



### THE FINANCIAL SITUATION.

Both the Clearing House institutions and the Federal Reserve Bank of New York showed their position moderately improved by last Saturday's returns, and accordingly there has been some lessening of monetary tension the present week. Apprehensions as to the future have also been in part allayed. But easy money under existing conditions is out of the question. An unremitting demand for monetary accommodation is inevitable while present business and speculative activity keeps up. An attitude of caution and a persistent endeavor to reduce commitments are therefore attributes to be commended.

There were several gratifying developments in the bank returns of last Saturday. As far as the Clearing House institutions are concerned, there was a contraction, and an important one at that, in the loan item in Saturday's statement. At the present juncture such a result is wholesome and also is a response to the request of the Federal Reserve authorities at Washington. Besides this, the Clearing House institutions reduced their borrowings at the Federal Reserve Bank of New York, which likewise is wholesome and in accord with the desire of the Reserve Board. The borrowings at the local Reserve bank—as evidenced by the item of "bills payable, rediscounts, acceptances and other liabilities"—are still above the average, but at all events the aggregate was reduced from \$910,036,000 on July 12 to \$855,501,000 on July 19, a decrease for the week of \$54,535,000. This contraction in the borrowings, along with a decrease of \$78,245,000 in Government deposits, forced the reduction in the loans. The aggregate of these loans last Saturday was \$78,708,000 lower than the Saturday before.

It is true that in surplus reserves the banks were not as strong as in the preceding week, the excess over the legal requirements having been \$26,207,210 as against \$33,088,270. But the change here is apparent rather than real. Ordinarily a decrease in the loan item, especially so large a decrease as last Saturday's falling off of \$78,708,000, is attended by a like shrinkage in the deposits. In the present instance, on the contrary, the total of the deposits moved up no less than \$56,784,000—\$50,249,000 in the net demand deposits and \$6,535,000 in the time deposits. If the only factor in the computation were the contraction in the loan item, the usual result of a decrease in deposits would no doubt have followed. As already indicated, however, there was a second factor, namely the decrease in the Government deposits which appear as a separate item distinct from the mercantile deposits. Here a lowering of Government deposits nearly always means an addition to the mercantile deposits—the money being paid out by the Government and passing to private account in the shape of commercial deposits.

It makes, however, a considerable difference to the Clearing House institutions whether the deposits are Government deposits or deposits for private account. As against Government deposits the banks are not required to hold any reserve, but against the ordinary deposits 13% must be kept. Accordingly the only reason why surplus reserves have fallen is that the volume of mercantile deposits has increased; and as a matter of fact these mercantile deposits, swelled by the transfer of Government deposits (these latter last Saturday were down to relatively small figures) were larger than at any

other time in 1919. But even though surplus reserves are somewhat diminished, the fact of importance is that as measured by the loan item and the item of bills payable the position of the banks is measurably improved, as already indicated.

As far as the New York Federal Reserve Bank is concerned, the change for the better in last Saturday's return was even more marked. The change was effected in the only way in which it could be effected, namely by cutting down very materially the Bank's huge mass of bill holdings. We have already seen that the Clearing House banks greatly curtailed their borrowings at the Federal Reserve Bank. Other banks in this Reserve District evidently did the same thing. Accordingly we find that the Reserve Bank's holdings of bills secured by war obligations were reduced from \$742,901,042 July 11 to \$667,802,180 July 18; its holdings of bills secured by commercial paper from \$62,341,703 to \$61,775,314, while at the same time the Bank reduced its holdings of acceptances bought in the open market from \$119,363,357 to \$91,562,517. Altogether the grand aggregate of the bill holdings was cut down over \$103,000,000 in one week, or from \$924,606,102 to \$821,140,011.

It is not very pleasing to behold such extreme fluctuations, but the reduction was a necessity of the situation. Having run up its bill holdings in three weeks from \$705,243,463 to \$924,606,102 and thereby weakened its position to such an extent that the ratio of gold held to the Federal Reserve notes in circulation (after allowing only the minimum of 35% against the deposit liabilities) fell in these same three weeks from 68% to only 44%, a curtailment of the bill holdings now became an actual necessity. The Federal Reserve banks are required to hold as an absolute minimum a gold reserve of 35% against the deposit liabilities and also as an absolute minimum a gold reserve of 40% against the Reserve notes in circulation. As the computation showed nothing above the minimum in the one case and only 4% in the other case, the margin remaining before complete exhaustion of excess reserves was thus very slim. The 4% excess on the \$751,780,870 of Reserve notes in circulation on July 11 is the equivalent of only \$30,071,235, and that is all that stood in the way of an actual impairment of reserves. In other words, had the Reserve Bank invested only a little more than \$30,000,000 additional in bills through the issue of Reserve notes, it would have been brought to the point where its gold reserve against the outstanding liabilities in the shape of deposits and notes would have fallen below the positive legal requirements. That will indicate the extreme gravity of the situation that existed.

Even after the improvement that has now been effected, as evidenced by last Saturday's returns, the ratio of gold holdings must be regarded as quite low. The ratio is no more than 49.1 against the Reserve notes, after allowing only the minimum of 35% against deposits. The indications are that further improvement will be shown in the return to be issued to-day, but caution and conservatism on the part of every one will be required for a considerable time to come. High rates for money on call on the Stock Exchange should be countenanced rather than discountenanced. Speculation is rampant there, and if high money rates did not exist as a damper, there would be no corrective at all against the excesses of speculation. And what is true of the Stock Exchange is true of the speculative mania generally. Inflation

and rising values are in evidence everywhere. At such a time, easy money would be a positive detriment. It would give zest and add new fuel to the speculative fever. The Federal Reserve Bank and the Clearing House institutions alike should keep themselves strong at a time of such menace so as to be prepared for all emergencies.

The foreign trade statement for the United States made public yesterday covers an export total that can be described as nothing less than marvelous. Ever since the war in Europe began to give impetus to our outward trade the value of the shipments of goods from the United States has tended decidedly upward, inflation of the prices for commodities materially assisting in the augmentation. From a high pre-war total of 272 million dollars in October 1913 to the 401 millions of February 1916 was a considerable jump, but that total was quickly exceeded, and in August of the same year 500 millions was passed. In the following January the aggregate was advanced past the 600 million mark to 613 millions, and that continued to be the high record total until January of the current year, when 622 millions was reached. That almost seemed to be the limit, but with Europe in need of vast quantities of foodstuffs, reconstruction materials, &c., the increase of tonnage available permitted an outflow in April of over 714 million dollars. But even that mark has now been surpassed, the exports of merchandise for the month of June covering a value of no less than \$918,212,671, or 435 millions more than for the like period of 1918. Consequently, for the full fiscal year ended June 30, the outflow of commodities foots up \$7,224,744,785, a total 1,307 millions in excess of 1917-18 and nearly three times the aggregate of 1912-13. Concurrently, imports for the month were \$293,069,779 and for the 12 months \$3,095,873,104, this latter comparing with \$2,945,655,403 in 1917-18. For the fiscal year the favorable or export balance is \$4,128,871,681, against \$2,974,055,968 in 1917-18. Further reference to the results is deferred until next week, when our usual review of the foreign trade of the fiscal year will be published.

With the presentation of the complete terms of the Peace Treaty with Austria to her delegates at St. Germain a week ago to-day, the Peace Conference reached one more objective point. The first sections of the document were placed in their hands on June 2. The Paris advices stated that the final sections were delivered "without ceremony by M. Dutasta, Secretary-General of the Peace Conference." They deal chiefly with reparation, financial, military and various minor subjects that were not ready for presentation when the official ceremony took place. The Austrians were given 15 days in which to make their "observations" on the terms of the complete document. Briefly summarized they require Austria to do the following things: "Reduce her army to 30,000 men, abolishing conscription. Accept her share of the Austrian pre-war debt, which is to be divided among the component parts of the former Dual Monarchy. Accept the entire war debt held outside the Empire. Reduce armaments, surrendering the surplus to the Allies and maintaining hereafter only one munition factory. Accept the responsibility for causing loss and damage to the Allies and Associated Governments by a war of aggression. Pay for damage done civilians and their property to the

amount to be fixed by a commission on which the United States will be represented, payments to extend over 30 years. To surrender all her merchant ships within three months and 20% of her river fleet. To cede her cables to Italy and the Allied and Associated Governments. To give up the gold deposited as security for the Ottoman debt and to denounce the treaties of Brest-Litovsk and Bucharest."

Before receiving the complete treaty, the Austrian delegates had submitted a large number of notes on the preliminary terms to the Peace Conference authorities. After getting all of the sections the first word of protest, knowledge of which reached this country, was in a dispatch from Vienna which stated that that city "is much incensed over the stipulation that thousands of mileh cows be surrendered to Italy, Serbia and Rumania." It was claimed that the authorities knew full well that these animals were greatly needed to supply milk to "hundreds of children who are ill from the scarcity of milk, and that many deaths have occurred among them from the same cause." On Wednesday Dr. Karl Renner, Chairman of the Austrian peace delegation, was quoted in Paris advices as declaring that he would "not sign engagements which he knew could not be executed." He was referring, of course, to the terms of the complete Austrian Treaty. Continuing his protest he was quoted as speaking in much the same vein as German authorities did when the terms of the proposed treaty with their country first became known to them. He is reported to have protested in general against what he characterized as "the unheard of severity of the conditions made against Austria and Germany." He added, "Let us try to submit to the Entente, completely unadorned, our great distress, and so obtain a peace with conditions that will be supportable for our country." Dr. Renner left St. Germain on Tuesday for a brief trip to Vienna, and his place as chairman of the delegation was taken by Franz Klein, former Austrian Minister of Justice. In a dispatch from Geneva received here Thursday morning Dr. Renner was quoted as having repeated, in an interview in that city, substantially the protests against the treaty that he had made before setting out on his journey.

In a Paris dispatch it was said that the question was being raised there as to whether, because of the severity of the terms of the treaty, Austria would attempt to join Germany. The French Foreign Office was reported as believing that this would depend upon the ability of the Entente to hold Germany firmly to the terms imposed upon her. Consideration of the terms of the Austrian treaty were to begin in Vienna yesterday, when the chief committee of the National Assembly was scheduled to meet in plenary session. To-day it was expected that that body would convene for a discussion of the terms. In Paris advices it was claimed that Peace Conference authorities are confident that the Austrians will sign the treaty, in spite of their vociferous protests, because of the serious economic conditions in their country.

A dispatch dated July 16—four days before the complete treaty was presented to the Austrian delegates—indicated the existence of serious conditions in that country, largely "because of the need of some kind of peace." It was claimed that "factories are idle, thousands of persons are trying to leave the

country, and little business is being done here." Wealthy people were said to be "amazing their fortunes into Switzerland and Italy," while it was declared also that "foreign money is being bought eagerly, often at high prices, by people who say they wish to get rid of Austrian paper money, which was issued by the Government in large quantities." According to this dispatch "the price of silver has risen since pre-war days to more than nine times its former value. The American dollar, quoted before the war at five crowns, is now bringing 32 crowns."

Great Britain's Victory Day celebration a week ago to-day was a gala and an elaborate affair. Evidently it was much more, inasmuch as the London advices stated that it was "a tribute from the heart of the British Commonwealth to the forces of the Allied and Associated Powers, which won the war for freedom." Special mention was made in all the accounts of "the kindly welcome that London gave to the Americans." By reason of the alphabetical order by countries in which the troops of the different nations marched, our men came first. There were 3,000 of them and they were led by General Pershing, and it was recorded in the London cablegrams that they were "tall and burly to a man," and that "they marched with splendid precision." "Each platoon," it was stated, "marched as though a single intelligence was directing it." Observers noted also that General Pershing "evidently appreciated greatly the cheers that greeted him," and that "smiles softened the stern lines of his face," and also that "he acknowledged freely the plaudits of the watching thousands."

Tremendous applause was reported to have been accorded to Marshal Foch as he came into sight as "a solitary horseman," followed by "his glittering staff," but it was noted specially that "he was alone" and was "bearing in his right hand the purple baton of a Marshal of France." In completing the account the narrator simply said: "It was Foch," and added that "if ever a great soldier received a popular acclaim it was he to-day." Marshal Foch was said to have "accepted it gravely and quietly, not a muscle moving on his care-worn face." The navy, as the senior service of Great Britain, led its contingent of the parade, with Admiral Beatty at the head. In contrast to Marshal Foch, it was recorded that he, "alone of the senior commanders was on foot, and, preceded by the Union Jack, strode along, while behind him came a notable company of Admirals of the 'silent service.'" The greatest tribute of all is said to have been paid to Sir Douglas Haig, who led the British Army contingent. According to the London advices, 19,000 Allied soldiers were in line. The parade began at Albert Gate and dispersed at Hyde Park, which adjoins Kensington Gardens. The line was reported to have been more than six miles in length.

Patriotic parades and demonstrations were held in many Irish cities at the very time that the great London spectacle was being presented. Special mention was made of the fact that the Sinn Feiners did not participate in the Irish festivities. Quite naturally the most elaborate of them were given in Dublin, where great crowds watched "16,000 men march past Lord French, amid scenes of enthusiasm, second only to those which might have been seen in Paris on Peace Night." A special correspondent of a prominent Chicago paper, who made the journey to

Dublin for the special purpose of witnessing the Victory Day spectacle and of getting an idea of the attitude of the Sinn Feiners, cabled his paper that after having mingled with the crowd for two hours and having questioned the people as to their attitude toward the Sinn Fein movement, in his judgment, "the Sinn Fein, while powerful in Dublin, has been much overrated, and that there is a very large section of the population, which, while Nationalist, is entirely loyal to the British Empire, and totally opposed to anything like an individual republic."

On Tuesday, Belgium celebrated its national fete—the first time since 1914. President Poincaré of France and Mme. Poincaré and Marshal Foch arrived from Paris the evening before for the event. They were greeted at the railway station by King Albert and were given "an ovation as they drove to the Royal Palace, where dinner was served for them." The account stated that the French dignitaries "were given enthusiastic receptions on the way to Brussels from Paris." The crowds that assembled in the former city for the festivities were said to have been the largest ever seen there. Tremendous enthusiasm characterized the celebration from beginning to end. It seems that "a striking feature was the parade of school children, reviewed by the three children of King Albert—Princes Leopold and Charles and Princess Marie-Jose." Their distinguished father and mother took an active part in the whole celebration. American troops, which were at the head of the procession, were said to have "marched magnificently, and were the recipients of showers of flowers and thunders of cheers." The parade lasted for two hours, as did the British Victory parade last Saturday.

These celebrations and that of the French people were pleasing and fitting in the extreme. We had similar affairs in this country and there is no reason why every nation that participated in the great Victory over the Central Powers should not have like demonstrations. But something just as serious as they were joyous has been going on in Europe this week. Reference is made specially to the opposition of the people and certain political leaders of Great Britain and France to their respective Ministries. Figuratively speaking, Premiers Lloyd George and Clemenceau have been on trial before the legislative bodies of Great Britain and France. Weeks ago the advices from London and Paris told of the undercurrent of opposition to the Coalition Government in Great Britain, formed for the exigencies of the war, and of which Lloyd George is the head, and to the Clemenceau Cabinet in France, which the "Old Tiger," in spite of his advanced age, formed in an effort to bring his country out of an extremely serious political and military situation, at the most critical period of the war, so far as France was concerned. Lloyd George, speaking in the House of Commons Monday, in answer to his critics on the Peace Treaty and the Anglo-French Convention, gave special attention to the opposition that has developed recently to the proposal to try the former German Emperor before an international tribunal in London. In reply to the suggestion that the trial take place in a neutral city, the British Premier said: "What right have we to assume that any neutral country could desire to be the scene of such a trial?" Continuing he declared: "If war is to

be abolished it must be treated, not as an honorable game, with the prospect of perennial glory, but as a crime. That is why we decided that the author of this war should be tried."

The Premier was reported to have "expressed gratification at the course the debate had taken and the spirit in which the treaty had been received." He defended the Anglo-French Convention with France, which, he maintained, was "no proof of France's want of confidence in, nor reflection upon the League of Nations," which, he observed, "was in the nature of an experiment." This is the attitude toward that undertaking that Lloyd George has maintained in all his public addresses and interviews. Answering directly the specific criticisms of the Peace Treaty itself, the Premier suggested that they had been "largely self-destructive," and added that "some think we demanded too little; others too much." At Monday evening's session of the House of Commons the bill providing for the ratification of the Peace Treaty was passed on its third reading by a vote of 163 to 4. The bill for the ratification of the Anglo-French Convention was read the third time without objection at the same session, and was passed by a large majority vote at a subsequent one.

Apparently Premier Clemenceau has met with even more opposition from the Socialist and other factions in the French Chamber of Deputies than did Lloyd George in the lower branch of the British Parliament. At a session of the former body a week ago last evening the Cabinet lost by 14 votes on the question of the high cost of living, it being charged by opponents of the Ministry that, while "the cost of living in Belgium had decreased by one-half and in England by one-fourth, it was still increasing in France, despite the economic policy of the Government." M. Boret, Food Minister, who defended the latter, announced after the vote was taken that he would resign. Special mention was made of the fact that "the general policy of the Government did not come up in the debate." Paris dispatches under date of the following day (last Saturday) stated that "in view of last night's vote in the Chamber of Deputies, the Cabinet has decided to demand a vote of confidence by the Chamber next Tuesday." A Paris dispatch that was made public here, also on Monday, contained rumors of one or more changes in the French Cabinet, but it was claimed that they would not come as the result of Food Minister Boret's resignation. Following the adverse vote on the cost of living, it was reported from the French capital that the "Federation of Labor leaders expect to overthrow the Clemenceau Cabinet Tuesday [the following day], when a vote is to be taken expressing confidence in the Government, and that probably a successor to the Premier has been selected."

Whoever started that rumor counted without his host, the "Old Tiger." The vote of the Chamber as first announced here in Paris dispatches Wednesday morning was 272 in favor of Clemenceau and his Cabinet and 181 against, a margin of 91. It was explained in dispatches received later in the day that these figures represented only "a test vote," but that "the final vote of confidence approving the Government's declaration of policy, showed confidence in the Government by a vote of 289 to 176, a majority of 113." Premier Clemenceau's opponents were reported to have been jubilant over the first vote, claiming that "it forecasts the doom of the

Cabinet as at present constituted." As he left the Chamber the venerable leader is reported to have observed: "This is a mere skirmish. The real battle is coming." In the course of the debate it is recorded that he ascended the Tribune, and, with characteristic vigor, defended the acts of his Ministry. His first cryptic observation reported in the Paris advices, and which was said to have disarmed his adversaries, was this: "You blame me for not having chosen my colleagues from the learned. An eminent man is not necessarily a member of the French Academy." Continuing he said: "You wanted me to make war; I have made war; you wish me to make peace. It is harder to make peace than it is to make war. It is a question of confidence. I have obtained all that France could desire and many things that France could not hope for." Some weeks ago the Premier was reported to have said that as soon as the Peace Treaty with Germany was signed he would retire as head of the French Cabinet. Apparently the most recent opposition to his associates and himself has made him feel that this would be impractical just now. This supposition is borne out by what he said a little further along in his Chamber of Deputies address when he observed "I had thought that after five years of war I might rest, but I have been told, 'You made the war.' The work of peace must be continued. All the ambition which I have at this moment is that you keep me in power until my work is done. But I should give you a cordial hand-shake, if you should send me from this Tribune in the minority."

In a long special cablegram from Paris Thursday morning the idea was advanced that the venerable Premier was "not entirely out of danger," politically, and it was claimed also that "Finance Minister Klotz will have to stand a renewed attack in the Chamber." In another Paris dispatch received the same day the belief was expressed that, as a result of the opposition in the Chamber to Premier Clemenceau, "there was tangible evidence of the Government's intention to arrange for the holding of elections as early as possible." Paris advices received yesterday morning stated that the Premier had threatened definitely to do this if the opposition to his Ministry did not cease. It was gratifying to know that the vote of the Chamber Thursday with respect to the financial policy of the Finance Minister resulted in the Government receiving 304 votes to 134 against it.

The disinclination of the people and of various political factions—principally the Socialists—in Great Britain, France and Italy, where there are established Governments (not to speak of Germany, Russia, Austria and other nations in Southeastern Europe where chaos prevails to a great extent), to support their Government and to devote themselves to reconstruction, is by no means the only serious feature of the European situation. Labor leaders in nearly every nation of Europe are particularly active. Conditions in Great Britain and Germany were notably bad this week. The general strike that had been called for July 20 and 21, in which Italy and France were to have participated, appears to have been practically a complete failure. In Great Britain the Government has had the greatest trouble with its coal miners and their representatives. On Monday it was reported from London that the industries in Sheffield, England, had been obliged to close down because of the coal miners' strike in the Yorkshire

fields. Thousands of workers were said to be out of employment at that time and the outlook for them was the more serious because their employers announced that the plants would "remain closed until the end of the strike." Attention was called to a particularly serious feature of the strike from the mine owners' point of view, viz., the fact that "the workers engaged in pumping and the other labor essential to the safety of the mines had joined the strikers." Premier Lloyd George announced in the House of Commons the same day that, as a result of the pumpers' strike, some of the mines would be ruined. The claim was made in London advices that the advance of 6s a ton announced by the Government "will make the best quality of coal cost 52s 6d. in that centre."

During the same day Premier Lloyd George also announced that Sir Eric Geddes, Minister without Portfolio, had been appointed "a commissioner to attempt to settle the strike," and that already he was on his way to Yorkshire. The Premier presented further data on actual conditions in the Yorkshire mining fields. For instance, he stated that at 58 mines the necessary men were at work, while in 85 pumping had been stopped altogether. At 35 mines the officials had continued the pumping even after the men had left their posts. The Yorkshire fields, which are the second largest in the United Kingdom, normally produce 35,000,000 tons of coal a year. In that district 200,000 men were said to be out, while in the Derbyshire district an additional 45,000 had left their places of employment, making a total of 245,000. The Premier stated that the demands of the Yorkshire strikers for increased wages had been granted by the mine owners, subject to the approval of the Coal Controller, and, furthermore, that the Government had told the men that they would withdraw the substitute pumpers as soon as the strikers return to work, but that in the meantime the Government would do all in its power to save the mines. A London cablegram received here on Tuesday stated that "thousands of miners in the Mansfield district of Nottinghamshire had refused to go down to the pits this [Monday] morning." The same day it was claimed that as a result of the labor situation, discharged soldiers and sailors had sacked and burned the city hall in Luton, the seat of the straw-plaiting industry, causing, as it was claimed, a million dollars worth of damage, and also that rioters in the business section of Coventry had "attacked and looted more than a dozen stores of shoes, clothing and other supplies."

