn.—We have had rain on three days of the past week, to the extent of two inches and forty hundredths. The thermometer has averaged 81, the highest being 88 and the lowest 74.

NEW ORLEANS CONTRACT MARKET.—The closing quotations for leading contracts in the New Orleans cotton markets for the past week have been as follows:

Table showing cotton contract market data for New Orleans from June 21 to June 27, including prices for various grades like Spot, Options, and specific contract types.

WORLD'S SUPPLY AND TAKINGS OF COTTON.—

The following brief but comprehensive statement indicates 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 periods.

Table of World's Supply and Takings of Cotton, comparing 1918-19 and 1917-18. Columns include Visible supply, Deduct, Total supply, and Total takings.

b Estimated. * Embraces receipts in Europe from Brazil, Smyrna, West Indies, &c. a This total includes the estimated consumption by Southern mills, 3,197,000 bales in 1918-19 and 3,320,000 bales in 1917-18—takings not being available—and the aggregate amounts taken by Northern and foreign spinners, 8,731,852 bales in 1918-19 and 9,589,245 bales in 1917-18, of which 6,170,832 and 6,911,245 bales American.

BOMBAY COTTON MOVEMENT.—The receipts of India cotton at Bombay for the week ending May 15 and for the season from Aug. 1 for three years have been as follows:

Table of Bombay Cotton Movement showing receipts for the week ending May 15 and for the season from Aug. 1 for 1918-19, 1917-18, and 1916-17.

ALEXANDRIA RECEIPTS AND SHIPMENTS OF COTTON.—The following are the receipts and shipments for the week ending June 4 and for the corresponding week of the two previous years:

Table of Alexandria Receipts and Shipments of Cotton for the week ending June 4, comparing 1918-19, 1917-18, and 1916-17.

Table of Alexandria Receipts and Shipments of Cotton showing weekly exports to various ports like Liverpool, Manchester, and America.

Note.—A cantar is 99 lbs. Egyptian bales weigh about 750 lbs. The statement shows that the receipts for the week ending June 4 were 14,748 cantars and the foreign shipments were 10,158 bales.

MANCHESTER MARKET.—Our report received by cable to-night from Manchester states that cloths are very active and yarns moderately so. We give prices for to-day below and leave those for previous weeks of this and last year for comparison:

Table of Manchester Market showing prices for various cotton goods like 32s Cop, 8 1/2 lbs. Shirts, and 60s Mad. for 1919 and 1918.

SHIPPING NEWS.—As shown on a previous page, the exports of cotton from the United States the past week have reached 111,183 bales. The shipments in detail as made up from mail and telegraphic returns, are as follows:

Table of Shipping News showing cotton exports from the United States to various international destinations like New York, Rotterdam, and London.

The particulars of the foregoing shipments for the week arranged in our usual form, are as follows:

this interest controlled 400,000 bushels of July contracts and also 345,000 bushels of cash corn, all of which it is assumed will have to be liquidated. It includes, it is said, 160,000 bushels out of condition. To-day prices advanced and then reacted. But they are higher for the week. A steamer arrived here to-day with 181,000 bushels, but ocean freights are higher at Argentine ports, up to \$3 a ton, and business to arrive is more difficult.

DAILY CLOSING PRICES OF CORN IN NEW YORK.

No. 3 yellow	cts.	Sat. 198	Mon. 200	Tues. 195	Wed. 195	Thurs. nom.	Fri. nom.
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DAILY CLOSING PRICES OF CORN FUTURES IN CHICAGO.

July delivery in elevator	cts.	Sat. 182	Mon. 183	Tues. 179 3/4	Wed. 180 3/4	Thurs. 179 3/4	Fri. 178 3/4
September delivery in elevator		176 3/4	178 1/4	174 3/4	174 3/4	175 3/4	175 3/4
December delivery in elevator		152 1/4	156 1/4	152 3/4	154 1/4	153 3/4	153 3/4