A large number of what are known as "surface workers" at the mines in South Wales were said to be on strike at that time. On Thursday morning announcement was made in a London cablegram that representatives of the Triple Alliance of British labor, which is composed of railway men, transportation workers and miners, voted by 217 to 11 "to take a referendum vote among their members on the political demands of British labor, including conscriptions, Russian intervention, the release of conscientious objectors and the use of the military in labor disputes." Thursday afternoon announcement was made in London advices that the exportation of Cardiff coal had been stopped by a Government order. Robert Smillie, the head of the Miners' Federation, was received by Premier Lloyd George and other members of the Government, "in an effort to settle the dispute in the Yorkshire coal

fields." No settlement was reached at the morning session. Incidentally the assertion was made in another London cablegram that the flooding of the mines was "a long stride toward industrial revolution." Yesterday morning's advices from the British capital expressed the belief confidently that "an amicable settlement of the coal strike will be arranged during the day, as a result of a meeting of a sub-committee of the Miners' Federation with the Coal Controller." It was stated that the Government, following the conference with Premier Lloyd George, had agreed to grant a new piece rate to the miners. In another London dispatch yesterday morning it was claimed that the British authorities were planning to use force to end the strike, but according to the most trustworthy information, apparently this would not be necessary or advisable. Official announcement was made in London yesterday afternoon of the settlement of the strike and that "the principle laid down by the Government in its own proposition had been adopted." In a word, the latter stipulated that piece-workers would not suffer by reason of the reduced output, naturally resulting from reduced hours.

A week ago to-day in Berlin the workingmen's councils of the Social Democratic and German Democratic parties passed a sensible resolution, when they determined that, while they would favor a demonstration against the severe terms of the peace treaty, they believed that "in the stoppage of work in Germany no advantage is to be gained, since every hour of failure by men to work will slow down the recuperation of the country." Tuesday's dispatches from Berlin indicated a still more serious situation at that centre. The transportation lines employees, the electricians, gas workers and typesetters were said to be on strike. In fact, the city was declared to be "without artificial light and transportation." Eight of the newspapers either did not publish, or if so did not deliver their papers. The papers that did publish "condemned the strikers as irresponsible persons." Gustav Noske, Minister of National Defense, with his troops, appeared to be able to preserve order in the streets. It was stated that he even made use of machine guns for that purpose. Some of the advices reported the shooting of ten persons in Berlin "during disorders which attended the breaking up of a Majority Socialist meeting by the Communists and Sparticans." Gustav Adolf Bauer, Premier, in the course of an address before the National Assembly on Wednesday, was quoted as admitting that "the great masses of the people had ground for discontent," and added that "it was the Government's task to remove any just reason for this." In his judgment the remedy "was a law regulating workers' councils and economic councils, which the Government would draft." He warned the country against a hasty revolution, declaring that it could only be "a counter-revolution, resulting in disorder." In closing his address he said: "We shall need to work and to abhor revenge. We shall have to renew our national life and give national thought on the foundation of the League of Nations idea. On the growth and the strengthening of that idea our hope must rest, and from it must come a revision of the Peace Treaty." The advices from Berlin near the end of the week indicated that Herr Bauer's ideas had not met with a favorable reception.

At the very beginning of the week the cable advices indicated that political conditions in Hungary were bad in the extreme. It was declared that Bela Kun had been "deposed by a triumvirate of radical leaders," and that Vago, former Minister of Social Protection, was at the head of the new Government, and that associated with him were Moses Alpari and Tibor Szamuely. The statement was made in dispatches that Habrich, commander of the City of Budapest, had been ordered to turn it over to the new leaders, and that volunteers for the so-called "terror troops" had been asked for. These troops were commanded by Bela Kun's former bodyguard. In a delayed dispatch from Vienna received here on Tuesday, General Franchet d'Esperey, commander of the Allied forces in the Near East, was quoted as having announced that he was preparing to march upon Budapest with 150,000 Allied troops, composed of French Colonials, Rumanians, Jugo-Slavs, Italians and Hungarians. On Wednesday Bela Kun was quoted as having declared in an interview that "there is much talk about an Entente ultimatum to Hungary, but none has been made, and I doubt if it ever will be. If it does come, however, the Soviet Government is prepared to adopt a courageous policy." It was reported in London on Thursday and again yesterday that Bela Kun had asked the Allies for safe conduct to the Argentine Republic, where, it is stated, he intends living. Dispatches from Vienna stated that the purpose of the reported attempt of Count Michael Karolyi, former President of the Hungarian Republic, to sail from Italy to the United States "is to enlist sympathy and help for the political and industrial construction of Hungary and to secure better territorial conditions." It was even declared that the Count intends "writing a book dealing with conditions in the Hungarian Republic during the last eight months," but it was asserted that "he has no intention of attempting Communistic agitation."

Yesterday morning's advices from Paris stated that the work of the Peace Conference was lagging because of the absence from the city of Stephen Pichon, French Foreign Minister, and because of the necessity of Premier Clemenceau giving his attention primarily to proceedings in the Chamber of Deputies, in which he has to contend with strong opposition from day to day. It was stated that originally the Supreme Council had expected to have the treaty with Bulgaria completed before the arrival of the Bulgarian delegation, which was due yesterday. According to the advices "the indications are now that the Bulgarians will be kept waiting some time before the treaty is delivered." Earlier in the week there were indications that the proposed treaty with Bulgaria was engrossing attention in Peace Conference circles. The assertion was made then that the United States "is holding up the whole Bulgarian treaty through the position taken by the American experts with respect to the disposition of Thrace." It was said also that the Allied statesmen were "urging the American plenipotentiaries not to withdraw from the adjustment of Balkan questions." Through a Washington dispatch made available here Tuesday morning it became known that the State Department had announced that "America will sign the treaties with Bulgaria and Turkey." Announcement was made in a Paris cablegram last evening that the "Excelsior" of that city claimed that under the terms of the Bulgarian treaty Rumania and Serbia would be awarded

"the greater part of more than a billion francs indemnity." It was stated also that, because of a decision to stay over a day in Lauzanne, Switzerland, the Bulgarian delegates would not arrive in Paris until to-day, instead of yesterday, as originally planned.

Considerable attention was given in both France and Germany to financial matters, although national and international political questions are still receiving first consideration. In recent weeks French Government authorities have been endeavoring to determine what the war had cost their country in ways that could be expressed in figures. A few days ago Louis Dubois presented a report to the Parliamentary Commission of Peace in which he said that the material damage done in the invaded sections of France amounted to \$23,800,000,000. He claimed that the amount had been "verified by a committee of engineers, architects, manufacturers and agriculturists." According to the report, "the damage falling upon the individual and the money paid to start commercial enterprises were not included in the sum of \$23,800,000,000, and likewise \$7,400,000,000 for military expenses and \$1,200,000,000 for pensions were not embraced in the figures either." M. Dubois declared that the total amount of damage done would be \$40,000,000,000. The claim was made in a special cablegram from Paris on Wednesday that "the Chamber of Deputies has decided to draw up a questionnaire to the Government demanding to know what financial assistance the Allies have proposed to give France during the reconstruction period." It was said that financial experts of the Chamber had reported that of Germany's initial reparation payment of \$4,000,000,000, very little would be left for reconstructing the devastated regions "after the cost of victualling Germany and the army of occupation has been taken out." The Chamber was reported to have been informed also by its experts that "France could not bear the financial burden unless assured of an annual contribution of at least \$200,000,000, and that it was necessary for France to know what financial help she could count upon from the Allies."

It was claimed in one special Paris cablegram on Monday that "the American and French Governments have at last come to an agreement as to the price to be paid by France for the American military stores, buildings, railroads and materials." While the price was declared as still being secret, the correspondent asserted that it was more than "the \$300,000,000 offered by France, which the United States rejected." On Wednesday word came from Paris that Louis Morel, Under Secretary of State for Liquidation of Stocks, had issued a statement in which it was set forth that "France will offer to take over American military property in France, consisting mostly of docks, railways and real estate at one-fifth of its cost to the Americans."

Quite naturally, reports are coming to hand at frequent intervals as to the consideration that is being given by the great European powers to re-establishing embassies, legations, &c., in the capitals of countries with which diplomatic relations were severed during the war. Paris sent word that Paul Eugene Dutasta, General Secretary of the Peace Conference, and A. C. De Fleuria, Counsellor of the French Embassy in London, were being considered

by the French Foreign Office for the difficult position of French Ambassador to Berlin. It appeared that M. Dutasta's chances were the better of the two.

For two weeks or more excerpts have come to hand in advices from Berlin and other centres of a financial plan for Germany that had been worked out by Finance Minister Matthias Erzberger. On Tuesday it was stated that the "North German Gazette" had published what "was said to be Germany's financial program, calling for the raising of \$6,250,000,000," which it was said had been agreed upon by Herr Erzberger and a group of financial experts. According to the "Gazette," \$2,000,000,000 will be obtained by war taxes and the remaining \$4,250,000,000 would be raised from new sources. They would include a heavy increase in the taxes on business transactions, also what was termed "the imperial sacrifices to needs," and a new set of taxes on the necessities of life. The imperial income tax provided for in the plan is to be a levy on profits from invested capital, which, it was said, would range from 25 to 30%. Finance Minister Erzberger is reported to have told the financial experts that Germany must pay the Allies \$5,000,000,000 in gold by May 1 1920, and is claimed to have declared that "this could be done, as the amounts already credited to Germany by the Allies for various accounts form an important part of the required total."

Recently there have been frequent rumors in the cablegrams from Berlin and other European centres that the Deutsche Bank was negotiating with New York bankers for a good sized loan in some form. Similar rumors have been in circulation in the financial district here. In a Berlin cablegram last evening it was claimed that the negotiations were "proceeding favorably." In another Berlin message the statement was made that the "Koelnische Zeitung" had announced that "The Government intends to float a forced loan of 1,200,000,000 marks, bearing 2% interest." "Everybody," according to the newspaper, "is to subscribe as his means will permit." "If the issue is a success a levy on fortunes will be postponed," it was claimed.

The health of both the German Emperor and Express is said to be greatly improved. The advices regarding the probabilities of the former being tried by an international tribunal in London continue conflicting. It is increasingly evident that the political leaders in Great Britain are by no means anxious to have the event take place within the limits of their Commonwealth. In order to satisfy the demands of political opponents, Lloyd George felt called upon, when he first returned from Paris, following the signing of the German Peace Treaty, to announce in the House of Commons that the trial would actually be held in London. Ever since, the most conservative leaders, particularly in the House of Lords, have indicated in one way and another that such an undertaking would be unwise to say the least. Earl Curzon, in moving in the House of Lords on Thursday, the second reading of the Peace Treaty Bill, which, by the way, was subsequently passed by that body, stated that there was no desire to make the trial of the former German Emperor "a spectacle, or let it interrupt the thread of life." He added that "therefore, if it were held within these shores, which is not finally settled, it by no means follows that it

will be held in London." A cablegram from Tokio yesterday morning said that the citizens of Fukushima "have started a movement against Japan participating in the international tribunal to try the former German Emperor, on the ground that such action would have a bad effect upon the Japanese people."

Announcement was made on Monday that Joaquin Sanchez Toca, Confidential Adviser to King Alfonso, would head a new Spanish Ministry, which is to succeed the Cabinet of Antonio Maura, which resigned recently. The new Ministry was sworn in the same evening. Senor Toca at one time was Minister of Justice, but since 1915 has served as President of the Senate.

Early in the week it was indicated in London advices that, while there was more or less disappointment over the amount of the subscriptions to the Government loan, nevertheless they were regarded in Government and banking circles as satisfactory, in view of prevailing conditions in Great Britain and of the additional fact that already investors had large amounts in the aggregate tied up in Government war loans. New prospectuses are being brought out at rather frequent intervals in the British capital.

There was unusual interest here in the announcement about mid-week of the formation in London of the British Mexican Petroleum Co., which, it was stated, had been registered as a private company with a capital of £2,000,000. According to the advices received from London it will market, in the Eastern Hemisphere, oil and gasolene produced by the Mexican Petroleum Co., in Mexico. The British corporation will own a fleet of tankers and have tank farms at the important shipping ports for the bunkering of ships with fuel oil, and will erect refineries to handle crude oil from the Mexican Petroleum Co., Lord Pirrie, head of the shipbuilding firm of Harlan and Wolff, and a director of the International Mercantile Marine Co., is chairman of the new company.

According to the monthly review of the London Joint City & Midland Bank for June, which institution, by the way, this week suffered a great loss in the death of its distinguished chairman, Sir. Edward H. Holden, 27 prospectuses were published by British corporations during that month, calling for subscriptions of £8,238,000. In all, however, the new capital issued during the month was said to have aggregated £15,538,000. It will be recalled that during the latter half of the period the publication of prospectuses was stopped almost altogether, at the suggestion of the Chancellor of the Exchequer, who wished to have the attention of investors centred upon, and their available funds put into, the Government loan. During the six months ended June 30 the prospectuses announced called for a total of £79,029,000 capital, in comparison with only £12,813,000 in the corresponding half of 1918.

The London stock market this week was only moderately active, being depressed during the first half at least by the coal labor situation. With the prospect of it being settled without serious disorders occurring, prices of industrial securities were inclined to improve as the week drew to a close.



The British Treasury statement for the week ended July 19 included income from the issue of Treasury bills as well as payments from the British Victory loan; consequently, there was a large decrease in temporary advances, while the national financing for the week resulted in an increase in the Exchequer balance of £208,000, to £6,210,000, as against £6,002,000 last week. Treasury bills outstanding have been reduced to £669,777,000, compared with £682,209,000, and net temporary advances are reported at £724,117,000, a decline of £215,350,000. The week's expenses were £19,004,000 (against £16,726,000 for the week ending July 12), while the total outflow, including repayments of Treasury bills, advances repaid and other items, totaled £274,777,000, in contrast with £123,812,000 a week ago. The total of advances repaid was £206,500,000, and of repayments of Treasury bills, £47,925,000. Receipts from all sources amounted to £274,985,000, against £123,604,000 last week. Of this total, revenues brought in £18,468,000, against £22,911,000. The sum of £89,000,000 was obtained from the new funding loan and of £75,000,000 from Victory bonds. Savings certificates contributed £2,400,000, against a similar amount a week ago. From advances the small sum of £150,000 was received, comparing with £93,650,000 in the preceding week. Sales of Treasury bills, the first since the last week of May, totaled £89,271,000.

The Bank of England in its weekly statement announced a loss in gold of £373,140, the first in some little time. There was also a contraction in total reserves amounting to £371,000, notes in circulation having been reduced £2,000. Public deposits were likewise contracted, the amount being £5,228,000, although other deposits increased £9,390,000 and Government securities were expanded £5,132,000. The proportion of reserve to liabilities was slightly lower and is now 19.67%, comparing with 20.54% last week and 17.41% a year ago. Loans (other securities) decreased £542,000. Threadneedle Street's gold holdings now stand at £88,330,535, which compares with £67,137,976 in 1918 and £53,128,645 the previous year. Reserves aggregate £27,885,000, as against £29,844,841 last year and £31,842,275 in 1917. Circulation is £76,914,000, in comparison with £55,743,135 and £39,736,370 one and two years ago, respectively. Loans total £81,863,000. Last year they amounted to £103,319,656 and in 1917 £111,365,542. Clearings through the London banks for the week were £542,590,000, comparing with £604,790,000 last week and £379,375,000 a year ago. We append a tabular statement of comparisons:

BANK OF ENGLAND'S COMPARATIVE STATEMENT.

	1919, July 23.	1918, July 24.	1917, July 25.	1916, July 26.	1915, July 28.
Circulation	76,914,000	55,743,135	39,736,370	36,045,030	33,531,335
Public deposits	19,086,000	34,875,168	46,614,733	52,989,880	177,636,201
Other deposits	122,013,000	136,098,350	126,839,973	85,241,272	95,340,497
Government secur.	39,822,000	59,062,832	48,137,601	42,185,131	53,157,910
Other securities	31,563,000	103,319,656	111,365,542	75,218,050	102,105,214
Reserve notes & coin	27,885,000	29,844,841	31,842,275	36,789,981	45,625,165
Coin and bullion	88,330,535	67,137,976	53,128,645	56,976,011	60,000,500
Proportion of reserve to liabilities	19.67%	17.41%	18.36%	28.05%	16.77%
Bank rate	5%	5%	5%	6%	5%

The Bank of France reports a further gain in its gold item this week, the increase being 139,315 francs. This brings the Bank's aggregate gold holdings up to 5,566,428,900 francs, comparing with 5,431,553,393 francs last year and with 5,299,638,915 francs the

year before; of these amounts, 1,978,278,416 francs were held abroad in 1919, 2,037,108,484 francs in 1918 and 2,036,074,204 francs in 1917. During the week bills discounted gained 14,934,489 francs, advances rose 3,786,174 francs and Treasury deposits were augmented by 13,670,346 francs. On the other hand, silver fell off approximately 1,000,000 francs and general deposits were reduced 108,526,876 francs. Note circulation registered the further contraction of 45,124,950 francs, reducing the total outstanding to 34,959,588,330 francs. This compares with 29,148,064,645 francs last year and with 20,201,741,750 francs the year previous. On July 30 1914, just prior to the outbreak of the 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.

Gold Holdings—	Changes for Week Francs.	Status as of		
		July 24 1919.	July 25 1918.	July 26 1917.
In France	139,315	3,558,130,484	3,394,444,905	3,263,564,710
Abroad	No change	1,978,278,416	2,037,108,484	2,036,074,204
Total	139,315	5,566,428,900	5,431,553,393	5,299,638,915
Silver	Dec. 1,050,000	300,000,000	277,156,007	251,217,726
Bills discounted	Inc. 14,934,489	806,176,576	1,009,095,337	550,174,796
Advances	Inc. 3,786,174	1,273,133,347	895,921,709	1,142,312,014
Note circulation	Dec. 45,124,950	34,959,588,330	29,148,064,645	20,201,741,750
Treasury deposits	Inc. 13,670,346	164,491,797	138,393,638	44,664,284
General deposits	Dec. 108,526,876	2,946,075,541	3,845,095,656	2,588,237,628

Official discount rates at leading European centres continue to be quoted at 5% in London, Paris, Berlin, Vienna and Copenhagen; 5½% in Switzerland; 6% in Sweden, Norway and Petrograd, and 4½% in Holland and Spain. In London the private bank rate remains at 3 7-16@3½% for sixty days and 3 9-16@3⅝% for ninety days. Call money in London has not been changed from 2⅞%. No reports, so far as can be learned, have been received by cable of open market rates at other centres.

Last Saturday's statement of New York Associated banks and trust companies, which is given in fuller detail in a subsequent section of this issue, for the first time in three weeks showed a reduction in the loan item—in round numbers, \$78,708,000. Deposits, however, were increased, net demand deposits gaining \$50,249,000, to \$4,113,809,000, (Government deposits of \$149,507,000 deducted), while net time deposits expanded \$6,535,000 to \$180,830,000. The item of Government deposits shows a reduction of \$118,245,000, which indicates the heavy withdrawals of Government funds from the banks that has been going on in recent weeks. Other changes were a decline of \$4,725,000 in cash in own vaults (members of the Federal Reserve Bank), to \$99,684,000, (not counted as reserve), a reduction of \$1,263,000 in reserves in the Reserve Bank of member banks, to \$547,945,000, and a decrease of \$478,000 in reserves in own vaults (state banks and trust companies), to \$11,236,000. Reserves in other depositories (State banks and trust companies) were increased \$1,379,000, to \$11,964,000. Aggregate reserves were reduced, though only nominally, the amount being \$462,000; thus the total is now \$571,145,000, as against \$548,426,000 last year. Surplus, however, as a result of an expansion in reserve requirements, lost \$6,881,060, which brings the total down to \$26,207,210, in comparison with \$74,406,620, the amount on hand in the corresponding week of 1918. The figures here given for surplus reserves are based on legal 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 \$99,684,000.

Regarding the purely local money market there was little of special interest. In comparison with recent weeks the rates for call money moved within a narrow range. No special loans at rates as high as 8% were reported, except possibly during the first day or two. Inasmuch as the transactions in stocks on the Stock Exchange were well in excess of one million shares a day the requirements of brokers must have been about as large as in recent weeks. It is easy to understand that from other sources the requirements were somewhat less. This was particularly true in respect to the offerings of new securities, the total for this week being considerably smaller than of late. The principal offerings were the Swiss Government loan for \$30,000,000 by Lee, Higginson & Co. and associates; the \$15,000,000 "Big Four" bonds by a syndicate headed by J. P. Morgan & Co., and \$15,000,000 Canadian Northern Ry. notes by Wm. A. Read & Co. The first and last named issues were quickly sold by the bankers, while it was stated that the "Big Four" bonds were steadily absorbed by investors. The time money market is extremely quiet. Our bankers are giving much attention to additional loans to European Powers, but at the moment it is impossible to make definite announcement regarding any of them.

Dealing specifically with rates for money, call loans have this week ranged between 5½@6%, as against 5½@7% a week ago. On Monday 6% was the only rate quoted and this was the high, low and ruling figure. Tuesday the high was still at 6%, with renewals also at 6%, but the low was 5½%. Wednesday there was no range, the rate being 6% all day. The range on Thursday was again 5½@6%, with 6% still the basis at which renewals were negotiated. On Friday the maximum was not changed from 6%; the minimum was 5¾% and 6% the ruling figure. The above figures apply to loans on mixed collateral. This week all industrial loans have ranged each day at ½ of 1% higher than those for mixed collateral, and the ruling rate on all-industrials all week has been 6½%. On Friday all-industrials were quoted at 6½% all day. For fixed maturities the situation remains without appreciable change. The market was called quiet, with only a few trades reported for sixty and ninety days on regular mixed collateral at 6% and for all-industrials at 7%. So far as could be learned the longer periods were not traded in. The supply of fixed date funds is still light and lenders not eager to enter into new commitments. Nominally, 6% continues the bid rate for all maturities from sixty days to six months. A year ago sixty and ninety days was quoted at 5½@5¾% and four, five and six months at 5¾@6%.