Oats advanced at one time and then reacted with other grain on the delay in signing the peace treaty. In the main, too, the crop outlook is considered better. And there has been less cash demand. The receipts at times have been larger at primary points. The visible supply has increased. New export business, it is said, has been light, if indeed there has been any at all. Omaha interests have been selling at Chicago. On the other hand, the technical position has been improved by the recent liquidation. Droughty conditions have been reported in the inter-mountain territory. Also there has been more or less export inquiry. And it is said that quite a good demand prevails for ocean freight room for oats to be shipped to France, though this may be on old business. But the visible supply increased last week 642,000 bushels in sharp contrast with a decrease in the same week last year of 3,121,000 bushels. The total is now 15,625,000 bushels against 13,639,000 bushels a year ago. That of barley which increased last week 1,365,000 bushels is now 10,236,000 bushels against 2,648,000 a year ago. The French Government has reimposed pre-war import duties on oats, barley and corn. They were three francs per 100 kilos on each. To-day prices were lower, and they end lower for the week. Crop reports are more favorable.

DAILY CLOSING PRICES OF OATS IN NEW YORK.

Standards	cts.	Sat. 82 1/2	Mon. 82 1/2	Tues. 80 3/4	Wed. 81	Thurs. 80 3/4	Fri. 80
No. 2 white		82 @ 82 1/2	82 @ 82 1/2	80 @ 80 1/4	80 1/4	80	79 @ 79 1/4

DAILY CLOSING PRICES OF OATS FUTURES IN CHICAGO.

July delivery in elevator	cts.	Sat. 71 3/4	Mon. 71 3/4	Tues. 69 3/4	Wed. 70 3/4	Thurs. 69 3/4	Fri. 69
September delivery		70 3/4	70 3/4	68 3/4	69 3/4	69 3/4	68 3/4
December delivery		71 3/4	71 3/4	69 3/4	71	70 3/4	69 3/4

The following are closing quotations:

FLOUR.

Spring patents	\$11 50 @ \$12 00	Barley goods—Portage barley:	
Winter straights	11 00 @ 11 15	No. 1	\$6 25
Kansas straights	11 50 @ 12 00	Nos. 2, 3 and 4, pearl	6 50
Rye flour	8 00 @ 8 75	Nos. 2-0 and 3-0	6 25 @ 6 40
Corn goods, 100 lbs.—		Nos. 4-0 and 5-0	6 50
White gran.	\$4 57 1/2	Oats goods—Carload, spot deliv.	8 35
Yellow gran.	4 45		
Corn flour	4 60 @ 5 00		

GRAIN.

Wheat—		Oats—	
No. 2 red	\$2 37 1/2	Standard	80 1/2
No. 1 spring	2 40 3/4	No. 2 white	80
Corn—		No. 3 white	79 1/4 @ 80
No. 2 yellow	1 97 1/2	No. 4 white	79 @ 79 1/2
No. 3 yellow	nom.	Barley—	
Rye—		Feeding	120
No. 2	1 56 1/2	Malting	125

For other tables usually given here, see page 2604.

WEATHER BULLETIN FOR THE WEEK ENDING JUNE 24.—The general summary of the weather bulletin issued by the Department of Agriculture, indicating the influences of the weather for the week ending June 24, is as follows:

COTTON.—The week as a whole was somewhat warmer than normal in the central and eastern portions of the cotton belt; also in Arkansas and Oklahoma, but the weather continued moderately cool in Louisiana and Texas. Rainfall was unevenly distributed, but was mostly less than two inches, except in portions of Georgia and northwestern South Carolina, locally in Alabama and in considerable areas in Texas, Oklahoma and Louisiana. While the week was fairly favorable for growth in Arkansas and most sections east of the Mississippi River, the crop continued in unsatisfactory condition in most portions of the belt, although it is reported as satisfactory in some eastern sections. Cotton made fairly good advancement during the week, and its condition is generally good in the Carolinas, except for slow growth in portions of North Carolina. The progress and condition were reported as satisfactory in Georgia wherever the fields are well cultivated, but in the southern portion of the latter State it is very poor and the fields are grassy. The condition of the crop is reported as poor to fair in Alabama and Tennessee. The weekly progress was fair in parts of Mississippi, but the general condition continued poor. There was too much rain in Louisiana and little cultivation was possible during the week; the condition of cotton continues poor, except fair where cultivation has been possible.