Commercial paper rates remain as heretofore at 5¼@5½% for sixty and ninety days' endorsed bills receivable and six months' names of choice character, with names not so well known at 5½%. The volume of business transacted was small in the aggregate, but brokers look for a broadening in operations in the near future.

Banks' and bankers' acceptances have ruled firm and still unchanged. No increase in activity is as yet reported, and very little improvement is likely until money rates relax. Trading was dull and

featureless. It is reported that German merchants are seeking acceptance credits in this country, but no definite arrangements have yet been made. Loans on demand on bankers' acceptances have not been changed from 4½%. Detailed rates follow:

	Spot Delivery			Delivery within 30 Days.
	Ninety Days.	Sixty Days.	Thirty Days.	
Eligible bills of member banks.....	4½@4¼	4¼@4¾	4¾@4	4¾ bid
Eligible bills of non-member banks.....	4¾@4½	4½@4¼	4¾@4	4¾ bid
Ineligible bills.....	5¼@4¾	5¼@4¾	5¼@4¾	6 bid

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

DISCOUNT RATES OF FEDERAL RESERVE BANKS.

CLASSES OF DISCOUNTS AND LOANS.	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.
	<i>Discounts—</i>											
Within 15 days, incl. member banks' collateral notes.....	4	4	4	4½	4½	4½	4	4	4½	4½	4½	4½
16 to 60 days' maturity.....	4½	4½	4½	4½	4½	4½	4½	4½	4½	4½	4½	4½
61 to 90 days' maturity.....	4½	4½	4½	4½	4½	4½	4½	4½	4½	4½	4½	4½
Agricultural and live-stock paper, 91 to 180 days incl. Secured by U. S. certificates of indebtedness—	5	5	5	5½	5	5	5½	5½	5½	5½	5½	5½
Within 15 days, including member banks' collateral notes.....	4	4	4	4	4	4	4	4	4	4	4	4½
Secured by Liberty bonds and Victory Notes—												
Within 15 days, including member banks' collateral notes.....	4	4	4	4	4½	4	4½	4	4	4½	4	4½
Secured by U. S. Government war obligations—												
16 to 90 days' maturity.....	4½	4½	4½	4½	4½	4½	4½	4½	4½	4½	4½	4½
<i>Trade Acceptances—</i>												
15 days maturity.....	4	4	4	4½	4½	4½	4½	4	4½	4½	4½	4½
16 to 90 days maturity.....	4½	4½	4½	4½	4½	4½	4½	4½	4½	4½	4½	4½

1 Rates for discounted bankers' acceptances maturing within 15 days, 4%; within 16 to 60 days, 4½%, and within 61 to 90 days, 4½%.

2 Rate of 4% on paper secured by Fourth Liberty Loan bonds where paper re-discounted has been taken by discounting member banks at rates not exceeding interest rate on bonds.

3 Applies only to member banks' collateral notes; rate of 4¼% on customers' paper.

4 Rate of 4½% on member banks' collateral notes.

Note 1. Acceptances purchased in open market, minimum rate 4%.

Note 2. Rates on paper secured by War Finance Corporation bonds, 1% higher than on commercial paper of corresponding maturities.

Note 3. Whenever application is made by member banks for renewal of 15-day paper, the Federal Reserve banks may charge a rate not exceeding that for 90-day paper of the same class.

Rates for commodity paper have been merged with those for commercial paper of corresponding maturities.

While sterling exchange rates have shown some improvement—the quotation at no time going below 4 28, as against 4 26¼ last week, and on one day rising to as high as 4 43—the situation remains one of extreme uncertainty, with bankers still displaying a marked disinclination to put forth any predictions as to the probable course of exchange. That irregularity, accompanied by sharp breaks and almost equally sensational rallies, may be expected for some time yet, is the general belief, while there are some who look for still lower levels. However, late in the week sentiment was more cheerful and following rumors that the plan for financing foreign trade that Henry P. Davison, one of the Morgan partners, is said to be working on and which would virtually syndicate American banks and American industry so that European needs would be satisfactorily met, has received the endorsement of President Wilson, a sharp upturn took place, carrying rates up more than 15 points. Coupled with this were reports that American and British bankers are conferring informally with a view to taking steps to rectify the present exchange position and, if possible, avert wholesale cancellations of foreign orders. It is reported that an order for a shipment of barley amounting to \$100,000 to England has already been canceled. No confirmation of these reports could be obtained, however, and the belief persists in certain quarters that Great Britain is still adhering to its

hands-off policy, being apparently of the opinion that a further rise in the dollar is necessary to convince people on this side of the Atlantic of the realities of the situation. The English view is that national extravagance and disregard of currency inflation, as well as the unsound and truculent attitude of labor, require and are likely to get an expensive object lesson.

The Committee of Foreign Exchange Bankers, appointed last week to investigate foreign exchange conditions, held its initial meeting on Tuesday and devoted itself to a general discussion of the foreign trade problem as a whole. Arrangements were made for further sessions in the immediate future, after which a full report of proceedings will be made to the Association of Foreign Exchange Bankers. The more optimistically inclined take the view that we are now passing through the worst period in the history of foreign exchange, and that within a few months there should be a permanent change for the better. By that time, not only will all details of the elaborate scheme for adequately financing our foreign trade, now under consideration, have been worked out, but Europe will have begun to recover from the paralyzing effects of the war and be better able to maintain a steady return flow of imports to this country in settlement of its debts, which in reality constitutes the only lasting solution of the problem. In the meantime, however, extreme caution is urged by the conservative element of the community, especially in the making of new commitments and in all speculative operations.

On Wednesday Senator Owen appeared before the Senate Banking and Commerce Committee in support of the Edge bill, amending the Federal Reserve Act by providing for the creation of large corporations in this country to engage in international banking, and it is further learned that this bill has met with the approval of the Reserve Board itself, and that Governor Harding, after pointing out one or two minor alterations in the technical construction of the measure, has signified his endorsement of it, although whether this or the Davison plan will in the end be adopted, is something which it is not possible at present to determine. Late on Friday it was reported that the Senate Banking and Currency Committee had reported favorably the Edge bill. A clause has been inserted to the effect that the controlling interest in these enterprises must be owned by Americans.

As regards rates from day-to-day, sterling exchange on Saturday of last week was steady though slightly lower than on the day previous; the range was 4 35 @ 4 43 for demand, 4 36 @ 4 44 for cable transfers and 4 32 @ 4 40 for sixty days. On Monday dealings were marked by sensational fluctuations and there was a drop of 7 points, with demand ranging at 4 28 @ 4 35, cable transfers at 4 29 @ 4 35 $\frac{3}{4}$  and sixty days at 4 23 $\frac{1}{2}$  @ 4 30 $\frac{1}{2}$ ; heavy offerings of bills were responsible for this fresh demoralization, while partial recoveries before the close came as a result of covering of shorts; trading was quite active. Firmness developed on Tuesday as a result of buying by several international banking houses and a diminution in the offerings of commercial bills, and demand went up to 4 31 @ 4 35, cable transfers to 4 32 @ 4 36 and sixty days 4 22 $\frac{1}{2}$  @ 4 30 $\frac{1}{2}$ . Wednesday's market was strong and higher, and there was a further increase to 4 36 $\frac{3}{4}$  @ 4 38 for demand, 4 37 $\frac{1}{2}$  @ 4 39 for cable transfers and 4 31 $\frac{3}{4}$  @ 4 33 $\frac{1}{2}$  for sixty days;

rumors that the President had approved the Davison plan for financing Europe, as well as a further restriction in the volume of offerings, were mainly responsible for the improvement. On Thursday further improvement was shown, on a brisk inquiry incidental to the fast mail boat scheduled for to-day, and quotations ranged between 4 38 and 4 40 for demand bills, 4 39 @ 4 41 for cable transfers and 4 34 @ 4 35 $\frac{3}{4}$  for sixty days; the shipping strike, which is hampering the issuance of bills of lading, has probably had much to do with the lessening in the overflow of commercial bills and thus relieving the tension upon exchange rates. Friday's market was steady, with demand at 4 37 @ 4 40, cable transfers at 4 37 $\frac{3}{4}$  @ 4 41 and sixty days at 4 33 $\frac{1}{4}$  @ 4 38 $\frac{1}{4}$ . Closing quotations were 4 35 $\frac{1}{4}$  for sixty days, 4 37 $\frac{3}{4}$  for demand and 4 40 for cable transfers. Commercial sight bills finished at 4 36 $\frac{3}{4}$ , sixty days 4 34, ninety days at 4 32 $\frac{3}{4}$ , documents for payment (sixty days) 4 33 $\frac{1}{2}$ , and seven-day grain bills at 4 35 $\frac{1}{8}$ . Cotton and grain for payment closed at 4 36 $\frac{3}{4}$ . The week's gold movement was still light, the only shipments reported being \$786,000 for export to South America and \$95,000 to England. It is learned that shipments of the precious metal are being made from San Francisco to the Orient and that \$2,000,000 for Japan and \$5,762,000 for China have gone forward this week. This would make the total of gold exported for the week \$8,643,000.

Dealings in Continental exchange this week have been marked by frequent and violent fluctuations, especially during the earlier days of the week, when French francs dropped back to within seven points of last week's low level, 7 17, while Italian lire broke to 8 67—one point above the low record recently established. Later on there was a rally at practically all Continental centres and despite some irregularities distinct improvement was shown, with recoveries of from 12 to 15 points. Much of this was due to hopes that the Committee of Foreign Exchange Bankers now in conference would soon devise some effectual means of relieving the situation, as well as talk of a resumption of arbitrary Government control, while of course the cancellation of a considerable volume of export orders, resulting in a corresponding curtailment in the supply of commercial bills offered for sale, was an influential factor in arresting the decline. Another influence has been the shipping strike, which is holding up the issuance of bills of lading and has probably aided materially in reducing the volume of cotton, grain and produce shipments.

International bankers appear to be of the opinion that very little is likely to be accomplished in the way of readjustment of the existing tangle until the immediate cause of the trouble has been removed, which, in other words, is Europe's great need of our raw materials and finished products and her present inability to pay for the same. The levying of import surtaxes and import restrictions by foreign countries may artificially limit the demand for American goods but will not remedy the fundamental difficulties. Importations of some form of commodities or their equivalent into this country from Europe, it is urged, must be arranged; and as exportable commodities of all descriptions are practically unobtainable abroad, the proposition narrows down to one of importing Government securities temporarily to tide over the present acute crisis. Actual losses to ex-

porters growing out of the falling rates of foreign exchange have already been enormous, and the present tendency, if not halted, threatens to very seriously curtail our export trade. There has even been some talk of diverting a portion of the American export trade to the neutral countries, where more stable rates of exchange prevail. One of the chief barriers to the successful distribution of foreign securities here is the unwillingness of the American public to risk its funds in foreign enterprises. Some of our most prominent financiers take the view that if foreign securities could be traded in on this market as freely as in London, we would be in a fair way of solving the foreign trade problem. Until something of the sort is brought about it will be necessary to maintain our present policy of granting huge credits, either as a Government undertaking or through private initiative.

Trading in German exchange has been of considerable proportions, though undoubtedly much of it was of a speculative character, and the quotation was forced down to as low as 6¾ for checks. Belgian francs shared in the general weakness. Rates for Austrian kronen have ruled around 3.15@3¼, Czecho-Slovakian crowns 5¾@5.80, Bucharest checks 8½@9, Polish marks 7¼@7¾, and Finnish marks at 8@8½. Very little business, however, is passing, and the quotations are largely nominal in character.

The official London check rate in Paris finished at 31.58, comparing with 30.94 a week ago. In New York sight bills on the French centre closed at 7 16, against 6 92; cable transfers at 7 14, against 6 90; commercial sight at 7 18, against 6 94, and commercial sixty days at 7 22, against 6 98 the week preceding. Belgian francs finished at 7 37 for checks and 7 35 for cable remittances, comparing with 7 27 and 7 25 last week. The final rate on German reichsmarks was 6¾ for checks and 7 for cable transfers. Lire closed at 8 57 for bankers' sight bills and 8 55 for cable transfers. This compares with 8 55 and 8 53 a week ago. Greek exchange has not been changed from 5 25 for checks and 5 23 for cable remittances.

In the neutral exchanges the undertone has been relatively steadier, and recoveries were shown in practically the whole list. Guilders ruled firm, as also did pesetas, though the Scandinavian rates were all virtually unchanged. Swiss francs were maintained at or near the previous close. Trading throughout was dull and nominal. At the extreme close there was a slight recession in guilders and Swiss francs.

Bankers' sight on Amsterdam finished at 37½, against 37½; cable transfers at 37¾, against 37¾; commercial sight at 37 7-16, against 37 7-16, and commercial sixty days at 37 1-16, against 36 1-16 on Friday of last week. Swiss francs finished at 5 65 for checks and 5 63 for cable remittances. Last week the close was 5 50 and 5 48. Copenhagen checks finished at 22.50 and cable transfers at 22.70, against 22.50 and 22.70. Checks on Sweden closed at 24.60 and cable transfers 24.80, against 24.70 and 24.90, while checks on Norway finished at 23.70 and cable transfers at 23.90, against 23.70 and 23.90 the week previous. Spanish pesetas closed at 19.20 for checks and 19.30 for cable remittances. Last week the close was 18.95 and 19.05.

As to South American quotations the undertone has remained steady and the rate for checks on Ar-

gentina closed at 43¼ and cable transfers 43¼ (unchanged). It is learned that the American dollar reached par in foreign exchange quotations at Buenos Aires for the first time since the United States became a belligerent. This followed the arrival of a heavy consignment of American gold coin, and at one time dollars were quoted as high as 1 peso 4½ cents. The par value of the American dollar in Argentine gold is 1 peso 3½ cents. For Brazil the check rate finished at 27¼ and cable transfers 27¼, the same as a week ago. The Chilean rate is now 10¼, against 10 25-32. Peru continues to be quoted at 50.125@50.375.

Far Eastern rates are as follows: Hong Kong 80@80¼, against 80@80¼; Shanghai, 123½@124, against 122@122½; Yokohama, 50¾@51, against 50½@50¾; Manila, 49¼@49½ (unchanged); Singapore, 52¾@53, against 55@55¼; Bombay, 40@40¼, against 43@43½; and Calcutta (cables) at 40@40¼, against 42@42½.

The New York Clearing House banks, in their operations with interior banking institutions, have gained \$6,555,000 net in cash as a result of the currency movements for the week ending July 25. Their receipts from the interior have aggregated \$9,452,000, while the shipments have reached \$2,897,000. Adding the Sub-Treasury and Federal Reserve operations and the gold exports, which together occasioned a loss of \$107,716,000, 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 \$101,161,000, as follows:

Week ending July 25.	Into Banks.	Out of Banks.	Net Change in Bank Holdings.
Bank's interior movement.....	\$9,452,000	\$2,897,000	Gain \$6,555,000
Sub-Treasury and Federal Reserve operations and gold exports.....	29,529,000	137,245,000	Loss 107,716,000
Total.....	38,981,000	140,142,000	Loss 101,161,000

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

Banks of	July 24 1919.			July 25 1918.		
	Gold.	Silver.	Total.	Gold.	Silver.	Total.
England	£ 88,330,535	-----	88,330,535	£ 67,127,976	-----	67,127,976
France a.	143,526,019	12,000,000	155,526,019	135,817,795	11,080,000	146,897,795
Germany	55,726,450	997,000	56,723,450	117,354,000	6,039,700	123,393,700
Russia *	129,650,000	12,375,000	142,025,000	129,650,000	12,375,000	142,025,000
Aus-Hun. c	10,927,000	2,383,000	13,310,000	11,008,000	2,289,000	13,297,000
Spain	90,888,000	25,940,000	116,828,000	84,732,000	27,763,000	112,495,000
Italy	32,712,000	2,904,000	35,616,000	33,480,000	3,145,000	36,625,000
Netherl'ds	64,385,000	582,000	64,967,000	59,849,000	600,000	60,449,000
Nat. Bel. b	10,642,000	1,154,000	11,796,000	15,350,000	600,000	15,950,000
Switz'land	18,723,000	2,779,000	21,502,000	15,322,000	-----	15,322,000
Sweden	16,046,000	-----	16,046,000	14,333,000	-----	14,333,000
Denmark	10,432,000	143,000	10,575,000	-----	136,000	10,711,000
Norway	8,176,000	-----	8,176,000	6,511,000	-----	6,511,000
Total week	670,164,004	61,317,000	731,481,004	700,702,771	64,027,700	764,730,471
Prev. week	671,029,371	61,689,000	732,718,371	699,558,173	64,130,600	763,688,773

a 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 Journal" for Dec. 7 1917.

b Figures for 1918 are those of Aug. 6 1914.

THE TREATY WITH AUSTRIA.

From the moment when the terms of peace which were finally to end the war were first discussed, it was tacitly recognized that the central problem was embodied in the terms to be imposed on Germany. That Government having been, by the unanimous recognition of the civilized outside world, the real author of the great war, it was Germany whose reparations, restitutions and penalties had first to be decided upon in the Conference at Paris. This has been done. But the completion of that special task and the converging of public interest on the manner in which it was effected, inevitably diverted interest from the terms to be imposed upon Germany's allies.

Nevertheless, it was impossible that these three allies should escape their share of the penalty. Austria, in defiance of the efforts of other friendly Powers, had persisted in her wholly unwarranted and wholly impossible demands on Serbia. Her armies had performed the first overt act of war, and, in conjunction with the German army, had been responsible for the invasion and devastation of Serbia, as ruthless as the German invasion of Belgium. The Ottoman Empire not only chose to co-operate with the war program of the Central Powers, but conducted its own campaign, notably against the Armenians, with a bloodthirsty purpose which marked its government as unworthy of a place with the civilized governments of Europe. Bulgaria, though in many ways less directly responsible for the origin and character of the war than her three allies, could not escape some part in the reckoning.

The terms of peace laid down for Austria were handed to her delegates at Paris last Sunday. They prescribe, like those imposed on Germany, for a minimum military armament; not more than 30,000 men. The independence of the various subsidiary provinces of the old empire, which have already broken away politically, must be recognized; that, indeed, being a foregone conclusion announced to the Vienna Government during and shortly after the armistice and accepted by that Government. The treaties of Bucharest with Rumania and of Brest-Litovsk with Russia, are to be voluntarily nullified. Austria must also make good to the States which she invaded all property destroyed by her during the invasion, and must restore not only all public records, documents and collections taken by her armies from the captured cities, but the historical and artistic material taken forcibly from Italy, Belgium and Poland between 1718 and the present day.

There remained the question of pecuniary reparation, and this was more difficult than in the case of Germany, because, while the German imperial domain was left by the war intact for the most part, the old Austrian Empire had been split into nearly half a dozen fragments even before the war was officially ended; some of these new independencies being friendly to the Entente Allies. Since the present treaty is imposed only on Austria proper—the trunk, so to speak, which remained after the separation of these numerous important members, and now, in population and territory, amounting to barely one-fourth of the old empire—the money indemnity could not have the scope of that which was applied to Germany. It is stipulated in the treaty, therefore, that the indemnity shall be limited to actual damage done by the Austrian armies to civilians and civilian property, and the amount is left to be fixed by the Allied Reparations Commission.

This Commission is also to decide on the distribution of the Austrian internal debt between the new Republic of Austria and her former provinces, now independent States; but Austria alone is to be responsible for the Empire's external war debt. As with Germany so with Austria, the indemnity, aside from a "reasonable sum" to be paid in the near future, may be met through a bond issue running thirty years. The somewhat anomalous fact of a Government committing its State to a payment whose aggregate amount is not yet decided on, exists, therefore, in the case of Austria as in that of Germany. Of this perhaps unavoidable arrangement, it must be said that the wisdom and justice of the eventual

settlement depends on the attitude of the Commission.

With these terms accepted—as they undoubtedly will have to be—what are we to look for in the political future of this disintegrated Austrian Empire? The problem is undoubtedly most obscure. Even before the war, when it used to be taken for granted that only the life of the old Emperor Francis Joseph stood in the way of such a breaking up of his empire, it was widely believed that the already existing political chaos of the Balkans would be profoundly aggravated by the disruption of Austria. There is a conviction now, even among many experienced statesmen, that the outlook for Southeastern Europe is now the darkest spot in the entire political horizon. If the mutual jealousies of the four or five small Balkan States outside of the Austrian Empire were a ceaseless cause of war before 1914, what was to be expected when Hungary, Czecho-Slovakia and Poland had been added to the number of smaller independencies, with all political resentments of the great war and all the territorial disappointments of its settlement?

Some of the statesmen and some of the writers answer that there is no hope of anything but continued war. There is, however, another outcome which must at least be recognized as possible. It will result, if it results at all, from three vital changes which the war has brought to the Balkan situation. Of these, the first is the undoubtedly impending elimination of Turkey as an occupant of the Balkan peninsula. This change will remove alike the motive of war in revenge for Turkish outrage and the motive of war for possession of the territory of the dying Ottoman Empire.

The second change is the disappearance of the powerful Austrian Empire; whose constant intrigue, sometimes to provoke a small Balkan State to war against its neighbors and sometimes (as in the matter of Bosnia and Herzegovina) to appropriate to itself territory logically belonging to one or another Balkan nationality, was the most fertile cause of Balkan conflicts in the past. Hardly less important is the condition into which Russia has fallen—a nation whose former imperial ambitions and policies, and whose personal antagonism to Austria, gave courage to Balkan governments which Russia favored, to resort to an otherwise doubtful and precarious war.

We do not by any means undertake to argue that these changes remove the motive for Balkan disputes and Balkan wars. It is possible that inter-Balkan jealousies may be intensified by the rise of States like Serbia to territorial magnitude and political power, and by disappointment over the division of territory. But one must at least admit that the old situation in the Balkans no longer exists in the shape into which it had been moulded by the unhappy Berlin Treaty of 1878.

Cause of international friction may be even greater than they were before 1914; the experience of the Italian principalities prior to United Italy, of the States of South America, and even of our own American States prior to the constitution, is not in this regard encouraging. But even as to this, it must be said that the instinct of political self-preservation is sure to lead to an effort at guarantee against such a series of fruitless conflicts, and that the way to such a guarantee was pointed out, even before the war, by the Balkan League which Venizelos had created. Back of a localized league, such as this would mean, moreover, there will, if the plans of the Paris Con-

ference are carried out, stand the immense moral and political pressure of the world-wide League of Nations. In no part of the world should the restrictive and coercive powers of that League—embodied in its authority, not only for political pressure on a defiant Balkan Government, but for financial and economic boycott on the offending State—be more sure of tangible results than with the small nationalities of Southeastern Europe.