SPRING WHEAT.—The week was favorable from the Dakotas and Nebraska eastward for the growth of spring wheat, and the crop made good to excellent progress in nearly all localities in that area, although there has been too much rain in southwestern and south central Minnesota, where progress was unsatisfactory. The warmer weather in the more western spring wheat districts was favorable for the crop where it is under irrigation, but in the dry farming area it is suffering badly from lack of moisture, and is generally in unsatisfactory condition. Spring wheat is heading to the Northern States of the belt.

WINTER WHEAT.—The temperature averaged higher than the normal and the rainfall during the week was light to moderate in most of the principal winter wheat States. The crop matured rapidly under these conditions and harvest progressed favorably, except some local delay by rain.

CORN.—The temperature was above the normal in central and northern districts, and the rainfall was light in the Central Great Plains region and light to moderate in parts of the central Mississippi Valley. These conditions were favorable for the growth of corn and cultivation progressed satisfactorily.

OATS.—The week was favorable for oats in nearly all sections of the country east of the Rocky Mountains, and improvement was reported in this crop in many localities, particularly from the upper Ohio Valley north-eastward. Growth was checked, however, by warm, dry weather in Michigan, and it was too wet for best results locally between the lower Ohio Valley and the Western Lake region, while there was considerable complaint of bacterial diseases in Iowa.

BARLEY AND RYE.—Barley and rye continued to make satisfactory progress wherever soil moisture was sufficient, and these crops continue in good to excellent condition in practically all sections where they are grown from the plains States eastward.

THE DRY GOODS TRADE

New York, Friday Night, June 27 1919.

With difficulties in securing fabrics steadily increasing, and mills reluctant about accepting even moderate sized contracts for forward delivery, dry goods merchants have started to show considerable concern as regards future supplies. At present, every indication points to a growing scarcity of goods, and merchants are beginning to become apprehensive that they will encounter greater hardship later in the season in securing merchandise than they did during the war period, or in fact, for many years past. Mill agents give them little encouragement and are very cautious about accepting orders. Production fails to keep up with demand, and complaints about backward deliveries are becoming numerous. Manufacturers themselves are said to have many difficulties to contend with and are notifying agents that in view of the summer vacations, production will likely continue restricted. Many, too, have expressed considerable anxiety as to what effect prohibition effective July 1 will have on workers. The acute situation as regards supplies not only pertains to cotton goods, but to woolsens, worsteds, silks and imported goods. As regards imported fabrics, merchants do not expect much improvement in the movement, but instead predict that this country will be called upon to send large quantities of goods abroad. Inquiry for silks is increasing, stocks are light and jobbers as well as retailers are anxious to find goods for quick delivery. Prices generally continue to rise, and many fabrics have reached the high levels which prevailed during the war period. While many merchants are of the opinion that the recent advance in prices has, to a large extent, discounted Peace, others claim that values are likely to go still higher when the shortage becomes more pronounced. On the other hand, there are those who predict that higher prices will stimulate production and result in mills accepting contracts more readily and thus bring about an easier situation. Demand for export continues quite heavy, and if fabrics were available in larger quantities, shipment would be on a more liberal scale. Recently, fair sized sales of sheetings have been made to Mediterranean countries, while Northern European neutrals are buying more freely. According to reports, France has been inquiring for supplies, and some sales of brown and bleached goods have been made in English markets. Exporters are also said to be working on orders for Belgian account.

DOMESTIC COTTON GOODS.—Markets for staple cotton goods have ruled firm with prices in a number of cases above recent war levels. Merchants are finding it more difficult to procure fabrics and the increased demand is sending prices upward. Manufacturers are giving buyers little encouragement as regards increased supplies nor is there any indication of prices receding. There are fairly large offerings of fabrics by second hands who are encouraged by the high prices to sell. While it is conceded that there is a scarcity of cloths owing to the restricted production following the signing of the armistice, it is claimed that there are plenty of goods if holders were willing to sell, as stocks are very unevenly distributed. There are still many signs of active speculation in various cotton fabrics despite the fact that merchants and manufacturers have done everything possible to eliminate such operations. There is a good inquiry for ginghams for nearby needs with buyers anxious to place orders. Mills have announced that they will accept limited orders for ginghams for delivery during December, January and February. Additional advances have been made in tickings during the past week, but business has been light as sellers have little to offer. Some fairly large sales of both wide and narrow sheetings have been made at irregular prices, but it is difficult to procure spot goods. Converters have been buying fine goods more freely as they are more optimistic as regards spring business and are anxious to provide for their forward requirements. Print cloth markets have been firm with a steady demand.

WOOLEN GOODS.—Markets for woolsens and worsteds continue active and prices rule firm. Supplies are scarce, and it is believed they will continue so for some time to come. Prices for raw material are advancing and record prices have been paid during the past week for Western clip. Mill agents continue very cautious about selling forward fabrics, as there is a growing tendency to keep business confined to short term deliveries as much as possible. In the mens' wear division, there is a steady inquiry for fabrics and prices rule firm. Some spring openings have taken place with buyers keen to have their orders accepted. Dress goods markets rule firm with buyers in need of fabrics and ready to pay the prices asked when goods are offered.

FOREIGN DRY GOODS.—A steady business is being transacted in linens with importers reported to have cabled further orders to manufacturers abroad. Recent arrivals of linens have been much heavier and according to reports larger shipments are due within the next few months. Advances from abroad state that the British Government has sold from thirty to forty million yards of linen fabrics at a price aggregating a total from 3,750,000 to 4,000,000 pounds sterling. It is not known whether or not any of the fabrics purchased were for this country, but it is expected that when the goods are bleached and finished a considerable quantity will be shipped here as they are adaptable for dresses. Burlaps, less active. Light weights are quoted at 11.75c and heavy weights at 13.25c.

State and City Department

NEWS ITEMS

California (State of).—Bond Election.—The constitutional amendment to issue \$40,000,000 State highway bonds will be voted upon at a special election called by Gov. W. D. Stephens for July 1.

Chicago, Lincoln Park District.—Bond Bill Signed.—Governor Frank O. Lowden has signed a bill, it is reported, permitting the Board of Commissioners to ask for a referendum on the issuance of \$1,000,000 bonds for filling in work now under way along the north shore.

Des Moines, Iowa.—Proposed Purchase of Water Plant.—Regarding the present situation of the proposed purchase by the city of the plant of the Des Moines Water Company, the City Clerk writes us as follows:

June 20 1919.

Gentlemen—City Council has directed our Legal Department to prepare the necessary resolution for the calling of an election to submit to the electors the proposition of the Des Moines Water Company to sell its plant to the city at a price of \$3,450,000.

So far the Legal Department has not prepared the resolution, but undoubtedly will file it within a few days. The resolution must be passed and thirty days' notice given by publication in a local newspaper before the election can be held.

Very truly yours,
(Signed) FRANK JEFFRIES,

City Clerk.

East Denver Municipal Irrigation District, Colo.—Bond Coupons Declared Valid.—In a decision handed down by Judge Robert E. Lewis in the United States District Court on May 7, coupons in the hands of the Gas Securities Co. of New York from bonds of the East Denver Municipal Irrigation District were declared valid. The amount of coupons and interest due on them was set at \$229,170 98. The suit had been pending in the local court for about two years, it is said, as the district resisted the action of the Eastern concern, claiming the coupons in the hands of the company were invalid.

Henryetta, Henryetta County, Okla.—Suit to Restrain City from Issuing Bonds.—The attorneys for the city advised us under date of June 19 that no hearing had yet been had on the permanent injunction granted some days before, restraining the city officials from selling the \$310,000 water-works bonds which had been advertised for sale. They further state that there will probably be no action on the matter until some time in July.

Jackson Parish (P. O. Jonesboro), La.—Bond Issue Annulled.—In the case of W. I. Flanigan et al versus The Parish Police Jury, the former attacking an ordinance of the Police Jury, adopted Jan. 22, declaring the whole territory of Jackson Parish be included in Road District No. 1; and also attacking the validity of an election held March 4 at which \$500,000 worth of bonds, to run for forty years, had been voted for road-building, the Supreme Court on June 2 held that both Act 30 of the extra session of 1917 and Article 291 of the Constitution clearly state that a whole parish may be formed into one road district. They annulled the bond issue, however, on the ground that the tax to secure it had been based on the actual valuation of property in the district rather than on the assessed valuation, and exceeded 10% of the assessed valuation.