#### THE DEBATE AND THE LEAGUE OF NATIONS.

Superlatives of speech were exhausted in describing the world war. Language is no less tried in expressing the momentous import of a League of Nations. If universal peace shall follow almost universal war, the League of Nations, granting it to be the organic instrument thereof, becomes the crowning glory of civilization, as the now spent war was its deepest degradation and infamy. The mind, then, contemplates, in its consideration of the League, the greatest good that can come to man. It is not true, however, that if the League fail it becomes the greatest evil that can befall. Nor yet is it true that "anything is better than nothing." The all-comprehensive instrument is to be approved or rejected upon its merits. All history has led up to it; in it destiny is enfolded; and theoretically it contains all that is and is to be. So great transcendent in importance is the document that it tests reason, intelligence, and logic, and its analysis is a task fit for the best minds of the greatest States of the world.

In the midst of this debate, in so far as the League concerns the United States, the American people now find themselves. If, in the public life of the nation, there seem to be none of the giants of old who unfolded the spirit and structure of republics, we should remember that time and distance lend glamour to "the greatest document ever struck off by the hand of man," and that the background of the birth of liberty in a new continent had in it no terrific convulsion of war engulfing the greatest and strongest States at the very highest consummation of their historic progress. As the world of to-day is more advanced in arts and industries, in commerce and culture, than the world of '76, so what has been termed a world's "Declaration of Independence" is a more inclusive, a more comprehensive, a more momentous written contract, than was that sublime Declaration of ours, followed soon by a written Constitution forming and creating a Republic, we fondly love to think still stands a model for all peoples through all time.

We must therefore, as citizens, endeavor to see the present-day world in its entirety if we would appreciate the task now laid upon us to voice approval of this League of Nations as now presented to us. Needless is it now to dwell upon the manner of its coming into being. Albeit in response to a universal yearning for some means of perpetual peace, it is the assumed work of plenipotentiaries empowered to conclude peace with a defeated enemy. It is embodied in that Treaty of Peace, whether wisely or unwisely; whether adroitly for advantage, or openly for effect upon the questions of settlement by the Treaty. It may be separated from the Treaty by the Senate of the United States or it may not; it must be considered as a League of Nations plan upon its contents. And while in its formative draft it does not include the voice of all nations, and is a creature of

five great Powers (principally), a construction of five men occupying pre-eminent though temporary official station, its intent is to embrace all nations, and therefore it affects the relations of the United States to all nations throughout all time.

Now, it is the responsibility of citizenship in a republic that the citizen cannot shirk his duty, however large it may be. He *must* at this time consider this League of Nations plan and proposal upon its merits, for it is related to this Republic in an unalterable, an unavoidable, way. If ever men who love their country were called upon to "stand fast," they are called upon now. With unparalleled patriotism our citizenry gave unresistingly and unselfishly to war. And they must do so now, though in a different way. Then, perhaps (as many believed the enemy were already thundering at the gates), there was not full time for deliberation. There is now—though we must regard the interweaving of Treaty and League as an unfortunate complication tending to cloud the issue and possibly postpone a ratification that otherwise would quickly come. But this, as we have said, cannot prevent what must be—calm and dispassionate judgment upon a plan tremendously important in itself and transcendently important to our people because we are not only to be in it, but are to be affected by it through all the years to come.

It is a solemn hour. Let none deride it. We read the gigantic debate as it proceeds from day to day and we are not impressed with that fancy "this is an age of little minds." We are hero worshippers, we are ingrained partisans, we are wont to follow our leaders—but as we listen and ponder, it cannot be that one man, or one side, has all the truth, all the argument. For ourselves we hear some great and unassailable principles propounded, and upon which hang all the law and all the prophets. And would that there might be some way in which the individual citizen could decisively express himself before this profound deed is done. We hail as honest the debaters on both sides this question. We know that personal ambition is not dead, we know there are crimes committed in the name of freedom and that one of them is to point the finger of scorn at the man who questions the ostensible good, who would discover menace and evil if they exist, and save the people from unknowing and unthinking sacrifice, even while the cry of onward and upward rings in the air. And it is a test of the spirit of fairness we have so long boasted that to these eminent debaters we give our attention and our respect, whoever they are, whatever be their conclusions. Not the man but our country is the issue. And, after all, none can escape the conviction, it is our people and our nation first, and the world afterward, if for no other reason than that our benefit to the world, whatever we do, is contingent upon the soul and character of the nation we maintain and preserve.

As citizens and men no narrow spirit should engage us. We have been lifted to exalted heights. By many a vacant fireside (though that many be few) sorrow dwells. On our hearts has fallen the weight of the woe of a world. We have fought a good fight. We do not say, we will not say, we will never do the like again. But to bind ourselves in honor to proposals that involve us in *any future that may come* surely this should give us pause. Never should honor be sacrificed to time and expediency. Never should reason and a firm resolve be swayed

by sentimentalism. We have lifted up, we have bowed down to, an ideal noble and spotless in itself. But realities must be acknowledged. We cannot escape them. We cannot move the whole world forward to harmony and perfection by any declarations, or in a year or decade of time. We must live while we hope and help. Broken promises come home to destroy us. A League that does not make for peace, may make for war; and we should so consider any plan proposed to us. We argue not now "points" or principles. We plead, and unnecessarily, too, for the suspended judgment of the people, our people, the people whose judgment and devotion have upheld the republic to this hour.

If men in colonial days were broad, free, independent, wise, farseeing, devoted and exalted, they may be so now. The citizen's manifest duty now is to hear with unprejudiced attention both sides, and then in the solitude of his own mind and heart make his own conclusion. Only thus are men honored who stand out in the light and give reasons for their beliefs; only thus can a republic be preserved, no matter what it does, for upon the conviction and consent of each citizen does the will and wisdom of the whole rest.

#### LABOR AND THE LABOR VOTE IN AMERICAN POLITICS.

A news item draws a picture of Lloyd George as the statesman of surprise. It cites him as often doing the very thing the people thought he would not dare to do. It suggests, he not being at this time "popular" with "labor," that, in the changing phases of English politics, he may come out boldly for Government ownership of certain prominent public utilities, on the ground that the people should have opportunity to decide—thus turning the tables on some of his opponents who would employ an element of the labor vote against him. The growing attempt to "internationalize" labor gives such a movement significance to the United States for its collateral effect, though neither in government or politics is there parallel to Great Britain. Suggestive though this announced stroke of policy may be to us, as showing the abounding and increasing power of so-called labor, there are ample indications at home that what is broadly termed the "labor question" will certainly impose itself upon our politics, in some form, in the coming election.

It is therefore eminently important that the citizen, prior to the particularization of the problem in our political platforms consider its general aspects. To begin with what *is* labor but the necessary life of man, a divine endowment, not a curse or penalty, as is easily shown. Whatever the *form* of government, labor must go on. It is as various in kind as the wants and needs of man. Labor sustains life, the man; and the man, in all his compound nature, founds and maintains government. Labor in some form is necessary without government. But government protects labor, in that it provides opportunity and security for it, under law, which guarantees liberty. This at least is consonant with our republican representative system. Government, on the contrary, does not labor. It is merely authority secured by combined will out of free consent and in essence produces nothing material, not a grain of wheat, not an ounce of steel. When therefore government has protected the individual in his power to sustain himself through usefully applied toil its

whole relation to labor has ended. How then can labor become a contention, or component, of our politics?

We have said that the mission of representative government in a republic is to provide "opportunity" for labor. And here is where a major misconception creeps in. Many construe this to mean that government should provide actual means of labor. Opportunity to do a thing is not doing it. Opportunity is merely a state of freedom, if rightly used in this discussion. The man alone can perceive and seize the opportunity, and we may add that the doing of this not only stamps him as a man, but makes him one. If government assumes to provide the means and ways of labor, it makes the man a slave. All are familiar with the "organization," more, the "unionization," of labor. Theoretically, for many years, stress was laid by union labor upon the statement that it was essentially non-political. Ideally and actually this is so, and should remain so. Yet continually "union labor" has increased its power over government. The war has tremendously accentuated this. The mask is fast falling. And by appeals, if we say nothing of threats, union labor is pressing itself upon the control of government.

Another great fact asserts itself at this point—the history of the influences of so-called "capital" upon government. We are using these terms purposely in their popular sense. We need not trace the tariff and money politics of a quarter of a century before the war. In a way the growth of favoritism is co-extensive with the growth of paternalism. Not in a day or a decade have we come to look upon government in its grasp and hold upon "business" which is but a synonym for all labor. Nor can we charge this condition wholly upon either of the two old parties. Both have sinned. Taking only one phrase from the partisan vocabulary, "the rich are growing richer and the poor poorer," if it was charged rightfully, the rich grew richer by "governmental favoritism," it was true, and is true to-day, that the poor proposed "governmental favoritism," however much they may have ranted about justice, as the means of their redemption. Through it all we have now come to the one great overshadowing issue, whether or not labor shall become an oligarchy shaping and ruling a free government.

It follows that if capital was wrong, is wrong; labor was wrong, and is wrong. It is often said that these interlocking relations of labor and capital could not have been foreseen by the fathers and founders of the republic. The clarifying truth is that it was not necessary for them to foresee or forecast them, for they are no part of the free government they established. And if their conception of government was a true one they are no part of our system to-day. Labor and capital are economic factors of human life, and are not political questions touching either the spirit or structure of our Government. And the supreme error and evil of the time is that they are made so. Back of the vote is the voter, but no voter has a right to fill his pocket by voting to himself favoritism of government, be he poor or rich. And when we put as much patriotism into civic affairs as we have lately put into war, he will not do so. And at this very hour there is no more important fact for us all.

A Presidential election will soon occur. Candidates are to be selected. Everywhere men are asking: what will labor do to this or that proposed

candidate? What should labor (or capital for that matter) do, but support the Government. And how—save by enforcing the laws as they stand upon the statute books, and not by ostensibly promising favors to either labor or capital? And what should Congress do, but repeal insidious and favoring laws already enacted, and thus reconstruct our economic relations, free them from politics; and enact no other laws that do not guaranty "life, liberty and the pursuit of happiness," without regard to classes or vocations, freed from favoritism and paternalism, life being labor and labor being life. Returning to a strict definition, labor is capital, and capital is labor. They can be allies—and they have beheld themselves as enemies—living in a state of reprisals. Freed from politics and consequent Governmental interferences they return to economics.

Is there then no remedy, no relief, if you will have it so? There is. That infinite power that made continents with diversified resources and men with diversified powers, in the moment of creative enactment established the ultimate equilibrium between the forces set up—and it is the simple law of "the greatest good to the greatest number,"—which is the mainspring of every effort and invention man puts forth in a material world, whether he himself consciously wills it so or not. And by and before this infallible law the rich *do* become, often, poorer, and the poor as often richer; and men are given dominion; and monopolies and trusts appear to disappear, and progress lights the way to independence, comfort and joy. As the spiritual nature of man emerges, acquisition though necessary to progress, softens toward the human nature, toward the humanities, and becomes its own law, powerful despite Government. Why then this mortal fear of the labor vote, this abject cringing to paternalism, when under economics we are nearer to liberty than under politics?

#### THE PACKING INDUSTRY AND THE FEDERAL TRADE COMMISSION.

Simultaneously with the Federal Trade Commission's recommendation to Congress that a disinterested agency be established which shall have supervision over re-sale prices of "identified" goods and shall have power to revise those prices on complaint by any party interested, a scheme which would naturally lead to a broader one for fixing all retail prices, that body has issued what is called Part I of an investigation into the meat industry, bearing on the "Extent and Growth of Power of the Five Packers in Meat and Other Industries." This report is equal to filling nearly five long newspaper columns, but really contains nothing new. The objects of the Commission's dislike are still referred to by the opprobrious term of Big Five, for so wrought up are the members of the Commission that they cannot speak without flinging epithets. The gist of this attempted new indictment is that the packers are engaged in many by-products and side lines and are succeeding in everything they touch, Size and Success being still imputed as crimes which stand as proved without specific evidence. For a sample sentence, this: "in addition to meat foods, they produce or deal in such divers commodities as fresh tomatoes and banjo strings, leather and cottonseed oil, breakfast foods, vin fiz, curled hair, pepsin, and baking powders; their branch houses are not only stations for the distribution of meat and poultry

but take on the character of wholesale grocery stores, dealers in various kinds of produce and jobbers in special lines of trade."

The diatribe goes on to say that these enemies of the race are interested in nearly every industry, in public utilities, in banks, in publishing, and not only in all kinds of edible articles, but in other commodities. They have grown, they have grown; "starting with two branch houses in 1884, the Big Five had 211 by 1894, 743 by 1904, and operated 1,120 in 1917."

It is not necessary to follow these unsupported accusations in detail. Under the pressure of high living costs, the average man hardly needs the pointing of a finger to make him impute the cost of meats to the greed of the Chicago packers; and antagonism is fanned to greater heat when this Commission, established in 1914 to investigate and take to the courts any cases of unfair practices in competition, follows the methods of yellow journals by using a term of designation which is itself an insinuation of wrong-doing and indulges in accusation without attempting to adduce evidence. In the violent attack of a year ago, the members of this body showed their animus by saying, as the first count under the heading "evidence of combination," that, "in the first place," these five corporations began small and four of the five have, for several generations been in control of the same families. Similarly, they say now that early in 1917 Armour & Co. took up rice and in that year sold over 16 million pounds, thus claiming to have become the largest rice merchant in the world. The writer then passes to generalized statements about other materials, interjecting this remark as he turns away: "during this period the wholesale price of rice increased 65%." The intended inference is entirely plain.

In a criminal trial, the State's prosecutor usually opens by sketching the case, deftly managing the lights and shadows, making it appear natural that the prisoner at the bar would, and probable that he did, commit the deed of which he stands accused. If the trial ended at that stage and the case went to the jury without comment from the presiding judge, and if the jury was ready from the first moment to glare angrily on the defendant, the situation would be a travesty on justice yet not far unlike what is presented when this Commission sends out diatribes against business concerns that it chooses to particularly dislike. In the matter of rice, for example, just mentioned above, if the wholesale price did advance after the Armours began trading in the article there is no evidence that the advance was caused by their action; on the contrary, they may have kept it from going still higher, for all anybody knows.

Some of the packers broadly advertise specific figures about their business, the apportionment of gross receipts graphically shown by the "Swift-Dollar" diagram being one of them. They also say that beef has risen less than some other food necessities, less than one-half as much as flour, for example: and they quote from the report of the U. S. Food Administration for last year the statement that the packers' profits on controlled products in the year ending with last October were, "under the rules of the Food Administration, 5.6%, or considerably less than the maximum allowed by those rules." These statements are specific, not merely



in general denial. They are correct, or incorrect. They are susceptible of attack, of defense, of analysis, of support, of overthrow. So here is the rational and decent place for concentrating fire by anybody who wants to establish truth rather than inflame still higher a popular pre-judgment. In presenting such figures, the packers lay their cards on the table, as the saying is. Prove them falsifying, or even prevaricating and concealing, and they are beaten at once and finally in the court of intelligent public opinion. If these commissioners have the evidence to sustain their attacks the proper course is to produce it, piece by piece and link by link, instead of calling names and putting out vituperative statements which never get down from generals to particulars.

But for argument suppose it is all true, what then? What is to be done about it? A year ago, the Commission did not urge punishment or even suggest criminal indictment; their counsel was that the Government seize "the distributive utilities now controlled by the Big Five." Now they suggest no remedy, but by implication the Government should seize and attempt to operate all the varieties of business there are, as the alternative to permitting these wicked men to acquire and dominate them all. And this when the country is beginning to desire and decide that Government shall take its hands off and confine itself to the few things it must do but does very badly.

The National Wholesale Grocers' Association, we are also told, is about to petition the Inter-State Commerce Commission for relief from the special favors shown to the packers by the railroads, and the Acting Secretary of the Agricultural Department declares that profiteering "somewhere between wholesalers and retailers" is robbing the consumers of meats; so he thinks it plain that Governmental supervision over meat products throughout is needed. The charge of discriminative favors in transportation used to be made more or less, long ago, while the roads were in private control. If such a practice is really going on now, is it not another count in the indictment of Government handling; and what would befall us if Government undertook everything from dressing us in the morning to tucking us in our beds at night?

#### CANADA TO DISCONTINUE FINANCING FOREIGN BUSINESS ON PUBLIC CREDITS.

*Ottawa, Canada, July 25 1919.*

The Canadian Government has practically issued notice to Canadian manufacturers that no more foreign business will be financed on public credits. A credit of over thirty million dollars to the Greek and Rumanian governments formed the last item of Federal financing of export trade. Before returning to England last week, Mr. Lloyd Harris, Chairman of the Canadian Trade Mission in London, made an announcement on this point which undoubtedly had the authority of the Dominion Government. "I have had a strenuous time in London," said he, "during which I have been more and more convinced that our public requires educating in the tremendous possibilities of trade with Europe. I am not in favor of granting further Government credits as I think our banking and financial interests, with Government co-operation, could do the work more efficiently. These have the machinery and need only employ it. I believe a central organization

could be formed which would make the necessary advances. They would take in return the securities from foreign governments and in this way the public would participate. We must keep up the war-time standard, if possible, in exports of raw material and foodstuffs but I want to impress on the Canadian people the importance of non-Government credit."

The establishment of a co-operative national machine for selling, distributing, and financing Canadian overseas exports will constitute one of the first problems to be taken up by the successor of Sir Thomas White, late Minister of Finance. As a preliminary, the larger Canadian banks have been effecting alliances with representative British banks, and establishing agencies at Paris.

#### CANADA'S SHIPBUILDING PROGRAM.

*Ottawa, Canada, July 25 1919.*

The shipbuilding program of the Canadian Government is progressing vigorously, even in the face of incessant labor troubles. Under the settled policy by which the Canadian National Railways will own and operate a fleet of cargo carriers, seven freighters have been put in commission, mostly this season, and thirteen more are expected to be ready for fall business. Thus, 1919 will give Canadian exporters 100,000 additional tonnage under Dominion control. By October 1920, states the Minister of Marine and Fisheries, the initial program will be completed and forty-five ships of an aggregate tonnage of 300,000 will be in operation in connection with the Canadian National Railways.

These vessels are destined for trade in the North and South Atlantic and a similar service must be provided in the Pacific to take care of the needs of the Government lines having terminals at Vancouver and Prince Rupert. All of the ships now in commission have accepted business at a profit-making figure. The Minister of Marine and Fisheries recently claimed that he could sell the Canadian-built ships to New York companies at any time and show a handsome premium over cost. In the Government's participation in the shipbuilding industry there is no threat of State monopoly. Apparently the Government is determined to use its resources to provide the country with ships at the earliest moment and is quite willing to leave the field clear for private enterprise should it manifest capacity for equaling the Government's record. Seven and eight-thousand ton carriers have been about the maximum of Government production but of the steamers now under order two of 11,000-tons each will be utilized for the grain trade to the United Kingdom. To overcome one of the severest handicaps of steel hull construction in Eastern Canada, a plate mill is being erected at Sydney, Nova Scotia, and will probably be in operation at the end of November next.

At the beginning of 1915, tonnage under Canadian registry amounted to 932,422, including 4,054 steam vessels of 744,783 tons. Twenty-five years ago, Canada held fifth place among the great maritime nations, but in 1915 had fallen to tenth place. During the last days of wooden clippers, half the population of the province of Quebec was engaged in ship construction, but the sudden development of steel hulls and steam engines, and the destruction of the most accessible ship timber, found Canada relatively unprepared to bear her part in the new order.

In observing the efforts of the present Government to create a Canadian merchant marine subject to public direction, it is interesting to note that at the commencement of the war, Canadian vessels were carrying only about 10% of the country's imports by sea and 12% of the exports.

#### BUILDING OPERATIONS IN JUNE AND THE HALF-YEAR.

That determined effort is being made to relieve the housing situation in the United States is indicated by the returns of building operations for June. Progressive expansion in construction work was a leading feature of March, April and May, but it has remained for June to furnish most convincing evidence of the revival of activity in the building industry of the country. A marked increase, indeed, in the number of contracts entered into has been instrumental in conjunction with the inflated cost of materials and labor, in running up the total of estimated outlay under the permits issued at 171 cities to a level never before attained in a monthly period. It is quite safe to assume, of course, that the high costs referred to had so much to do with swelling the current aggregate, that due allowance therefor would show that in actual volume of construction May and July of 1916 would outrank June of 1919; but in actual contemplated expenditure the latter holds the record. The satisfactory feature is that in some measure, at least, before cold weather sets in, there will be some reduction in the famine of structures for both dwelling and business purposes, and, inferentially, less opportunity for rent profiteering.

It is worthy of note, too, that activity in operations has now become widespread, only 15 cities of the 171 included in our compilation failing to report a total greater for June this year than last, and with two exceptions they are municipalities of limited size. On the other hand, quite phenomenal expansion over June of recent years, as expressed in intended outlay, is indicated at very many points. Included in this category are such leading cities as Greater New York, Chicago, Philadelphia, Cleveland, Detroit, St. Louis, Los Angeles, Indianapolis, Milwaukee, Denver, Seattle, Portland, Ore., Baltimore, Washington, Richmond, Atlanta, Dallas, New Orleans, Norfolk, Memphis and Houston.

That this renewed activity in building operations has not been without important effect in the materials markets is clearly indicated by recent remarks of those who have made a study of the situation. The Dow Service Building Reports quite lately stated in effect that the building material manufacturers, sensing a cost crisis as they view the late fall and spring building movements, show a tendency to rush production to replenish depleted stocks, and at the same time meet current delivery conditions. But something approaching a stampede for supplies is developing throughout the country that is preventing stock accumulations. The same authority remarks that trouble with labor is acting as the sole barrier to a riotous condition in the building material demand, the steadily increasing movement out of distributors' yards into actual consumption in Manhattan and Brooklyn having been marked by strikes in the building trades which have retarded work to almost war-time extent.