Massachusetts.—Legislature Ratifies Woman Suffrage Amendment.—See reference to this in our "Current News Department" this week.

Michigan.—Blue Sky Law Effective as Against Sales Not Approved by Securities Commission.—In an opinion rendered on June 17, the Michigan Supreme Court held that any sale of stock requiring the approval of the State Securities Commission not so approved is void. The rule does not apply to stocks which are exempted under the "Blue Sky" laws—that is, do not require the approval of the Commission. The opinion was by Justice Grant Fellows: The decision is said to be the most important and far-reaching one rendered by any Court in any of the States having "Blue Sky" laws. It is estimated that it will act as an additional curb on outside companies now offering their stock for sale in Michigan illegally. Press accounts say:

The question came before the Court in a case brought by William S. Edward against Walter Ioor, Grand Rapids broker. Mr. Edward, a resident of the Soo, purchased some stock in the Arizona Piano Co., an unapproved company, from Mr. Ioor. He refused to pay for the stock on the ground that it was not approved stock under the "Blue Sky" law and the Supreme Court holds that his contention is right.

Legislature Adjourns—Bills Providing for Highway Improvement Loan Board Passed.—The session of the 1919 Legislature of Michigan adjourned last Friday (June 20) at noon.

One of the 26 bills passed by the Legislature was the Connelley bill, which creates a Highway Improvement Loan Board charged with the issuance of the \$50,000,000 bonds recently authorized by vote of the people for construction of trunk lines. Federal aided an State reward roads and bridges along the same. These bonds must sell at not less than par, draw interest not exceeding 5%, and not more than \$5,000,000 can be issued in any one year. They shall mature in not less than 5 nor more than 30 years from date issued.

Monett Special Road District (P. O. Monett), Barry and Lawrence Counties, Mo.—Road Bonds Upheld.—The Supreme Court on June 14 directed State Auditor Hackman to register \$50,000 bonds issued by this district for improved

highways. The bonds issue was attacked on the ground that the district is composed of parts of Barry and Lawrence counties. The Court holds that the law authorizes the formation of such districts and that each county being a part of the district, can pay its just share of the tax.

New York State.—Savings Bank Law Amended.—At the special session of the State Legislature which convened on June 16, an amendment was enacted to Subdivision 6 of Section 239 of the law regulating the investments of savings institutions of New York State. We publish below Subdivision 6 as it now reads, the new addition appearing in italics:

6. In bonds and mortgages on unincumbered real property situated in this State to the extent of 60% of the appraised value thereof. Not more than 65% of the whole amount of deposits and guaranty fund shall be so loaned or invested. If the loan is on unimproved and unproductive real property, the amount loaned thereon shall not be more than 40% of its appraised value. No investment in any bonds and mortgages shall be made by any savings bank except upon the report of a committee of its trustees charged with the duty of investigating the same, who shall certify to the value of the premises mortgaged or to be mortgaged, according to their judgment, and such report shall be filed and preserved among the records of the corporation. *For the purposes of this subdivision real property on which there is a building in process of construction, which when completed will constitute a permanent improvement, shall be considered improved and productive real property.*

North Dakota.—Dismissal of Proceedings to Test State Legislation—Legality of State Bank Bonds Upheld.—See reference to this in "Current News Department" in last week's "Chronicle", page 2490.

Pennsylvania.—Legislature Ratifies Woman Suffrage Amendment.—Reference is made to this in our "Current News Department" this week.

Joint Bridge Bill.—The Buckman bill, providing for the joint acquisition and maintenance by Pennsylvania and New Jersey of toll bridges over the Delaware River, has been approved, it is stated, by Governor Sproul.

Philadelphia.—Charter Bill Signed By Governor.—The Woodward Charter-Revision Bill, prescribing a new form of government for the city of Philadelphia was signed by Governor Sproul on June 25. The House of Representative passed the bill on June 10 by a vote of 196 to 2. The measure was approved by the Senate on June 17.

The provisions of the new city charter read as follows:

Council to consist of one chamber of twenty-one members, elected from Senatorial districts on basis of each 20,000 voters.

New Council to choose civil service commission of three members.

Fine and imprisonment for police and firemen who engage in political activities.

By a majority vote of Council and the approval of the Mayor, municipal work can be performed by contract.

Beginning Jan. 1 1921, the city can undertake its street cleaning and collection of ashes and garbage.

City Solicitor to be appointed by the Mayor.

Receiver of taxes to be elected, and his office is to remain separate from that of City Treasurer.

Long-term financial obligations forbidden.

The position of city architect is authorized.

Rhode Island.—State Printing Plant Bond Issue Asked.—A resolution asking for a referendum on the proposal to issue \$200,000 State printing-plant and furnishing bonds was presented in the Rhode Island House of Representatives on Feb. 26, by Representative Dolan. The resolution provides that at the 1920 (November) elections the voters be asked to vote on the following proposition:

Shall the General Assembly be authorized and directed to provide for the issue of State bonds not to exceed the amount of \$200,000 for the purchase of a site and the erection thereon of a State printing plant and for the furnishing and equipping of the same, these bonds to be issued from time to time in such amounts and upon such terms as the General Assembly may hereafter determine.

The resolution was referred to the Finance Committee.

St. Louis County (P. O. Clayton), Mo.—Bonds Declared Valid.—The United States Supreme Court upheld the issuance of the \$3,000,000 road construction bonds voted in Feb. 1916 (V. 106, p. 2574), reports state, when on May 19, it declared the Missouri road law, authorizing county officials to issue road bonds and to levy taxes for them upon a vote of the county residents, to be constitutional. It is further reported that the decision removes all obstacles to the floating of the bonds and that about \$1,000,000 of the issue will be put on the market within 60 days.

Sayreville, N. J.—Incorporated.—Senate Bill No. 16, incorporating the Borough of Sayreville in Middlesex County, has been signed by Governor Edge.

United States.—Senate Rejects Wartime Dry Law Repeal.—House Committee Defeats Dry Law Repeal.—See reference in our "Current News Department" this week.

Vermont.—Changes in Investment Laws of Savings Institutions.—The Vermont Assembly of 1919 passed several amendatory Acts to the Laws of Vermont regarding the investments of savings institutions. We publish these amendments in full in our "Current News Department" this week.

Virginia—West Virginia.—Virginia Debt Funds Decisions.—Judge Scott in the Circuit Court for the City of Richmond, on motion of the Virginia Debt Commission, has ordered the Commission to transfer from the Riggs National Bank of Washington to the First National Bank of Richmond, Va., the sum of \$1,062,867 and interest from the 1st of January 1919 to the 17th of April, in all aggregating \$1,078,662, which sum was given in part settlement of the claim of Virginia against West Virginia.

The Court also ordered that the 3½% bonds now being engraved are to be delivered by the Commission to the First National Bank of Richmond to the credit of the Commission.

CAMROSE, Alta.—DEBENTURE OFFERING.—Proposals will be received until 12 m. July 2 by J. D. Saunders, Town Secretary-Treasurer, for the following 6% debentures: \$17,000 20-installment electric power plant and \$8,000 15-installment exhibition ground debentures.

DODSLAND, Sask.—DEBENTURE SALE.—The \$1,800 7% 7-year sidewalk debentures recently authorized by the Local Government Board (V. 108, p. 2361), have been purchased, it is stated, by Harris, Read & Co. of Regina.

ETOBICOKE TOWNSHIP, Ont.—DEBENTURE SALE.—The "Toronto Globe" of June 25 states that G. A. Stinson & Co. of Toronto have been awarded at 106.41 \$10,000 6% 20-installment debentures.

HAWKESBURY, Ont.—DEBENTURES AUTHORIZED.—A by-law has been passed, it is reported, authorizing the issuance of \$75,000 paving debentures.

KINGSTON, Ont.—DEBENTURES AUTHORIZED.—By-laws providing for the issuance of \$20,000 electric-pump purchase, \$77,000 gas purifiers and \$7,000 street-lighting debentures were passed by the Council on June 9, it is reported.

LOCHIEL TOWNSHIP, Ont.—DEBENTURE SALE.—The \$11,975 6% 10-installment debentures mentioned in V. 108, p. 2459, have been purchased by the Provincial Treasurer at 105.