For June 1919 the only cities of prominence in which declines are noted are Pittsburgh and Jersey City. In all, the estimated cost of the operations for

which contracts were announced during the month at the 171 cities aggregated \$127,540,736, against \$47,676,924 in 1918; in 1917 the total was a little under 70 million dollars, and in 1916 approximately 100 millions. All of the five boroughs of Greater New York exhibit large gains and the aggregate for Queens is the heaviest ever recorded for a single month. The amount for the whole city reaches \$29,705,569, against  $5\frac{1}{8}$  millions last year,  $13\frac{1}{2}$  millions in 1917 and  $27\frac{1}{4}$  millions in 1916. For the cities, outside of New York, the month's total is over 55 million dollars more than last year—\$97,835,167 contrasting with \$42,495,822.

The exhibit for the half-year, however, is much more conclusive than that for the month in indicating prevailing conditions. In this case we would have to go back to 1916 for a heavier total than now recorded. It is understood, of course, that in making this statement we are basing it upon the expenditure arranged for, and not upon the volume of construction, which latter there is no way of ascertaining. Our six months' statement covers the same 171 cities as for June, and gains are very largely the rule, with the aggregate of intended disbursements \$455,668,923, against \$251,903,837 last year, 440 millions two years ago and 520 millions in 1916. In Greater New York the contemplated outlay at \$90,383,436 is not far short of three times that of 1918, and contrasts with \$66,508,061 in 1917 and \$113,748,443 in 1916. Outside of New York, the total at \$364,785,487 compares with \$218,212,930 in 1918 and 410 millions in 1916, which is the high record mark for the period.

Reviewing the returns by sections, we note that 20 of the 24 cities in New England report for the six months larger aggregates than for 1918, with the total for the group nearly 13 million dollars in excess. Of the 42 municipalities in the Middle States (Greater New York not included), 10 show a decrease from a year ago, but quite small in most cases. The total of all, however, is  $43\frac{1}{8}$  millions above last year, with Philadelphia contributing over 12 millions to it. In the Middle West the 30 cities from which returns are available give an aggregate 63 millions more than a year ago. The only declines are at Youngstown and Terre Haute. At the South, too, the result is very satisfactory, the gain at 34 cities reaching  $20\frac{1}{2}$  millions. Diminution in activity as compared with 1918 is to be noted at only 5 points, and that quite unimportant.

On the Pacific Slope an increase in construction work is reported by 14 of the 15 cities, making returns, and the aggregate of all is about  $11\frac{1}{4}$  millions in excess of a year ago. The "Other Western" group of 25 cities has done better than a year ago, but less notably so than other sections of the country, this being due to the phenomenally heavy operations at St. Paul in April 1918. The prospective outlay, nevertheless, shows an augmentation of 6 million dollars.

Latest returns from Canada indicate increasing activity in building operations in the Dominion, but along much more conservative lines than in the United States. At the same time, however, expansion has been quite general and particularly notable at such points as Toronto, Ottawa, London, Guelph, Halifax, Moncton and Regina. For June of the current year 30 cities in the Eastern Province report in the aggregate a considerable increase in the contemplated outlay arranged for, as compared with 1918, but the West (14 municipalities) exhibits only a very

moderate gain. For the whole of the Dominion, 44 cities, the total is \$2,962,671 more than a year ago, \$6,993,069 contrasting with \$4,030,398. The half-year exhibit is much better than for 1918 or the three years preceding, but compares rather unfavorably with 1914 and several previous years. Briefly, the outlay arranged at the 30 cities in the East aggregates \$23,620,684, against \$12,989,829 last year, close to 14 millions two years ago, and some 39 millions in 1914, and in the West (14 cities) \$5,042,871, against \$4,451,757 and 3 millions and 26 millions. Therefore, we have for the 44 Canadian cities this half-year a total of \$28,663,555, against \$17,441,586 a year ago, 17 millions in 1917, no less than 65 millions in 1914 and still heavier aggregates in 1913 and 1912.

## 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  $5\frac{1}{2}\%$ , the rate recently prevailing. The bills are dated Monday, July 21.

### SUBSCRIPTIONS TO BRITISH VICTORY LOAN.

Subscriptions of £708,000,000 to the British Victory Loan the details of the offering were given in our issue of July 12, page 122) were reported by Austen Chamberlain, Chancellor of the Exchequer, on July 17. A special cablegram to the "Journal of Commerce" on July 17 relative to the subscriptions said:

The result of the Victory Loan shows satisfactory cash subscriptions, but surprisingly small conversions.

The grand total is £708,000,000, whereof £274,000,000 is cash for the funding loan, £265,000,000 cash for Victory bonds and £169,000,000 conversions.

The small conversions upset most estimates, but the cash result exceeded many expectations. The total of national war bonds alone which were convertible exceeded £1,645,000,000.

### BRITISH TREASURY BILLS SALE RESUMED.

A Central News cablegram from London, published in "Financial America" July 15, said:

Sales of Treasury bills have been resumed. The rates are as follows: Two months,  $3\frac{3}{4}\%$ ; three months,  $3\frac{1}{2}\%$ , and six months,  $4\%$ .

The suspension of British Treasury bill sales, incident to the new British loan offerings, was noted in our issue of July 5, page 24.

### BRITISH OVERSEAS BANK.

In calling attention this week to the fact that the prospectus of the British Overseas Bank had been made public, Frederick C. Harding, New York Agent of the Anglo-South American Bank said:

According to the prospectus the new British bank is capitalized for £2,000,000 sterling, £1,000,000 of which will be known as "A" ordinary shares with a par value of £5, which will be offered to the public, and £1,000,000 in "B" shares, which will be held by the stockholding banks.

The British Overseas Bank, the newest of the English banks organized for foreign business, forms a combination of interests of seven of England's banking institutions, including the Anglo South American Bank, Ltd., the Dominion Bank of Canada, Glyn Mills, Currie & Co., Horace Imperial Ottoman Bank; the Northern Banking Company, Ltd., Belfast; the Union Bank of Scotland, Ltd., and the William Deacons Bank, Ltd.

The purpose of the new organization is to establish and maintain branches in strategic centres for trade throughout the world and where the participating banks are not now represented by branches. Thus the facilities for financial and banking service to clients of the stockholding banks will be facilitated by connections in all parts of the world.

London press advices on July 16 reported the issuance of the prospectus of the Overseas Bank. It became known on May 30 that the British Treasury had sanctioned the capital issue of the bank.

### DEATH OF SIR EDWARD H. HOLDEN.

Sir Edward Hopkinson Holden, Chairman and Managing Director of the London Joint City & Midland Bank, Ltd., and one of Great Britain's foremost financial authorities, died in Scotland after a brief illness on July 23 at the age of 71. His death is deeply lamented here, as well as in his own country, especially in this city, where he was held in high esteem on account of his thorough knowledge of international finance. It will be remembered that he was a mem-

ber of the Anglo-French Commission which came to the United States in September 1915 under the direction of Baron Reading, to study and to stabilize the exchange markets. It was through that commission that the flotation here in October 1915 of the first \$500,000,000 Anglo-French credit was arranged for with the leading banking institutions of this and other cities. Sir Edward Holden was said to have been keenly interested in the plans of groups of American bankers for the making of loans to European countries whose credits, as a result of the great war, have been practically depleted.

Sir Edward was born in Tottington, near Manchester, May 11 1848. He was created the first baronet of the name in 1909 and held a Liberal seat in Parliament for the Heywood division of Lancashire from 1903 to 1910.

### SWITZERLAND BONDS OFFERED IN UNITED STATES.

Subscription books for an offering of \$30,000,000 Government of Switzerland  $5\frac{1}{2}\%$  gold bonds were opened on July 22 by a syndicate headed by Lee, Higginson & Co., the Guaranty Trust Co. and the National City Co. The books were closed on Thursday afternoon, July 24. It was stated on the 23d that while the loan had been oversubscribed, it was planned to keep the books open for a limited time in order to permit out-of-town subscribers to get in their applications. The bonds are dated Aug. 1 1919 and are due Aug. 1 1929, and interest is payable Feb. 1 and Aug. 1. Principal and interest are payable in United States gold coin at the office of Lee, Higginson & Co., fiscal agents. The circular announcing the offering also says: "Both principal and interest are payable in time of war as well as in time of peace, whether the holder is a citizen of a friendly or hostile State, free from all Swiss taxes." The bonds are in coupon form in denomination of \$1,000 and \$500 and are registerable as to principal only. They are, it is announced, the direct obligation of the Swiss Confederation (Government of Switzerland). The bonds are offered at  $96\frac{1}{4}\%$  and interest, to yield over  $6\%$ . The purpose of the loan is to provide funds to be applied to purchases of commodities and payment of other obligations of the Swiss Government in the United States. The circular relative to the offering says in part:

The general debt of Switzerland, including this issue, is approximately \$370,264,370. The population (1919 estimate) is 4,300,000, making a per capita general debt of about \$86. In addition, the Government has incurred or assumed a debt of \$357,037,820 to acquire 1,758 miles of railroad, more than one-half of the total mileage in Switzerland. In normal years the railways have shown substantial profits which have been considerably in excess of the annual requirements for interest and amortization. The methods of accounting are considered highly conservative and surplus earnings have been regularly reinvested in the properties.

Switzerland is considered one of the wealthiest countries in Europe. National wealth, comprising both private and public property, was officially estimated in 1913 at \$4,440,000,000. Swiss capital invested abroad was estimated in 1913 at \$1,300,000,000.

Switzerland, in addition to providing by taxation for 30% of her mobilization expenses, has decided by a direct referendum vote to extinguish virtually, through an income and capital tax, the debt incurred to maintain her neutrality.

The country has shown for a hundred years steady growth in population, industry and foreign trade. Switzerland, the oldest democracy of modern Europe, is known as the world's health and pleasure resort. The selection of the City of Geneva as the Capital of the League of Nations will add materially to the international importance and popularity of Switzerland.

The thrift of the Swiss people and their faithful adherence to their obligations justify the high credit which the Confederation enjoys. From 1890, the date of the earliest present outstanding external loan, until the outbreak of the late war, Switzerland's external loans bore rates of interest from 3% to 4% and sold on the London and Paris Stock Exchanges at average prices to yield from 2.98% to 4.42%. During the ten-year period 1904 to 1913 two Swiss issues listed in Paris sold at average prices to yield 3.55%. The average yield of seven representative Swiss Government bonds quoted on the Paris Bourse as of June 30 1919 was 5.23%. The single issue quoted in London as of the same date yielded 5.37%.

Pending the preparation of definitive bonds, interim receipts exchangeable for definitive bonds will be issued against confirmed sales. The amounts due on allotments will be payable in New York, Boston or Chicago funds on Aug. 1 1919 against delivery of Lee, Higginson & Co. interim certificates.

### SPANISH BOND ISSUE.

Additional information regarding the Spanish bond issue recently floated, and which we reported in these columns July 5, page 24, had been many times oversubscribed, appeared in the State Department publication, "Commerce Reports," of July 17. The information, which is credited to Commercial Attache Chester L. Jones, at Madrid, under date of June 2, is quoted herewith:

In the Gaceta de Madrid, of June 2 1919, a notice and royal decree appeared setting forth the terms of a new loan to be floated by the Spanish Government. The loan is to be perpetual, sold at 75.50 pesetas (1 peseta = \$0.193) on the 100, to bear 4%, and to amount to 1,656,000,000 pesetas.

Of the proceeds, 892,935,500 pesetas will be used to fund the treasury obligations now in circulation, and 357,000,000 pesetas for the budget. The loan will consist of a series of bonds of face values of 500, 5,000, 12,500, 25,000, and 50,000 pesetas each. Interest is to be paid by the Bank of Spain in Madrid and at its branches. June 16 is set as the opening date for the subscription.

*Payment May Be Made in Outstanding Treasury Obligations.*

In the subscription there will be accepted as payment the 4% Treasury certificates, issued by virtue of royal decree of Jan. 14 1919; the 4.75% Treasury certificates, maturing on July 1 1920, issued by royal decree of June 4 1915; and the Treasury bonds, maturing July 15 and Nov. 1 1919, placed in circulation by royal orders of Feb. 26 and April 10 last.

The 4.75% and 4% Treasury certificates, which are not presented for exchange, will be withdrawn from circulation upon the first date their interest matures—that is, July 1 and Aug. 15 1919; their value to be paid in cash by the Treasury. The Treasury bonds, now in circulation, which are not converted into the new loan, will be taken up and paid for in cash upon their maturity, July 15 and Nov. 1 1919.

Besides the reference to the bond issue in the "Chronicle" of July 5, mention was also made of the same in these columns June 14, page 2385.

*FOREIGN CAPITAL INVESTED IN SPAIN.*

"Commerce Reports," published by the Department of Commerce, prints the following advices in its issue of July 17, received from Consul-General Carl Bailey Hurst, Barcelona, under date of June 12:

According to the official "Direccion General del Timbre," which estimates and revises the capital of foreign companies operating in Spain, the amount thus invested was \$229,860,000, distributed as follows:

	Capital.
6 credit	\$9,054,000
64 mineral and metallurgical	134,460,000
14 gas and electricity	36,216,000
19 railroad and tramcar	23,778,000
7 water-works	9,072,000
25 manufacturing	7,560,000
25 various	9,720,000

The geographical distribution of this foreign capital is chiefly in New Castille, Catalonia and Andalusia.

*DISCONTINUANCE OF INTEREST ON BANK DEPOSITS BY BANK OF ENGLAND.*

London advices received here July 23 reported the Bank of England as having announced that it will not take any more money from Clearing House banks on deposit at three days' notice. These advices added:

But the system is retained of allowing  $4\frac{1}{2}\%$  on strictly foreign balances. This announcement rather unsettled the money market. Call money was unchanged at  $2\frac{3}{4}\%$  to  $3\%$ .

The "Wall Street Journal" in printing the above said:

Bank of England, on Feb. 14 last year, established the rate of  $3\%$  for deposits of Clearing House banks at three days' notice. Previous to that, the bank had been paying  $4\%$  on such deposits, from June 19, 1917. Evidently, the central institution sees no further occasion to attract local funds. This would indicate a more plentiful supply of funds in the London money market, and a return to normal conditions. For deposits on demand, the bank pays no interest.

The Bank of England has been paying  $4\frac{1}{2}\%$  for foreign money since Nov. 15 1917. Since Jan. 11 this year, however, this rate was made not to apply to French, Belgian and Italian balances. This was done for the purpose of preventing further complications in the exchanges of those Allied countries. It would have tended to drive sterling still higher in those countries.

The step taken by the Bank of England as regards bank deposits may cause the local banks in turn to lower the rates they are paying on time deposits of their customers, which has been  $3\%$ .

*FREE MARKET FOR TRANSVAAL GOLD.*

London cablegrams July 24 stated that a free market for gold produced by mining companies in the Transvaal had been re-established by an agreement signed that day by the Bank of England and representatives of South African gold mining companies. The action removes restrictions on the export of gold that prevailed during the war. The agreement, it is understood, has the sanction of the Imperial South African Government.

It now is possible it is stated for gold to be purchased in England through the usual channels for shipment abroad. An experimental sale of 50,000 ounces of gold for shipment to America was made by Transvaal companies at a price of 85 shillings 6 pence for a standard ounce. Until now the price has been 77 shillings 9 pence an ounce.

Concerning the revival of the free gold market, a London special cablegram July 24 said in part:

A rise of about 10% in the price of gold is expected as the result of the re-establishment of the free market for the sale of precious metals produced by the South African companies. An agreement between the Bank of England and the representatives of the gold mining companies of the Transvaal has now been signed. This concession has been made to the mining companies to enable them to sell their gold in the best market and thereby get a better price for it in order to place them in a more advantageous position to meet the rising costs of production.

During the war the export of gold abroad had been prohibited and the producers had been under obligations to sell to the bank at a fixed price. The agreement arrived at means that the restrictions on sales abroad of this gold have been removed.

The American market is considered the most favorable for the sale of gold. Owing to the depreciation of the pound sterling the price obtained will necessarily vary as exchange fluctuates. It is possible that this restoration of the free gold market will help the situation meanwhile and at the same time stimulate the production of gold, which is also essential.

*RESERVE BANK'S PURCHASES OF ACCEPTANCES RELEASES FUNDS FOR STOCK EXCHANGE.*

[From the Wall Street Journal issue of July 24].

This indirect way by which the reserve institution may extend its facilities to members has a particular bearing on the present money situation. Member banks have heeded the warning of the Federal Reserve Board and have reduced the scale of their applications for re-discounts and advances. But in the meantime the central bank has been a heavy buyer of acceptances in the open market. From the end of May to July 11 it had increased its purchases by over \$74,000,000. To that extent therefore, its resources have been placed at the disposal of member banks.

It is interesting to note that in spite of the efforts of the Federal Reserve Board, the collateral loan market have by indirection obtained Federal Reserve funds. The curtailment of rediscounts on the part of member institutions has lifted collateral loan rates to level that has made this class of advances too attractive to banks to pay much attention to acceptances, which have in consequence been practically neglected. The Federal Reserve Bank, and the other central institutions, in the interest of the acceptance market have stepped into the breach and purchased the bills. In so doing they have released funds which unquestionably have found their way into the collateral loan market.

*U. S. DOLLAR AT PAR IN BUENOS AIRES.*

The American dollar reached par in foreign exchange quotations on July 21 for the first time since the United States entered the war, (the Associated Press dispatches from Buenos Aires state) following the arrival of 350 kegs containing \$17,000,000 in American gold coin, which reached Buenos Aires on the steamer Vauban on July 19. The dispatches further state:

When the banks opened this morning dollars were quoted at one peso  $4\frac{1}{2}\%$ , and after several fractional declines during the day dollars still remained slightly above par. Par value of the dollar in Argentine gold is one peso  $3\frac{1}{2}\%$ .

*SILVER PRICE FLUCTUATIONS WITH STERLING EXCHANGE RATE.*

The following is from the "Wall Street Journal" of July 24:

Silver is one of the exportable commodities which has suffered in price as a result of the drop in sterling exchange. Being based on the London price, the local quotation for the metal has been at the mercy of the wide swings of the exchange rate, and its fluctuations have exhibited a fairly close correspondence to the ups and downs of the exchange market. On June 2, when sterling was still quoted above \$4 60, the official price for silver in this market was \$1 09  $\frac{1}{2}$  an ounce, while on July 17, the day on which the sterling rate broke to the low record of \$4 26 for checks, the silver quotation touched the lowest level on the then downward movement, which was \$10 3  $\frac{1}{4}$  an ounce. Since then, the recovery in sterling has brought silver back to the present price of \$1 06  $\frac{1}{2}$  an ounce.

The recession in the silver price would have proceeded even farther had not the London quotation responded to the decline in sterling by advancing from 53  $\frac{1}{4}$ d. an ounce on June 2 to its present price of 54 9-16d. The so-called official or parity quotation for silver in New York represents the price realized on a shipment and sale in London at the price quoted, against the proceeds of which exchange is sold here at the rate taken. There is, thus, a close relation between the metal quotations in the two markets based on the cost of shipping and the current rate of demand exchange. A decline in sterling accordingly means that either the London silver price must advance or the New York price decline, or that both of these movements take place. The rise of over one penny in the London price since June 2 has, therefore, prevented the New York quotation from declining at least two cents lower than it did.

In the table below are given the official quotations for silver in New York and the market price in London on the dates named, together with the opening rates for demand sterling exchange on those days, which is customarily taken as the basis for figuring the New York official price:

	N. Y. Price.	London Price.	Sterling Rate.
July 23	\$1 06 $\frac{1}{2}$	54 9-16d	\$4 38
July 17	1 03 $\frac{1}{4}$	54 $\frac{1}{4}$	4 28
July 1	1 07 $\frac{1}{4}$	53	4 58
June 2	1 09 $\frac{1}{2}$	53 $\frac{1}{4}$	4 63

*INTEREST IN FUTURE PRICE OF SILVER.*

In stating in advices emanating from Washington that "there is considerable quiet interest in Congressional and business circles as to the future price of silver," the "Wall Street Journal" of July 22 had the following to say:

Western interests are favoring additional legislation which will raise the limit below which the price of silver may not go.

Director of the Mint Baker has just returned from an extended visit through the West. He finds this sentiment growing. As a rule it does not find favor in Administration circles, but Director Baker himself is non-committal on the subject.

On the other hand, Senator Pittman (Nov.), who has taken an active interest in all silver legislation since he came to the Senate, is very frank in his position.

"I believe in letting well enough alone," said Senator Pittman, when asked about prospective silver legislation. "The situation with regard to silver is very satisfactory since the passage of the Pittman Act, fixing the price at not less than \$1 an ounce. Of course, there is a great demand, and some of my friends in the West have been enthusiastically talking about the possibility of \$1.50 an ounce. I have advised them, however, that I did not think it would go beyond \$1.15. England is not buying silver

above \$1 10, and any higher price than that would probably have a disturbing influence on the rupee. It should be remembered that prior to the war 30,000,000 ounces of silver went into the arts every year. The limitation on such use of the metal created a shortage in the arts of a east 75,000,000 ounces, and it is my opinion that the increasing demand of silver in the market now is due to a desire to meet that shortage."

#### BANKERS FREED FROM PLEDGE HELD UNDER DAVISON PLAN FOR FINANCING EUROPE.

It was reported on Thursday that the bankers who had been identified with the movement looking to the adoption of the plan proposed by H. P. Davison for the co-ordination of the resources of the United States in furtherance of the rehabilitation of Europe had been released from their informal agreement under which loans to individual European countries were being withheld until a formal program had been launched. Commenting 9 this the New York "Tribune" of July 24 said:

In some quarters it was hinted yesterday that the Davison plan would be dropped and that the program suggested by Senator Edge of New Jersey (favorably reported by the Senate Banking Committee yesterday (July 25)) has been gaining in favor as an alternative. In many respects the two plans are identical, but the Edge suggestions, which have been embodied into a bill and introduced into the Senate, provide for one or more privately owned corporations which would be authorized to engage in a general banking business, in addition to its special function of lending to European governments and private enterprises. The Edge bill also provides for close Government supervision and a Federal charter.

The Administration is said to be in accord with the idea of creating machinery to lend to Europe in a systematic way to finance purchases in this country.

Meantime individual banks and investment banking houses are at liberty to make independent loans to Europe. Almost every country in Europe at this time is seeking funds in the New York money market. The Stock Exchange firm of Paine, Webber & Co. is acting for the Belgian Finance Minister in quest of a \$100,000,000 loan through the issue of bonds in this country.

On the same subject the "Wall Street Journal" yesterday said in part:

While on the surface there is little disappointment visible among bankers over the side-tracking of their comprehensive plan for extending financial assistance to the Europeans, there is marked underlying dissatisfaction over the lack of support their views have been given in political and industrial circles.