L'ORIGINAL, Ont.—DEBENTURE SALE.—The \$16,000 6% 20-installment road debentures recently voted—V. 108, p. 2162—have been awarded to R. C. Matthews & Co. of Toronto at 103.40 it is stated.

MANVILLE RURAL HOSPITAL DISTRICT NO. 1, Alta.—DEBENTURE SALE.—An issue of \$20,000 6½% 20-installment hospital debentures has been purchased by W. R. Alger & Co. of Edmonton, it is reported.

MINIOTA, Man.—DEBENTURE SALE.—On June 16 \$30,000 5½% 30-installment road debentures were awarded, it is stated, to A. E. Ames & Co. of Toronto at 100.55.

MOOSE JAW, Sask.—DEBENTURES AUTHORIZED.—According to reports, the Local Government Board has granted the city authority to issue \$22,200 cement-sidewalk, \$16,000 bridge and \$33,000 water and sewer extension and \$15,000 comfort-station debentures.

NEW TORONTO, Ont.—DEBENTURE SALE.—C. H. Burgess & Co. of Toronto recently purchased, it is stated, \$51,000 6% 20-installment water-works debentures.

NOBLEFORD, Alta.—DEBENTURE SALE.—Local impt. bonds bearing 6% int. to the amount of \$4,000 have been purchased by W. R. Alger & Co. of Edmonton, it is reported. Due in 15 installments.

NORTH GRIMSBY TOWNSHIP, Ont.—DEBENTURE SALE.—On June 23 the \$5,000 6% 10-installment school debentures, offered on June 21 (V. 108, p. 2459) were awarded to R. M. Bird & Co. of Toronto, at 103. Date Sept. 1 1919. Int. Sept. 1.

NOVA SCOTIA (Government of).—DEBENTURE SALE.—On June 23 it is reported, the \$1,200,000 5% coupon (with privilege of registration) debentures (V. 108, p. 2459) were awarded as follows: \$700,000 maturing in 1 year to the Dominion Securities Corp. at 101.63. 500,000 redeemable in 10 years to F. B. McCurdy & Co. at 98.18.

OAK LAKE, Man.—DEBENTURE SALE.—An issue of \$9,000 6% 20-year installment debentures has been purchased by W. L. McKinnon & Co. of Toronto on a 6¼% basis, it is reported.

PENTICTON, B. C.—DEBENTURE ELECTION.—An election will be held July 3 to vote on the question of issuing \$75,000 6% 20-year electric-light and power-plant-construction debentures.

PETERBORO, Ont.—DEBENTURES AUTHORIZED.—The Council on June 2 authorized, it is stated, \$11,000 school-site purchase debentures.

REGINA, Sask.—DEBENTURE ELECTION.—It is reported that a by-law to issue \$139,000 school-house construction debentures will be submitted to the voters on June 30.

REGINA PUBLIC SCHOOLS, Sask.—DEBENTURE OFFERING.—Proposals will be received until 12 m. July 2 by J. H. Cunningham, Secretary-Treasurer (Box 75, Regina), for \$139,000 5½% 30-year school building (sinking fund) debentures. Int. semi-ann.

ST. JOHN COUNTY (P. O. St. John), N. B.—DEBENTURE SALE.—The \$100,000 5% 20-year tax-free hospital debentures which were to be sold on July 1—V. 108, p. 1961—have been sold "over the counter" to local purchasers at par, it is reported.

ST. VITAL RURAL MUNICIPALITY, Man.—DEBENTURE ELECTION.—An election will be held July 2, when, it is stated, a by-law to issue \$100,000 debentures will be voted upon.

SANDWICH, Ont.—DEBENTURES AUTHORIZED.—A by-law has been passed authorizing the issuance of \$50,000 6% 30-installment school-house-addition construction debentures.

SASKATCHEWAN SCHOOL DISTRICTS, Sask.—DEBENTURES AUTHORIZED.—The "Monetary Times" of Toronto reports the following list of authorizations granted by the Local Government Board from May 17 to May 31: Hubbard, \$6,000; Mortlach, \$10,500; Lechaber, \$2,250; Hillmond, \$2,200; Seward Hill, \$3,300; Spruce Grove, \$2,500; Elmhurst, \$600; Aysgarth, \$1,500; Silver Cliff, \$700; Scotstown, \$3,565; Canadian, \$2,900; Rosenriar, \$2,500; Ruddell, \$2,000; Goodwater, \$2,500; Brada, \$3,000; Bethune, \$10,000; Bulyea, \$10,000; Conolsey, \$2,000.