The bankers, however, at least feel that they negotiated a plan that would have worked to the mutual benefit of all, but the "shelving" of their presentations now leaves the way open for the consummation of individual banking credits.

On the other hand, the bankers are somewhat skeptical of this turn in affairs. While individual credits may very well glide along with the support of the general public for a while, leading financiers point to the "saturation stage" that these foreign offerings will eventually reach. When this condition looms up, they say, the situation will then call for co-operative action. They illustrate the double difficulty that must be encountered then in pushing a proposition that should have been adopted from the outset.

From the same paper of July 23 we take the following:

Contrary to the general understanding, the measure embodied in Senator Edge's bill for financing exports, which is now before Congress, is not the so-called "Davison plan," although the measure meets with the approval of the bankers. The Edge plan appears to have been evolved with the same purpose in view, but in co-operation with the Federal Reserve Board and the Secretary of the Treasury. For that reason, it has come to be designated, in Washington, as the "Administration plan."

Delay in the comprehensive bankers' plan for extending credits to Europe life in failure, so far, of Washington to give its complete support to the undertaking. While it was proposed that the credits be more or less private affairs, arranged by the bankers and the commercial interests of the country, much reliance is placed upon obtaining the endorsement of Washington. But Washington is not satisfied as to the workability of the plan.

It is recognized that the undertaking is a gigantic one and its success depends not only upon the co-operation of the banking and commercial interests but assurance that it will receive the necessary support from the investing public.

Since the plan was first outlined, doubt has arisen in the minds of leading financiers and Treasury officials as to whether the American public would buy the debenture issues that are contemplated. If not, the plan as outlined would prove a failure.

Europe's reconstruction requirements will probably exceed \$3,000,000,000. It will require a tremendous selling campaign to make the American public subscribe such a sum, even when issued in installments. To raise so large a sum successfully, some think, it may be necessary for the United States Government to sell its own obligations or at least guarantee the debenture issues contemplated in the credit plan. This, however, would involve action by Congress and is more than was at first proposed or intended by the bankers.

The Edge plan, providing as it does for the Federal incorporation of concerns to handle the composite commercial and financial business of the American export trade, is believed to appeal more to Washington as likely to meet this problem of public indifference to foreign investments. It appears, for that reason, to be having the right of way.

All along there has been a disposition to believe that the granting of these credits is entirely in the hands of the bankers. The bankers, on the other hand have emphasized the importance and necessity of industrial and public co-operation if the undertaking is to prove a success.

The financial interests maintain that the manufacturers and producers have not yet awakened to the problem that confronts them. "Everybody is embroiled in the whirlpool of speculation and the art of making money," said one prominent international banker.

The recent decline in sterling exchange is appreciated by bankers as presenting a situation requiring remedial action. There have been extensive cancellations of buying orders in this country by foreigners, due to the drop in exchange rates, and our export trade has been somewhat thrown into confusion. It is realized that the only solution to the problem is the extension of credits, and as the bankers stand ready to play their part in the undertaking, they are now looking for the support and co-operation of manufacturing and industrial America.

#### BILL OF SENATOR EDGE FOR FINANCING OF EXPORTS FAVORABLY REPORTED.

The bill of Senator Edge providing for the creation of large corporations to finance foreign purchases of American goods and products was reported favorably to the Senate from the Banking and Currency Committee yesterday (July 25). Mention of the bill was made in these columns last week, page 222. On July 23 opposition by Senator Gronna, Republican, North Dakota, caused postponement of action on the bill on that day by the Senate Committee. Senator Gronna said he was disposed to oppose the bill if it proposed that American bankers go into the banking business abroad and seek "to control the industries of the devastated countries." In urging the measure, Senator Edge declared that manufacturers, farmers and other interests favored the legislation, which, he said, reached "every vital spot" of reconstruction problems and had been approved by the Federal Reserve Board. Declaring that foreign exchange rates now are prohibitive, Senator Edge said the American merchant marine would be useless unless means were provided for selling American goods abroad on long credits. Senator Gronna was said yesterday to have withdrawn most of his objections to the bill after it was explained to him by Senator Owen, former Chairman of the Committee and one of the supporters of the bill. On the 23d a letter was submitted to the Committee from Governor Harding of the Federal Reserve Board endorsing the bill and suggesting one or two slight amendments. In his letter Governor Harding said:

With the slight changes the Federal Reserve Board earnestly endorses the proposed bill. The Board knows no one way in which the present European credit situation may be more effectively dealt with than by the incorporation of institutions of the kind provided for in this bill and anything that betters that situation will assist, not merely in the gigantic task of reconstruction in Europe, but also in providing a market for our own products and in developing our own foreign commerce in a most effective and satisfactory way.

#### FIRST NATIONAL BANK ABOLISHES DIFFERENTIAL RATE ON CERTAIN COLLATERAL LOANS.

S. Vernon Maan, of Mann, Bill & Co., who lends the call money of the First National Bank, announced on Thursday last, July 24, that the First National Bank is the first bank in New York, and as far as is known the first bank in the United States, to abolish the differential rates on loans on mixed and all-industrial collateral. From now on, it is announced, the only criterion on loans will be that they shall be made on "satisfactory collateral," regardless of the fact that such loans may contain "mixed" or "all-industrial" collateral.

#### NEW STOCK CLEARING CORPORATION OF STOCK EXCHANGE.

Announcement of the incorporation of the new Stock Clearing Corporation was made as follows on July 23, following a meeting of the Board of Governors of the New York Stock Exchange:

The "Stock Clearing Corporation" certificate of incorporation has been accepted. It is expected that the operation of the new corporation will be of substantial benefit to the banking community and Stock Exchange houses in cutting down the physical work of settlements and in materially relieving the credit situation. The authors of the new system, after years of close study both here and abroad, estimate that the present daily extension of credit extended by the banks will be reduced by about 65%. Stated differently, under the new system daily credit extension will be about 35% of present requirements.

#### SUIT TO TEST CONSTITUTIONALITY OF FEDERAL FARM LOAN ACT.

The constitutionality of the Federal Farm Loan Act of 1916 was attacked in a suit filed in the Federal Court at Kansas City on July 21. Frank Hagerman of Kansas City and William Marshall Bullitt of Louisville, Ky., formerly Solicitor-General of the United States, filed suit on behalf of Charles E. Smith, a large stockholder in the Kansas City Title & Trust Co., against that company to enjoin it from investing its corporate or fiduciary funds in Farm Loan bonds which it was just about to do. The plaintiff alleges that the company proposes to invest its funds largely in Farm Loan bonds because it believes they are exempt from every kind of tax—State, city and Federal; whether income, surtax, inheritance or ad valorem. The plaintiff, as a director in the company, opposed investment, as he thinks they are taxable and that the tax free clause of the Act is unconstitutional. When he was outvoted by the board of directors, he resorted to the courts to test the question. It is said that the company will vigorously defend the suit and will ask the Attorney-General of the United States to assist in upholding the constitutionality of the Act. These bonds,

it is claimed, have become a very popular investment for persons receiving large incomes, as they are as free from income tax and local tax as the 3½% Liberty bonds, though they are neither an asset nor a liability of the Government of the United States. It is pointed out that the suit is of great importance to taxpayers, because the Federal Land banks expect within a few years to refund a large part of the four billion five hundred million dollars of taxable mortgages, issuing tax free bonds for them, thus relieving the present owners from all taxation and shifting that burden upon farmers, miners, merchants and all other owners of taxable property. The McFadden Bill, now before the House Committee on Banking and Currency, aims to make future issues of these bonds taxable. The Kansas City suit, if its contentions are sustained, will be more sweeping in its effects, as bonds issued in the past will be taxable if the courts declare the law unconstitutional.

#### HARRISON NESBIT DIRECTOR OF PITTSBURGH BRANCH OF BANK OF CLEVELAND.

The Federal Reserve Board announces the appointment of Harrison Nesbit, President of the Bank of Pittsburgh, N.A., Pittsburgh, Pa., as a Director of the Pittsburgh Branch of the Federal Reserve Bank of Cleveland, to succeed the late T. Hart Given.

#### CHANGES IN DIRECTORATE OF NEW ORLEANS BRANCH OF FEDERAL RESERVE BANK OF ATLANTA.

The Federal Reserve Board announces that, owing to the pressure of personal business, James E. Zunts has found it necessary to resign as Chairman and member of the Board of Directors of the New Orleans Branch of the Federal Reserve Bank of Atlanta. P. H. Saunders, President of the Commercial Trust & Savings Bank, New Orleans, who is at present a director of the New Orleans Branch, has been appointed Chairman of the Board, and L. M. Pool, President of the Marine Bank & Trust Co. of New Orleans, has been appointed a director to fill the vacancy in the board caused by the resignation of Mr. Zunts.

#### DIRECTORS FOR HOUSTON BRANCH OF FEDERAL RESERVE BANK OF DALLAS.

The Federal Reserve "Bulletin" for July announces the appointment of the following directors of the Houston branch of the Federal Reserve Bank of Dallas: Sam R. Lawder, J. A. Pondrom, Frank Andrews, J. C. Chidsey and J. J. Davis. The Board's announcement also says:

The first three gentlemen have been appointed by the board of directors of the Federal Reserve Bank of Dallas, while the last two are the appointees of the Federal Reserve Board. Mr. Lawder has been the manager of the El Paso Branch of the Federal Reserve Bank of Dallas and will serve in a similar capacity at the Houston branch. Mr. Pondrom is first Vice-President of the South Texas Commercial National Bank, Houston, Texas. Mr. Andrews is a director of the Union National Bank of Houston. Mr. Chidsey is Vice-President of the Houston National Exchange Bank, and Mr. Davis is President of the South Texas State Bank, Galveston, Texas.

Reference to the Dallas branch of the Federal Reserve Bank was made in our issue of April 5 last.

#### SENATE PASSES BILL TO AMEND FEDERAL RESERVE LAW AND PERMIT INVESTMENTS TO FINANCE EXPORTS.

The Senate on July 14 passed a bill, introduced by Senator McLean, amending Section 25 of the Federal Reserve Act so as to permit national banks to invest up to 5% of their capital and surplus in concerns formed for the purpose of engaging in foreign or international financial operations relating to export business. The following is the bill as passed by the Senate:

A BILL—Amending Section 25 of the Act approved Dec. 23 1913, known as the Federal Reserve Act, as amended by the Act approved Sept. 7 1916.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 25 of the Act approved Dec. 23 1913, known as the Federal Reserve Act, as amended by the Act approved Sept. 7 1916, be further amended by striking out the period at the end of the third paragraph thereof, and adding in lieu thereof the following: "or until Jan. 1 1921, without regard to the amount of its capital and surplus, to invest an amount not exceeding in the aggregate 5 per centum 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 or any of its dependencies or insular possessions 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."

A similar bill, as reported in our issue of July 5, page 27, was introduced in the House on June 27 by Representative Platt.

#### NEW COUNTERFEIT FEDERAL RESERVE NOTES.

R. H. Treman, Deputy Governor of the Federal Reserve Bank of New York, made public on July 14 the following advices from the Secret Service Division of the Treasury Department with respect to new counterfeit Federal Reserve notes:

##### \$20 FEDERAL RESERVE NOTE.

On the Federal Reserve Bank of Boston, Massachusetts; series of 1914 check letter "C"; plate number indistinct—appears to be either 16 or 18; W. G. McAdoo, Secretary of the Treasury; John Burke, Treasurer of the United States; portrait of Cleveland.

The counterfeit is apparently printed from hand-engraved plates, on a single piece of paper containing red ink lines in imitation of the silk fibre. The work is very crude, particularly the portrait of Cleveland, which bears no resemblance to the genuine. The title "Secretary of the Treasury," which appears under the signature of W. G. McAdoo on the genuine, has been omitted from the counterfeit. The number of the bill is A2647619A, and of all the notes so far discovered bear this same number.

The counterfeit should be readily detected.

##### \$5 FEDERAL RESERVE NOTE.

On the Federal Reserve Bank of Cleveland, Ohio; series of 1914; check letter "C"; plate number 51; W. G. McAdoo, Secretary of the Treasury; John Burke, Treasurer of United States; portrait of Lincoln.

This bill is a lithographic production, printed on heavy cheap paper, without silk threads or imitation of them. It is a poorly made counterfeit and should not deceive the ordinarily careful handler of money. The number of the specimen at hand is D6773201A.

#### OVER \$405,000,000 PAID IN SECOND INSTALLMENT TO VICTORY LOAN—SUBSCRIPTIONS TO TREASURY CERTIFICATES T-S.

In an announcement covering the above, the Federal Reserve Bank of New York, under date of July 21, said:

The Federal Reserve Bank of New York, as fiscal agent of the United States, announced that the Treasury Department had to-day stated that, notwithstanding the second instalment payment on July 15 to the Victory Loan amounted to more than \$405,000,000, subscriptions reported to date for Treasury "tax" certificates of indebtedness of Series T-S, dated July 15 1919, and maturing March 15 1920, acceptable at their maturity in payment of income and profits taxes, exceeded \$250,000,000. Such subscriptions to date to Series T-S are distributed in the several districts as follows: Boston, \$8,852,500; New York, \$89,169,500; Philadelphia, \$10,704,000; Cleveland, \$23,277,000; Richmond, \$6,854,500; Atlanta, \$8,586,500; Chicago, \$50,764,500; St. Louis, \$10,249,500; Minneapolis, \$7,140,000; Kansas City, \$7,054,500; Dallas, \$7,534,000; San Francisco, \$14,548,500; Treasury, \$5,645,000; total, \$250,380,000.

The subscription books to Series T-S are still open.

#### NEW TREASURY CERTIFICATES NOW AVAILABLE.

The Federal Reserve Bank, as fiscal agents, United States Treasury, in the New York Federal Reserve District, announced on July 23 that Treasury Savings Certificates in denominations of \$100 and \$1,000 (maturity value) are now on sale and are available to purchasers at the Federal Reserve Bank, 120 Broadway. These new Government securities as made known in these columns of July 12, page 130 can be obtained by the cash payment of \$83.60 for \$100 Certificates and \$836 for \$1,000 Certificates, (July prices). They will be issued only in registered form and are to bear the name of the owner, which shall be inscribed thereon by the issuing agent. Registration records will be kept at the Treasury Department, Washington, by means of registration stubs forwarded by issuing agents. The price of Treasury Savings Certificates in denomination of \$100 issued during July \$83.60 will increase by 20 cents each month so as to reach \$84.60 in Dec. 1919. Treasury Savings Certificates in denomination of \$1,000 issued during July at the price of \$836 will increase by \$2.00 each month, so as to reach \$846 in Dec. 1919. Both forms of Treasury Savings Certificates will mature on Jan. 1 1924. Owners are entitled, however, to redeem the Certificates at an earlier date, when the full amount paid for them, plus 3% interest will be returned. They are not transferable and are payable only to the owner, except in case of death or disability of the owner.

The Savings Division of the U. S. Treasury Department, in an announcement on July 3, stated that the decision of the Secretary of the Treasury to put out the new issue was in response to the insistent demand from investors and banking organizations that the sale of savings securities be facilitated and simplified by providing means for the direct investment of sums larger than \$5, the maturity value of the War Savings Stamps. The announcement also said:

The new \$100 and \$1,000 certificates offer the same investment attractions as the War Savings Stamps in a much more convenient and much simpler form. They have the additional advantage of being issued only as registered securities, making them practically destruction and loss-proof. The single document representing \$100 is much easier to handle, and to keep safely than the War Savings Certificates with its twenty pasted stamps. The \$1,000 single certificates will simplify the handling of the larger investments greatly, by replacing the ten War Savings Certificates, with their 200 stamps which were the only evidences of an investment of \$1,000 in savings securities which could formerly be obtained.

The tax exemptions covering the new certificates are the same as those covering War Savings Stamps. The circular announcing the issue set forth the tax-exemption as follows:

Treasury Savings Certificates shall be exempt, both as to principal and interest, from all taxation now or hereafter imposed by the United States, any State, or any of the possessions of the United States, or by any local taxing authority, except (a) estate or inheritance taxes, and (b) graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations. The interest on an amount of bonds and certificates authorized by said Act, approved Sept. 24 1917, and amendments thereto, the principal of which does not exceed in the aggregate \$5,000, owned by any individual, partnership, association, or corporation, shall be exempt from the taxes provided for in clause (b) above.

#### NEBRASKA TO ACT ON FEDERAL WOMAN SUFFRAGE AMENDMENT.

We are informed that Governor Samuel R. McKelvie, on July 23, issued a proclamation calling the Legislature of Nebraska into special session July 29 to pass on the question of ratifying the Federal Woman Suffrage Amendment.

#### HEARINGS OF ESCH COMMITTEE ON RAILROAD LEGISLATION-COMMISSIONER CLARK'S TESTIMONY.

The belief that an increase in railroad fares is inevitable was expressed by E. E. Clark, of the Inter-State Commerce Commission, at the hearing on July 17 before the House Committee on Interstate and Foreign Commerce which is considering remedial railroad measures. The hearings by the Committee, of which Representative Esch is Chairman, were opened on July 15, Commissioner Clark being the first witness. The latter offered an analysis of the Esch-Pomerene Bill, which would amend the existing Inter-State Commerce Act, and which embodies recommendations made by a majority of the Inter-State Commerce Commission. With the start of the hearings Chairman Esch told the House Committee that in view of President Wilson's statement that the railroads would be returned to their owners at the end of the year it would be futile to consider plans for a five-year extension of Government control. Chairman Esch is quoted as saying:

Mindful of the sentiment throughout the country on the question of Government ownership, I think we should not spend much time on that. There are many problems to be worked out in the bill for the regulation of the carriers which we are taking up to-day, and in light of the President's declaration to Congress there is nothing to be gained by a discussion of a situation which will not exist, as we take it the roads will be turned back at the time the President indicated.

Chairman Esch explained the salient features of his regulation measure, including joint use of terminals, consolidations, possible amendments of the Clayton Anti-Trust law, credits and regulation of the issuance of stocks and bonds. One of the most important questions, the Chairman said, was whether rates should be initiated by the regulatory body or the carriers. Inter-State Commerce Commissioner Clark, who was before the House Committee for several days, stated on the 17th that the Railroad Administration's deficit, now exceeding \$400,000,000, might as well be classed as a war loss. He also stated that when the roads are turned back to their owners the Government should assist them by lending them money at a lower rate than is obtainable from banks. He declared it was obvious that the roads must be able to increase operating incomes by increasing rates, as reduction of wages was out of the question. If the roads are returned to their owners without some declaration as to the rate situation, he contended intra-State rates would automatically go back to the pre-war level fixed by State Commissions. According to the New York "Commercial" he suggested that it would be desirable to make provision by which intra-State rates fixed by the President would continue in effect for a few months until State Commissions had an opportunity to readjust them. A different situation, it is pointed out, exists as to intra-State rates which will remain at the same levels as fixed during the war. Commissioner Clark is also said to have declared that he did not see how the country could be divided into regional districts, as has been suggested, without disrupting transportation systems. He is further quoted as saying on the 17th:

We think that it is in the interest of the railroads and the shipping public that initiation of rates should remain in the hands of the carriers, subject to suspension by the Commission.

According to Commissioner Clark it would not be sound policy to have the Commission fix wages of railway employees.

In answer to Representative Montague of Virginia Mr. Clark said an increase in freight rates might be contemplated, and that there was no hope of traffic increasing sufficiently to meet the deficit incurred each month by the Government. The New York "Sun" of July 18 quoted Commissioner Clark as follows:

With high operating costs certain to continue and no prospect of reducing wages soon the railroads in my opinion must have cheaper credits to bridge over the gap. I think efficient and sufficient transportation agencies are essential and the Government must see that they are provided for. Rates cannot be increased beyond certain limits without greatly hampering business, and it seems to me, with another increase expected, we will be nearing that limit, but you have either got to make the lines self-supporting or pay the deficit from the United States Treasury.

The "Sun" also said:

As to guaranteeing to carriers certain earnings, Commissioner Clark said, it is generally believed that such a plan would take away the incentive for economical and efficient operation of the railroads. He also pointed out that the public would not be protected against improvident or extravagant expenditures of money on the part of the carriers if it appeared that the level of rates would produce more in a given period than the percentage allotted to any carrier. Fluctuating traffic, he added, would affect the return guaranteed by the Government.

On the 18th Commissioner Clark advocated that Congress take some action designed to stabilize the freight rate situation for a period of a year following the expiration of Federal operation of the railroads. Mr. Clark said this action should be taken to prevent the State Commissions from cutting down the intra-State rates as fixed by the Railroad Administration. The New York "Commercial" which reports this, also credits Mr. Clark with the following:

It probably will be desirable to place some restraints upon the carriers themselves to keep them from cutting rates.

If you allow each traffic officer to follow his own policy I think there is great danger of some individual railroad officials pursuing the policy they have followed in dissipating not only their own revenues but those of their competitors.

The Commission should appoint committees of railroad men and perhaps shippers in each traffic district and require all proposed rates to be approved by them.

The paper referred to likewise said:

Mr. Clark gave it as his opinion that the Esch-Pomerene bill, which is under consideration, would have been sufficient to control the railroad situation during the war.

"If this bill had been law," said Mr. Clark, "the Commission would have been able to handle the situation without any Federal control law."

Mr. Clark said there is an abundance of capital in this country seeking investment, but that investment in railroad securities is not regarded as attractive at this time.

"I don't see how it could be expected to be attractive," said Mr. Clark, "when the roads have been saying in season and out of season since 1910 that they didn't have any credit. They have spoiled their own credit."

On the 16th in his arguments in behalf of the Esch-Pomerene bill Commissioner Clark, it is learned from the "Commercial," said that one of the desirable features of the bill was a provision removing partially the restriction in the Panama Canal Act under which railroads were prohibited from having any interest in any ships operating through the canal or elsewhere with which the railroad was in competition. Elimination of this restriction is designed to apply to coastwise shipping. "The shipping public," Mr. Clark is quoted as saying "never received any benefit from the law." On July 21 in contending that the adjustment of railroad wages should be handled by some other tribunal other than the Inter-State Commerce Commission, Commissioner Clark said that while rates should be based on wages he believed better results would be obtained if the Commission did not attempt to fix wages. He said if some other tribunal would set the wage standard then the Commission could regulate rates to correspond.

A question from Representative Sims as to when he thought the roads should be returned to their owners brought from Commissioner Clark the following response:

Just as soon as Congress can pass legislation which will make conditions easier for the railroads than in the past. Provisions for the regulation of capital issues and the removal of restrictions against mergers ought to make railroad investment more attractive, and the public mind also would be influenced by the attitude of Congress.

#### H. A. WHEELER IN EXPLANATION OF PLAN OF NATIONAL TRANSPORTATION CONFERENCE FOR REMEDIAL LEGISLATION.

A statement in explanation of the plan of the National Transportation Conference for remedial railroad legislation was submitted before the House Committee on Interstate and Foreign Commerce on the 23d inst. by Harry A. Wheeler, Chairman of the Conference, and former President of the U. S. Chamber of Commerce. Hearings on various railroad bills were opened by the Committee, of which Representative Esch is Chairman, on the 15th inst. In his statement before the Committee Mr. Wheeler reported that the National Transportation Conference was called together in December 1918, by the Chamber of Commerce of the United States "to consider the broader aspects of the transportation problem and the formulation of a basis for the control and operation of the transportation facilities of the United States after the conclusion of the present Government control." At five meetings, each lasting two days, Mr. Wheeler added, the conference has held twenty-two

general sessions and numerous sessions of sub-committees appointed to report on special phases of the transportation problem. Besides Mr. Wheeler's exposition of the plan, views relative thereto have been set before the House Committee this week by Paul M. Warburg, formerly Vice-Chairman of the Federal Reserve Board; Emory R. Johnson, Professor of Transportation and Commerce, University of Pennsylvania; W. W. Salmon, President of the General Railways Signal Co., and Alexander W. Smith of Atlanta. Mr. Wheeler in his explanatory statement of the Conference plan, said in part:

The Conference gave careful consideration to the various plans presented with a view to developing a program of remedial railroad legislation that would include the most desirable features of each plan combining them with new features proposed by the Conference itself into a consistent harmonious whole. Some of the representatives of the railroad brotherhoods and a few of the other participants listed above attended only one or two meetings of the Conference for the purpose of presenting their views, and did not take part in the resulting action. Others attended all of the sessions and voted on all questions brought before the Conference, occasionally reserving the right to dissent from some particular decision with which they could not agree. The majority of the members, however, attended practically all of the twenty-two sessions held and voted in favor of the program finally adopted.

Before presenting the complete plan and discussing its main features in detail it may be well to summarize its provisions:

Briefly stated, the program provides for:

Return of the railroads to private ownership and operation as soon as the necessary remedial legislation can be enacted.

Consolidation of existing railroads into strong competitive systems.

Requirement that all carriers engaged in inter-State commerce subject themselves as corporations to Federal jurisdiction.

Exclusive Federal regulation of the capital expenditures and the security issues of all carriers engaged in inter-State commerce.

Inter-State Commerce Commission to retain its present powers and to be given additional powers over rates.

Creation of a Federal Transportation Board, to promote the development of a national system of rail, water and highway transportation; to pass upon the public necessity for capital expenditures; to regulate security issues; to administer and enforce the measures that may be adopted for strengthening and stabilizing railroad credit; to determine the grouping or consolidation of railroads deemed to be in the public interest; and to carry out plans authorized by Congress for merging all railroads engaged in inter-State commerce into strong competing systems.

Adjustment of the wages and working conditions of railroad employees by boards consisting of equal numbers of representatives of railroad employees and railroad officers, with the Federal Transportation Board as referee.

Adoption by Congress of a plan for the stabilization of railroad revenues and credit by means of

(a) Enactment of a statutory rule providing that the rate structure established by public authority shall be designed to yield a net return of 6% per annum upon the aggregate fair value of the property of the roads in each traffic section of the country, such fair value to be determined after due consideration of both physical value and earning power.

(b) Use of the aggregate property investment accounts of the railroads as the fair value of the property for rate making purposes pending the completion of the valuation now being made by the Inter-State Commerce Commission.

(c) Creation of two kinds of contingent funds—an individual railroad contingent fund established by each road to support its own credit; and a general railroad contingent fund maintained by contributions from all prosperous roads, managed by trustees appointed by the Federal Transportation Board and used to support the credit of all of the railroads of the country. Any excess in the general railroad contingent fund above \$750,000,000 is to be used for the general development of the transportation system of the country.

Creation of a railroad reserve fund administered by the Federal Transportation Board to facilitate the prompt stabilization of railroad credit; and loan of \$350,000,000 to this fund by Congress as soon as the railroads are returned to their owners; the loan to be used, if necessary, in making advances to the general railroad contingent fund, and to be repaid with interest from moneys contributed by the railroads to the general railroad contingent fund.

Determination and announcement by the Federal Transportation Board of the grouping or consolidation of railroads deemed to be in the public interest; and authorization for the Board to require such consolidations if they shall not have been effected or well advanced within a period of five years after the Board has declared them to be desirable.

Organization of the board of directors of each consolidated railroad system with twelve members of the board—one to be a representative of the employees of the system nominated for such position by the employees, and three to be selected by the Federal Transportation Board to represent the principal interests involved in the territory served.

Necessarily, the first question considered by the Conference was whether it favored corporate or Government ownership and operation of the railroads. After full consideration of the subject the Conference, with but few dissenting votes, decided in favor of corporate ownership and operation of the railroads in the United States, and the return of the roads to their owners as soon as possible after the enactment by Congress of appropriate remedial legislation. The Conference was in favor of the continuation of Government operation of the roads until such legislation had been enacted and made effective, but felt that this legislation should, if possible, be enacted within the present calendar year.

A Government guarantee is not favored by the Conference. It believes that it will be possible for Congress to adopt a policy of rate-making and control that will give the carriers reasonable assurance of adequate revenues without involving the Government in the obligation of guaranteeing the net return of private corporations and without imposing upon the public the burden of unreasonable transportation rates.

Briefly stated, it is recommended that Congress adopt a statutory rule of rate-making requiring the Inter-State Commerce Commission to be responsible for railroad rates and fares designed to yield the carriers in each designated traffic section not less than 6% net upon the aggregate fair value of the property of the railroads. The statutory rule recommended by the Conference provides that it shall be the duty of the Inter-State Commerce Commission to authorize or establish rates and fares that will produce, not for each railroad company, but for the railroads in the aggregate in each natural traffic section of the country, aggregate revenue sufficient to yield

after provision has been made for renewals, depreciation and unproductive improvements not properly chargeable to investment account, a net return (which shall be available for interest and dividends) of not less than 6% per annum upon the aggregate fair value of the property of the railroad devoted to the public service in each of the several traffic sections. It is recommended that "fair value" shall be ascertained by the Inter-State Commerce Commission by giving consideration not only to physical property but also to earning power and such elements as may properly receive attention.

The determination of the fair value of the railroads, whether for rate-making or for other purposes, has unavoidable difficulties. When the Inter-State Commerce Commission completes the valuation it is making that will, of course, be adopted; but during the next three to five years some temporary method of determining "fair value" must be followed. The recommendation of the Transportation Conference, stated in abbreviated form, is that, pending the completion of the valuation now being made by the Inter-State Commerce Commission, the fair value, for rate-making purposes, of the railroads as a whole and by traffic sections, shall be their aggregate property investment accounts; while the fair value of the property of an individual railroad shall temporarily be taken to be that share of the aggregate property investment accounts of all the railroads in the traffic section in which the road is situated which the particular road's annual railway operating income bears to the aggregate railway operating income of the railroads in its traffic section—public authority having power to make equitable adjustments in special cases.

From the rates made in carrying out the foregoing statutory rule, the best situated, or most ably managed, railroads will receive more than 6% net, while the less favorably located or less efficiently managed roads will obtain less than 6% net per annum. By the plan adopted by the Conference, each of the railroad companies that receive a net return of more than 6% per annum upon the fair value of their property are to be required to put half of the excess into a company contingent fund until that fund shall amount to 6% of the fair value of the company's property, while the other half of the excess is to be turned over to a general railroad contingent fund administered by trustees appointed by Government authority and maintained and used for the benefit of all the railroads of the country.

When any railroad company has brought its own contingent fund up to 6% of the fair value of its property, the company shall increase its annual contribution to the general railroad contingent fund to two-thirds of its net income in excess of 6%, the other third of the excess being retained by the company for distribution among the stockholders or for other lawful purposes. This plan would keep the profits of individual railroad companies within reasonable limits without taking away from the management of the companies the incentive to effort and efficiency.

The purpose of the general railroad contingent fund is to assure to the railroads in the aggregate, by traffic sections, a return of 6% per annum upon the fair value of their property. The fund is to be the means of strengthening and stabilizing railroad credit, and to do this (a) without making the Government responsible for a fixed return to individual railroad companies, (b) without imposing unreasonable rates upon the public, and (c) without permitting the railroads that have been unfortunately located or have been over-capitalized or otherwise mismanaged to shift their burdens from their own shoulders onto the Government or the public or the other railroads. The general railroad contingent fund, accumulated in the manner indicated, is to be drawn upon by all railroads of a designated traffic section when in any year the net return upon the aggregate fair value of the property of all the railroads in that section falls below 6%, due to the fact that the rates authorized or established by the Inter-State Commerce Commission, in consequence of fluctuations in volume of business or of an unexpected increase in expenses, have not yielded the carriers the minimum net return of 6% provided by the statutory rule of rate making.

It is not the purpose of the general contingent fund to give to the properties of the weak roads values which they do not possess; its purpose is to assure to the railroads as a whole, year by year, a net return of not less than 6% upon a fair value of their property; and thus to establish the first condition precedent to stabilizing railroad credit as a whole, and to securing for the public adequate railroad transportation at reasonable capital cost. It is not proposed to provide the weak roads with a net return upon an amount in excess of a fair value of their property.

It is proposed that the general railroad contingent fund, by means of which railroad credit as a whole is to be strengthened and stabilized, shall be built up gradually during a period of years until the fund amounts to \$750,000,000, and that it shall be maintained at that figure. If the fund should eventually amount to more than \$750,000,000, the surplus may be covered into the Treasury of the United States, or be used to provide the public with additional transportation facilities, or be employed to lessen the cost to the public of transportation by reducing the capital and investment accounts of the railroads.

The grouping or consolidation of the railroads in the United States, within a reasonable time, into a limited number, possibly twenty to thirty, strong competing systems, is essential; because railroad rates must be the same for similar services, whether performed by the weak, necessitous railroad, or by the strong and prosperous one. It is in the interest of the public that railroad charges shall be neither so high as to cause the strong roads to profit unduly, nor so low as to force the weak lines, upon which large sections of the country may be vitally dependent, into bankruptcy or into such a permanently enfeebled condition as to prevent them from serving the public adequately and efficiently. All sections of the country ought in the future to be served by railroad systems managed by companies strong enough to serve the public with progressive efficiency and economy.

It is argued by some lawyers that the United States cannot compel an existing railroad company to surrender its State charter, take out a Federal charter, and transfer its property to the new corporation; but it is also pointed out by others that it is not necessary to adopt this method of converting existing railroad companies from State to Federal corporations. It is said to be within the power of Congress to pass an Act similar in principle to the National Bank Act, by which railroad companies may readily transfer their allegiance from the States to the United States.

Either by compulsory Federal incorporation, or, if that should not be feasible, in such other manner as Congress may determine, all railroads engaging in inter-State commerce should be brought as corporations under the jurisdiction of the United States; but in so doing their powers of local taxation and police regulation should be reserved by the States. By reserving those powers the States will retain the relation to inter-State carriers by rail which they should logically possess.

Although it may not have been necessary in the past that the public, through the Government should be represented upon the directorates of the multitude of railroad corporations, it seems clearly in the public interest that the public shall have a voice in the management of the large and powerful railroad corporations that may be allowed to own and operate the limited number of consolidated systems which it is proposed shall be perpetuated. It is recommended that Congress require these large corporations of the future to organize with a Board of twelve directors, three of



whom shall be selected by appropriate authority of the Federal Government to represent the principal interests in the several territories served by the different systems.

The public has an especial interest in the maintenance of harmonious relations between the railroads and their employees. There should be mutual understanding and confidence on the part of the employer and the employed. It is believed that this relationship will be greatly promoted by requiring each of the railroad corporations that are to own and operate the large systems contemplated in this plan to include in its directorate one member who shall be a representative of the employees of the system managed by the Board and shall be nominated for that position by the employees.

The Conference favors the adjustment of wages, hours of labor and other conditions of service of railroad employees by boards consisting of equal numbers of representatives of employees and officers of the railroads, with appeal, in case of the disagreement (deadlock) of an adjustment board, to an appropriate Federal authority as referee.

It is recommended by the Transportation Conference that in providing for exclusive regulation by the Federal Government of the capital expenditures and the security issues of railroads Congress adopt the following method: Such Federal agency as Congress may designate, shall be authorized to pass upon the public necessity for expenditures of capital (in excess of a stipulated amount) by carriers engaged in inter-State commerce and to determine the amount and to regulate the conditions of the issuance of securities to obtain the funds required to cover authorized capital expenditures; a railroad company applying to the Federal agency for authority to make capital expenditures, or to issue securities, shall be required to file with the proper authorities of the States in which the railroad is located copies of the original petition; and the Federal agency shall be required to notify said State authorities of the hearings upon the petition.

It is believed that the Inter-State Commerce Commission ought not to be burdened by the addition to the tasks it now performs of a large number of administrative duties. Should the Commission, as is contemplated, become the authority for the sole regulation of all railroad rates, rules and regulations affecting inter-State commerce, its duties will necessarily be enlarged. To require the Commission to exercise the administrative functions contemplated in the proposed plan of remedial railroad legislation would be to the detriment of the public interest because it would seriously interfere with the prompt action of the Commission as a body for the regulation of rates, the task for which it was especially created and for the performance of which it is peculiarly adapted.

It is recommended that a Federal Transportation Board of five members be established to exercise the administrative functions required for the enforcement of the proposed remedial railroad legislation. The following specific duties should be entrusted to this Board:

- (a) To pass upon the public necessity for capital expenditures and to regulate the security issues of railroads.
- (b) To act as the referee in cases of disagreement (deadlock) of a board entrusted with the adjustment of wages, hours of employment and other conditions of the service of railroad employees.
- (c) To administer the general railroad contingent fund and to enforce the means and measures that may be provided for strengthening and stabilizing railroad credit.
- (d) To determine and announce the grouping or consolidation of railroads deemed to be in the public interest, and to carry out plans authorized by Congress for merging all railroads engaged in inter-State commerce into strong, competing systems severally owned and operated by companies subject as corporations to the jurisdiction of the United States.
- (e) To promote the development of a national system of rail, water and highway transportation, by providing for the articulation of the railroads with the waterways in a traffic sense, by bringing about the common use and construction of terminal and transfer facilities at the larger centres of traffic, and by such other means as may be found to be practicable and in the public interest.
- (f) To inquire into the practices of railroad management and to propose measures for preventing abuses therein.
- (g) To appoint the directors that shall represent the Government upon the directorates of the proposed consolidated railroad companies.

The board which performs the duties enumerated in the foregoing list will be entrusted with an executive task of the first magnitude. It should be a board composed of men of the highest character and attainments. It will equal, if not exceed, in importance, the Federal Reserve Board, whose creation was most fortunate and whose services have been of great value to the public. The Federal Transportation Board should be primarily administrative in purpose and organization. It will have the large and exacting task of guiding and facilitating the development of an adequate and efficient national system of transportation.

Recognizing that it will probably be necessary for the Government to assist the carriers temporarily during the first few years of corporate operation while the railroad companies are building up their individual contingent funds and while a start is being made in establishing the general railroad contingent fund, the Transportation Conference recommends that Congress make an appropriation loaning \$500,000,000 for the creation of a railroad reserve fund to be administered by the Federal Transportation Board. It is recommended that the Board be required to invest the sum thus loaned in United States bonds or notes, the interest on the securities to be paid annually into the United States Treasury. The fund which is to be established for the purpose of bringing about the prompt stabilization of railroad credit and of facilitating such consolidation of railroads as the Board shall decide to be in the public interest, may be used as follows:

The reserve fund created by Congressional loan may at any time during the first ten years after the enactment of the proposed legislation, be drawn upon to whatever extent may be necessary to enable the trustees of the general railroad contingent fund to pay over to the railroads the sums which they may be entitled to draw in accordance with the provisions controlling the distribution of money from the general contingent fund. The plan recommended by the Transportation Conference provides, however, that any sum advanced by the Federal Transportation Board to the trustees of the general railroad contingent fund shall be repaid to the Board with interest as soon as the general railroad contingent fund shall reach, and be maintained at, the amount of \$500,000,000. In other words, after the general railroad contingent fund shall, from the contributions received from the railroads, have reached \$500,000,000 the first claim upon the fund will be the repayment to the Government of the amount loaned at the time of the transition of the roads from Government to corporate operation.

Finally it is recommended by the Transportation Conference that the Federal Transportation Board or the War Finance Corporation (the Act creating that corporation having been appropriately amended) be authorized to advance public funds (under terms that will ensure the Government against loss) to certain individual roads whose credit and financial operations it may be necessary, in the public interest, temporarily to protect during the transition to normal stable conditions.

#### PAUL M. WARBURG ON RE-ESTABLISHMENT OF RAILROAD CREDIT AS PROPOSED IN NATIONAL CONFERENCE PLAN.

Paul M. Warburg, formerly Vice-Chairman of the Federal Reserve Board, in presenting this week, on the 24th inst. before the House Committee on Inter-State and Foreign Commerce a statement in behalf of the National Transportation Conference confined his remarks to the "Re-establishment of Railroad Credit." Hearings on proposed railroad legislation were brought under way by the Committee on the 15th inst. and Harry A. Wheeler's explanation of the Conference plan, as given before the Committee, is referred to also in to-day's issue of our paper. Mr. Warburg in dealing with the phase of the subject on which his remarks bore, stated that "the problem of raising through taxation the gigantic sums required by the country for interest charges and other matters affecting the national welfare, is perplexing enough in itself, and I believe the Transportation Conference made no mistake in assuming that the public interest would best be served by not unnecessarily increasing the burden of taxation by arbitrarily adding to it deficiencies caused by transportation to be furnished below cost." In his further observations Mr. Warburg said in part:

It has been the consensus of opinion of members of the Conference that if private capital is to enter freely upon the venture of further developing the railroads, and if railroad credit is to be re-established on a solid basis of genuine confidence, that 6% on the final valuation plus a modest share in earnings in excess of this percentage would constitute the minimum required. The chances for profitable investments in other industries are so much more attractive that the offer of a lower return would be certain to defeat the very objects to be accomplished by remedial legislation.

The plan, therefore, proposes that a statutory rule be enacted by Congress requiring that rates and fares to be established by public authority shall be designed to yield the railroads of each traffic section of the United States revenue sufficient to produce, after proper provision for renewals and depreciation, a net return available for interest and dividends of not less than 6% on the aggregate final valuations of the property of the railroads devoted to the public service in each of the several sections.

It is furthermore proposed that each railroad netting earnings in excess of 6% on its final valuation shall turn over one-half of such excess into a contingent fund of its own and the other half into a general contingent fund, until its own contingent fund amounts to 6% on the fair value of its property, after which (as long as this company contingent fund is maintained at 6%) two-thirds of the railroad company's earnings in excess of 6% would go into the general contingent fund, while one-third would be retained by the railroad company for distribution among its stockholders or for such other lawful purposes as it may determine.

The payments into the general contingent fund, it is proposed, shall be accumulated until it amounts to \$750,000,000, and be maintained at that sum, and any excess shall be used when and as directed by the Transportation Board for the development of the railroad transportation system of the country, for the increase of transportation equipment and facilities or for the pro-rata reduction of the capital obligations and property investment accounts of the railroads; or, if so ordered by Congress, the excess shall be turned over to the Treasury of the United States.

In formulating this plan the Transportation Conference was guided by the thought that in order to attract capital for the future development of our transportation system it was neither desirable nor necessary to erect a structure of speculative investments, but rather to lay so strong a foundation for railroad securities that they would prove attractive to the investor on account of their solidity rather than on account of their speculative possibilities.

The plan does not propose to give railroad security holders much more than they get to-day; the increase in return necessary to balance the very delicately poised scales, when measured in dollars, is comparatively insignificant. The benefits of the plan would result primarily from the better organic structure of the whole system and from the greater confidence that it would inspire.

Through the contemplated consolidations the inequalities of distribution of earnings and profits are removed and the rate-making problem is simplified, greater clarity and a definite assurance are provided as to what once and for all shall be the return to which as a matter of acknowledged right private capital shall be entitled; and, finally, the machinery of the contingent fund is designed to give such solid stability to railroad credit that private capital may be expected to be satisfied with the prospect of an assured though not over-generous return—but one that promises to be free from the vicissitudes and uncertainties of the past.

It appears to be the general desire of the country to see the government withdraw from active business as fast and as far as possible, and the Transportation Conference plan proceeds on this hypothesis. It avoids direct guarantees given to any individual railroad. It recommends a rate-making structure producing no less than 6% upon the aggregate final valuation of all the railroads of a traffic section. It assures the railroads against failure on the part of the rate-making body to produce the minimum 6% yield to be prescribed by the statute; but it leaves the railroads free to compete within this assured statutory minimum return for a section. Conceivably one railroad might secure a return of 6½% on its valuation, while the other might secure 5½%. It is left to the energy, ability and spirit of enterprise of each railroad to secure its maximum share of the aggregate assured for all. The statute would protect the carriers as a group, not as individual corporations, and this, it is believed, is one of the strongest features of the plan.

We must contemplate the project, however, in its completed form, and this would show us in each section a small number of competing consolidated railroads; the weak sisters having been merged with some of the so-called strong companies. In these circumstances a 6% rate structure for a traffic section is not likely to leave discrepancies between competing companies as marked as in the past. It would seem likely that most of the consolidated railroads would come reasonably near earning their full share of the minimum.