DEBENTURE SALE.—The following is a list of debentures reported sold from May 17 to 31st: Elarton, \$2,800 to Waterman-Waterbury Mfg. Co.; Regina; Minerva, \$750 to Dominion Loan & Securities, Winnipeg; Maple Valley, \$3,000 to Dominion Loan & Securities, Winnipeg; Springdale, \$1,200 to Dominion Loan & Securities, Winnipeg; Silver Hill, \$10,000 to Harris, Read & Co., Regina; Walsh Valley, \$3,500 to W. L. McKinnon & Co., Regina; St. Brieux, \$6,500 to Waterman-Waterbury Mfg. Co., Regina; Brook Hill, \$1,500 to Dominion Loan & Securities, Winnipeg; Hephburn, \$1,000 to Dominion Loan & Securities Co., Winnipeg; Ashmore, \$1,200 to Wood, Gundy & Co., Saskatoon; Prospect Valley, \$2,800 to Wood, Gundy & Co., Saskatoon; Vance, \$2,500 to Dominion Loan & Securities Co., Winnipeg; Hillmount, \$2,200 to Waterman-Waterbury Mfg. Co., Regina.

SHERBROOKE, Que.—DEBENTURE OFFERING.—It is reported that City Treasurer E. C. Gtiten will receive proposals until July 2 for \$142,500 5% 20-year city debentures. Interest semi-annual. Certified check for 1% required.

SMITHS FALLS, Ont.—DEBENTURE OFFERING.—J. A. Lewis, Town Clerk, will receive proposals until 6 p. m. July 7 for \$11,514 5½% 20-installment water-works debentures.

WALKERTON, Ont.—DEBENTURES AUTHORIZED.—On June 9, it is stated, the Council passed a by-law to issue \$1,500 chemical and hose truck purchase debentures.

YORK TOWNSHIP, Ont.—DEBENTURES AUTHORIZED.—On June 5, according to reports, the Council passed a by-law calling for the issuance of \$18,000 School Section No. 27 debentures.

FINANCIAL

NEW LOANS

\$1,057,791.85

CITY OF MINNEAPOLIS, MINNESOTA
Special Street Improvement Bonds.

Sealed bids will be received by the Committee on Ways and Means of the City Council of the City of Minneapolis, Minnesota, at the office of the undersigned, WEDNESDAY, JULY 9TH, 1919, at 3:00 o'clock p. m. for \$1,057,791.85 Special Street Improvement Bonds, dated August 1st, 1919, and to become due and payable one-twentieth each year thereafter, the last one being payable August 1st, 1939, except the bonds in proceedings No. 585 and No. 556, which are to be payable as nearly as practicable in ten equal annual installments, commencing August 1st, 1920.

No bid will be entertained for said bonds for a sum less than the par value of the bonds bid for, and accrued interest to date of delivery, and the rate of interest must be bid by the purchaser and must not be in excess of 5 per cent per annum, payable annually or semi-annually.

The right to reject any or all bids is hereby reserved. A certified check for two per cent of the par value of the bonds bid for, made to C. A. Bloomquist, City Treasurer, must accompany each bid.

Circular containing full particulars will be mailed upon application.
DAN C. BROWN, City Comptroller,
Minneapolis, Minn.

BOND CALL

CITY OF HUGO, OKLAHOMA
Notice of Call For
BONDS

Holders of any or all of an issue of \$150,000 of Water-works bonds of the City of Hugo, Oklahoma, dated August 1, 1908, maturing August 1, 1933, with option of payment at any interest-payment time on or after August 1, 1918, and bearing 6% per annum, payable semi-annually, on February and August 1 of each year, will please take notice that all of said bonds have been, and are hereby called for payment; and that funds for their payment will be placed August 1, 1919, in the Oklahoma State Fiscal Agency in New York, to-wit: Chatbam & Phenix National Bank of New York, for full payment of said bonds and interest accrued thereon.

FOUNT BOWMAN,
City Treasurer.

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