It should be borne in mind, however, that such minimum reasonable return is to be figured on the valuation, as finally to be determined by the Interstate Commerce Commission, and not on actually outstanding securities. In the case of conservatively managed and strong railroads the final valuation no doubt will in some cases produce a value in excess of the

present capitalization; in others the final valuation may prove to be much lower than the capitalization—indeed, it may wipe out the entire stock and possibly some of the bonds. The latter companies, it is to be assumed, will be merged with the stronger companies by an exchange of securities on a basis to be approved by the proposed Federal Transportation Board, and presumably on a basis approximating the relation established by the valuations, or they might first adjust their capital and obligations by a process of reorganization. It is imperative that the mergers result in establishing consolidated companies whose stock will sell substantially above par, because any future plan of rehabilitating railroad credit under private ownership and private operation will fail unless the plan establishes for the railroad stocks of the future values well above par and sufficiently attractive to enable the railroads to finance themselves through sales of their stocks on such scale as is necessary to preserve a proper proportion between their outstanding bonded indebtedness and capital stock. The strongest railroad would naturally furnish the best backbone for a new consolidated system.

In hoping that the plan as proposed will furnish a foundation strong enough to sustain the future credit of the railroads, the Transportation Conference places great faith upon the effect to be produced by the two contingent funds.

The company's own contingent fund to be maintained by each railroad is devised for the purpose of protecting the carriers against adverse circumstances unexpectedly affecting an individual company.

The general contingent fund, on the other hand, which is to accumulate to an amount of \$750,000,000, is designed to make good a deficiency arising in any year when the rates fixed by the Interstate Commerce Commission do not produce a minimum return of 6% on the aggregate valuation of railroads composing a traffic section.

To illustrate, if the aggregate valuation of railroads of a section amounted to \$7,000,000,000, and if the earnings available for distribution for interest and dividends during any one year amounted to only 5%, or \$350,000,000, instead of the statutory minimum of 6%, or \$420,000,000, the deficiency of \$70,000,000 would be taken out of the general contingent fund and would be distributed amongst the railroads of the section on a pro-rata basis of their gross earnings—the underlying thought being that, if the rates had been fixed in accordance with the statutory rule, each railroad would have earned so much more on its gross business. A company having earned, including such contribution received from the general contingent fund, in excess of 6% on its valuation, would be permitted to retain one-third of the excess, the other two-thirds going back into the general contingent fund. Or in case it had not yet completed its own contingent fund, one-half of the excess over 6% would go into its own contingent fund and one-half into the general contingent fund, in the same manner as if these earnings had originally been made through rates aggregating the statutory minimum of \$420,000,000.

The plan thus provides for two shock absorbers; one against adverse circumstances affecting individual roads, and the other against miscalculations on the part of the rate-fixing body, or against unexpected emergencies bringing about such reduction in tonnage or such extraordinary conditions of operation as would render impossible a prompt readjustment through increases in rates.

It is of the greatest importance, however, that the investing public should feel reasonably assured against such eventualities.

The weakness of the situation in the past was due to the fact that the Inter-State Commerce Commission could neither know the true value of the railroad properties nor what constituted an adequate return, and thus was put in the predicament that if it granted adequate rates to weak roads it would be over-feeding the strong ones. It was not surprising that this lack of clarity with regard to the rate-making basis had a very unfavorable effect on the public mind. The shipper was ready to believe at all times that he was the victim of extortionate rates due to excessive capitalization and over-generous return to the railroads. The obscurity as to values and reasonable returns thereon stood in the way of the clear recognition of a just course, and, in the long run, created a hostile attitude toward the railroads which resulted disastrously to railroad credit.

Under the plan recommended the rate-making body would not need to fear that adequate rates would place the strong roads in a condition of excessive or unjustifiable affluence. When once the valuations are definitely determined there cannot be any reasonable objection to industrial enterprises earning a minimum of 6% and a third of moderate earnings in excess of that limit. That is less than would be required to satisfy any other industrial venture. The rate-making body could thus act with greater independence, knowing that two-thirds of the excess would go into a general contingent fund, designed to protect the general situation. The Inter-State Commerce Commission, moreover, would soon realize that the general contingent fund would prove an invaluable protection for the rate-making body itself, and that it would be wisdom on their part to build it up as promptly as possible.

When once the contingent fund reaches the amount of \$750,000,000 (which, on the basis of the tabulations made for the Transportation Conference, may be assumed to take place in less than fifteen years) it is proposed that contributions to the fund bringing its total above that limit could be used either for providing additional transportation facilities for the benefit of the country (be they equipment or permanent improvements) or for amortizing the cost of the railroads. The latter process could be carried out by a pro rata purchase of obligations of the various railroads and by a corresponding reduction in their property investment accounts. To the extent that in this manner the property investment accounts would be written down, transportation charges would be correspondingly decreased. Liberal earnings would thus strengthen railroad credit and at the same time redound to the advantage of the whole country.

While the contingent funds when complete will thus render an invaluable service in safeguarding railroad credit, the plan would show a fatal weakness in that it would not provide against the emergency of the most critical years, being those immediately ahead of us. During that period the contingent funds would as yet be practically non-existent. For this reason the Transportation Conference, very reluctantly, has reached the conclusion that it is imperative to recommend to Congress the establishment of a railroad reserve fund of \$500,000,000, to be placed in the hands of the Transportation Board. From this fund it is contemplated such sums are to be advanced to the general contingent fund as may be necessary to make up deficiencies in case rates fixed by the Inter-State Commerce Commission fail to produce in any one year, during the first ten years after the enactment of the proposed legislation, the statutory minimum yield of 6% on the aggregate valuations of a traffic section and in case the funds in the general contingent fund are insufficient to make up the shortage. Such payments from the Federal Reserve fund would, however, be treated as advances only; they would be paid back with interest, from railroad contributions as soon as the general contingent fund had accumulated and remained at an amount of \$500,000,000. It is obvious that without such Federal Reserve fund railroad credit could not be re-established to a degree sufficient to permit a generous development of the railroads as required in the best interest of the country.

It is very important to bear in mind that this fund may be drawn upon only in case rates determined by the Inter-State Commerce Commission should not yield the statutory minimum of 6% return for a traffic section, and that it is, therefore, entirely within the power of the Commission, unless some unforeseen events occur, to protect the situation and to avoid the necessity of payments from this reserve fund into the general contingent fund. But even if such payments should be made, they would be certain to be repaid, because the plan provides that when the railroad consolidations are completed a minimum of 5% of the annual net earnings of all the railroads, (that is, on the contemplated basis of annual net earnings of approximately one billion dollars, \$50,000,000 per year) shall be paid into the general contingent fund in any year when the carriers receive the statutory minimum of 6%. There cannot, therefore, be any doubt as to advances being repaid in the end. For the period of transition, however, this Federal Reserve fund would form the keystone, without which the main strength and benefits of the plan would be lost.

An appropriation of \$500,000,000, even in the form of an absolutely safe loan to be repaid to the United States with interest, is not illicly, at first blush, to meet with a very cordial reception on the part of Congress. But it would appear an almost paltry commitment as against the amounts involved in present guarantees and advances. And if through the plan here proposed the present perplexities could permanently be solved, it would appear anything but an excessive demand. Indeed, it may be doubted whether the amount of \$500,000,000 may really be sufficient. May we ask, therefore, that your Committee give this feature of our plan their most earnest consideration?

Perhaps I should say a further word of explanation concerning the stipulation of compulsory contributions pro-rata to net earnings on the part of all railroads to the general contingent fund. This proviso is contemplated to go into effect only after the mergers approved by the Transportation Board are completed. The underlying thought is that as long as there are weak and strong roads the contributions into the fund may be expected to be forthcoming from the excess earnings of the strong roads. When once the mergers are completed and the weak roads are absorbed by the strong roads, there will be a greater equalization of earnings and, conceivably at least, if all consolidated railroads earn their 6% (and the rate-making body fixes rates providing no more than the statutory minimum) there would not be any excess earnings from which contributions into the general contingent fund could be made.

It is thought that when that time comes it would not be any hardship for these large consolidated companies to pay into the general contingent fund their pro-rata share (to the extent that excess earnings have not provided it) so as to make the total contribution into the fund 5% of the aggregate net earnings of a section, *i. e.*, at present approximately \$50,000,000 per annum.

Under the Conference plan the total increase which would go to the railroads by the adoption of a 6% rate-making basis is figured to amount to about \$137,000,000, and of this it has been calculated that about \$51,000,000 would go into the contingent fund from excess earnings of the railroads as at present constituted, so that the total increase retained by the railroads would only amount to approximately \$86,000,000 per annum, on the basis of the present standard return.

The Transportation Conference has not left unconsidered the puzzling question of whether or not in the long run a return of 6% on the final valuation might prove to be too high or too low.

It has been suggested that it would be a mistake for Congress to determine a fixed basis of return and that it should be left flexible. Were the question left open, it is to be feared, however, that the uncertainty of the past might continue to prevail and credit might not be re-established. A definite assurance seems to be necessary so that the stockholder and the bondholder will know for a certainty what their position will be in the future. It has been suggested that the law might contain a provision whereby within given periods of, let us say, ten or fifteen years, upon the certification of the Federal Reserve Board as to the relative changes of values of securities and of money, a revision might be made by the Transportation Board of what should constitute an adequate return; the decisive element being that no adjustments should be made which would bring the average of then existing railroad stock so nearly down to par that financing through further issue of stocks would thereby become jeopardized.

While it is possible to insert a clause of this nature, and while much is to be said in its favor, it was the feeling of the Conference that a provision of this character would be very difficult to formulate and might add to the complexity of the problem; that credit would be more solidly established by providing a definite basis of rate making, leaving it to the future, in case of need, to take care of itself. It was thought that any fear that the arrangement might turn out to be too favorable for the railroads might be disregarded, inasmuch as after all it was within the power of the Inter-State Commerce Commission ultimately to keep the return pretty close to 6% on the actual value of the properties less the 5% going into the general contingent fund, *i. e.*, a net return of 5.70%. If, on the other hand, the return should prove too moderate to attract new capital, the Inter-State Commerce Commission could meet the situation by greater liberality in rate making, or Congress might step in and make the necessary adjustment.

It was also discussed whether any future saving in interest on the funded debt should redound to the advantage of the country at large or the owners of the railroads. In other words, if owing to the better credit of the railroads they should be able to place their new bonded indebtedness, or to refinance maturing obligations, on a lower interest basis than 6%, should the benefit of such saving accrue to the stockholder?

While if such a course were desired the statutory rate could be so fixed as to yield 6% on the aggregate final valuation of the railroad properties less their funded and floating debts, and the net yield available for the railroads in that case would have to provide only for the dividends and not for the interest charges, such change seemed unwise to the Conference for the following reasons:

According to the statement of the Inter-State Commerce Commission for the year 1916, the interest paid (leaving aside amortization or discount written off and charged to profit and loss account) was about \$474,000,000 on about \$11,000,000,000 of outstanding funded debt, that is at the rate of approximately 4.30%, and on this present basis the amount available for dividends amounted to only \$342,000,000 on outstanding stock of \$8,250,000,000, or less than 4¼% on the amount outstanding and approximately 6½% on the dividend-paying stocks, which amount to about 60% of all the outstanding stock, according to the statement of the Inter-State Commerce Commission.

These results were secured in a year when the return on the total railroad property investment account was 5.00%, the highest on record, which almost equals the proposed future statutory rate-making basis of 6%, and is in excess of this return, if we take into account the contribution to the general contingent fund, which would reduce the 6% return to 5.70% net.

Under present conditions it is doubtful whether a substantial number of railroads could sell large amounts of bonds on an interest basis netting less than 6%; many, indeed, have recently financed on a very much higher basis. It is to be assumed that, if ever, it will take many years before maturing rail-

road bonds could be renewed on a basis better than the present average charge of 4.30%. In other words, as bonds mature and as more banks are issued, the position of the stockholder is likely to depreciate rather than improve. Inasmuch, however, as the present condition of earnings and values of stocks and bonds is such as to have brought railroad development to a standstill, it is clear that it would be fatal to cut down the very limited opportunities that have been preserved for the stockholder under the present plan. It is felt that it is the minimum below which no attempt should be made to cut his chances. Indeed, the plan may already have gone too far in this respect. As has been stated before, if stocks of the consolidated railroads do not sell above par railroad development will come to a stop. And hope for success in present circumstances is predicated upon the thought that in each section there will be found some companies the final valuations of which will exceed their capitalization, so that the percentage return on their outstanding stock may be in excess of the percentage return on the valuation. Against stocks and bonds of such companies the securities of the weak sisters would be exchanged on the basis of their respective valuations, and strength accumulated in the past will thus be used to benefit and protect the future.

The alternative would be a direct Government guarantee of railroad securities, which, if extended over \$18,000,000,000 of stocks and bonds, would tend most dangerously to depreciate our Government credit. It is doubted whether under present circumstances a 5% Government bond offered on so large a scale would sell at better than par, particularly if it were subject to full taxation and if every year—for additions, betterments and improvements—an additional amount approximating \$1,000,000,000 were issued.

The Government could not to-day refund the outstanding obligations of the railroads without paying a substantially higher interest charge than the carriers pay to-day on the outstanding debt. If the Government guaranteed a certain minimum return on the stock of the new Federal corporations of, let us say, 4½%, the rate-making body would have to provide an adequate margin above that in order to preserve the incentive of competition, and so as to safeguard the liability incurred by the Government. In other words, if the Government guaranteed 4½% the Interstate Commerce Commission would have to try to establish rates providing 6% in order to protect the Government against all hazards. The saving to the country would, therefore, be unimportant, while the loss to the Government's credit would make itself felt all along the line.

It is barely possible that if consolidations should not materialize on the basis of voluntary action on the part of the railroads involved, it may prove necessary to have the Transportation Board itself organize new holding companies, with power to acquire by condemnation proceedings the railroads to be merged into a consolidated concern, and that in order to make these mergers possible such new Federal holding company would have to issue a stock endowed with a Government guarantee. Let us hope, however, that such eventualities may be avoided.

The plan of the Transportation Conference has the distinct advantage that within a reasonable number of years it will free the Government from any financial liability and will take it out of actual business, while on the other hand plans contemplating individual railroad guarantees are considered by many as likely to lead the Government into direct and permanent railroad operation.

It is obvious that ample time must be given to devise and perfect the contemplated consolidations and that a *modus vivendi* must be found for the operation of the railroads during the interval. As the Federal Reserve Act provided for an Organization Committee which was charged with the duty to divide the country into no less than eight and no more than twelve districts, so our plan provides for a Transportation Board that shall approve or determine the number of consolidated systems and their groupings.

It shall give the railroads an opportunity, and all possible assistance, to carry them into effect. If the mergers cannot be perfected by voluntary agreement, the Board, after five years, shall have power to complete them by compulsory proceedings. The Board shall also have power to sustain railroad credit pending this period of consolidation.

But how are rates to be fixed and profits to be divided during the interval when valuations are not yet completed and not available to serve as a basis for rate-making and division of excess earnings? It is conceded that any basis during this period will have to be somewhat arbitrary and cannot be entirely satisfactory. But the report appears to have established a method as fair and equitable to all as possible in the circumstances. As a general basis for rate making it is proposed to use the aggregate property investment accounts of the railroads of each traffic section, as at present carried by the Interstate Commerce Commission. While it is admitted that these property accounts, taken individually, in some cases are too high and in others too low, it is generally assumed that, considered as a unit, they may be accepted as furnishing a fairly accurate basis to be used as a temporary yardstick.

When dealing with individual roads, however, the often highly arbitrary investment account cannot be safely accepted as a basis for determining excess profits. The report, therefore, recommends that for the purpose of ascertaining excess income the valuation of any individual railroad system, pending the completion of the final valuation, shall be that proportion of the aggregate property investment accounts of all the railroads of the traffic section in which it is located which its average annual railway operating income (computed for the period and in the manner prescribed by the Federal Control Act of March 21 1918) bears to the aggregate annual railway operating income of all the railroads of such traffic section, computed in the same manner.

In other words (taking entirely arbitrary figures for the purpose of an illustration) if the aggregate property investment accounts of all Eastern railroads amounted to approximately \$7,000,000,000 and their total net railway operating income during the test period amounted to \$350,000,000, if a railroad company's net operating income (standard return) in that period was \$35,000,000, or 10% of the total income, then, subject to the adjustment provided in the plan, its earning valuation would be 10% of \$7,000,000,000, that is, \$700,000,000, and the railroad company would divide excess earnings above 6% on that amount, i. e., above \$42,000,000. Discretionary power would be vested in the Transportation Board to make adjustments in particular cases involving undue hardships. It is furthermore provided, first: that if the use of the above-stated method shall produce a valuation of any particular railway system greater than the amount of its property investment account for the three-year period ending June 30 1917, the amount of such property investment accounts shall be used instead of the valuation derived by the formula; second, that the use of the formula shall not operate to reduce the railway operating income of any particular railroad system below its annual average railroad operating income,\* as computed under the Federal Control Act of March 21 1918; third, that to such valuation as shall be derived for any railroad system, in the manner above stated, there shall be added all increases of property investment made by such system after June 30 1917.

\* This proviso appeared as more than equitable in view of the fact that the railroad had demonstrated its ability to make these earnings upon a basis of rates which have stood the various tests and were admittedly not too high, and in some instances have been decreed to be too low.

It has been figured if the law as proposed went into effect, that on a basis of one-third to the railroads and two-thirds to the general fund (after the individual contingent fund had been filled) the result would be approximately as follows:

Section.	Present Standard Return.	Increase to 6% on Aggregate Investment Accounts	Increase.	Retained by Railroads After Turning over Two-thirds to Gen. Cty. Fund.	Increase to Railroads.	Turned into General Cty. Fund.
	\$	\$	\$	\$	\$	\$
Eastern.....	354,000,000	408,000,000	54,000,000	390,000,000	36,000,000	18,000,000
Southern.....	139,000,000	158,000,000	17,000,000	149,000,000	10,000,000	7,000,000
Western.....	402,000,000	468,000,000	66,000,000	442,000,000	40,000,000	26,000,000
	895,000,000	1,032,000,000	137,000,000	981,000,000	86,000,000	51,000,000

To these figures there would have to be added the return of 6% on additional investments (since June 1917) not compensated for by the present standard return, and such adjustments as the Transportation Board would make.

In this manner a capitalization of earnings has been substituted for the highly arbitrary basis of individual property investment accounts. The only use of that account is made in this plan by providing that where the temporary earning valuation is higher than the existing property investment account, that account is to be used as the basis for determining excess income.

It is believed that the provisions of the plan proposed by the Transportation Conference will afford railroads during the ensuing years of the interval a sufficient strengthening of their credit to enable most of them to carry on their financial and physical operations until the mergers are completed.

Where immediate financial assistance by the Government is required the report recommends that provision be made to enable the Transportation Board, directly or indirectly, through the War Finance Corporation extend temporary support to particular systems.

I cannot help feeling that in the public mind a mistaken emphasis generally is being placed both upon the effect of cost of transportation upon the cost of living, and also upon the part played by the cost of capital as a factor contributing to the cost of transportation.

If, quite arbitrarily, we assume that the cost of things produced per year in the United States amounted to something like \$60,000,000,000 or \$70,000,000,000 the total cost of transportation would amount to only 5% of the cost of all things produced. An increase of 20% in the cost of transportation would therefore represent an item of no more than approximately 1% of the cost of things in general even though in the case of certain articles transportation constitutes a much larger share of the cost of production. I cannot follow the theory propounded by some that the cost of living would be raised to an extent equaling four times the amount directly involved in the increased cost of transportation. If the price of coal rises due to increased wages both in mining and transporting why should one increase in wages have a different effect than the other?

It would be well for us however to bear in mind that in a period during which the index prices for commodities show an increase of 200%, the rates charged for the transportation of passengers, according to recent statements, increased only 40%, and of freight only 20%, or as it has been cogently expressed, "a ton of any given commodity will at present purchase more transportation than it could at any previous time."

Finally, when we remember that the annual increase in return contemplated in our plan equals about one-tenth of the increase in wages authorized by the railroads since the beginning of the war, we cannot escape the conclusion that the adequate return to be allowed to the investor plays only a comparatively unimportant part in the whole situation.

May I venture to remind you, moreover, that it would be a misfortune if remedial legislation were passed which did not go to the root of the evil—legislation of a palliative character, or that was but temporary patchwork, and would leave unsolved a question certain to grow increasingly difficult.

Twelve years ago a situation similar to the present railroad problem existed with respect to banking reform. After the panic of 1907 there were numberless suggestions for monetary reform contemplating nothing but the patching up of the situation by new sorts of note issues against Government bonds or asset currency or clearing house certificates. Successful financial reform, the blessings of which the country has enjoyed during these critical times of war and stress, could only be accomplished after it was clearly recognized that the remedy needed was one that would reach the root of the evil, and not deal merely with its symptoms. It is sincerely to be hoped that the measures of reform to be applied by Congress in dealing with railroad reform will be as thorough and as courageous as was the legislation with respect to banking. We may then hope for as signal a success in the momentous task before us at this juncture.

ASSENTS TO PROPOSED RAILROAD EQUIPMENT PLAN—BILL OF RAILWAY EXECUTIVES.

According to a statement issued yesterday (July 25) by Thomas DeWitt Cuyler, Chairman of the Association of Railway Executives, member roads having equipment valued at approximately \$250,000,000 have signified their willingness to finance this through the proposed National Equipment Corporation. The participation already assured, he says, represents over 70% of the value of the equipment allocated to roads belonging to the Association. Details of this plan, devised by the Committee of bankers under the chairmanship of Jerome J. Hanauer, were given in our issue of July 5, page 34. Mr. Cuyler's statement of yesterday was issued after a meeting in the morning at the New Haven Board Room, Grand Central Terminal of the Standing and Law Committees of the Association, this meeting having been followed in the afternoon by a meeting of the member roads of the Association. Among other things Mr. Cuyler states that the railroads expect within a short time to submit to the House Committee on Interstate Commerce substantially the same recommendations for remedial legislation previously submitted by them to the Senate Committee, the only change of importance being the substitution of a board of Transportation for the Secretary of Transportation. The following is Mr. Cuyler's statement:

For some time we have had under consideration with the Government the formation of a national equipment corporation, to take up and finance in a single operation, a large part of the equipment contracted for by the Government, and allocated by it to the various railroad companies. Some time ago we submitted to the roads belonging to this Association the report of a committee of bankers on a proposed national equipment corporation. Our member roads having equipment valued at approximately \$250,000,000 have signified their willingness to finance this through this proposed national equipment corporation. The participation already assured represents over 70% of the value of the equipment allocated to roads belonging to this Association. The matter has been referred back to the special committee on allocation and financing of equipment, which has been empowered to negotiate the details and arrangements necessary for the formation of the proposed national equipment corporation. The facts of the situation have been communicated to the Government, which is understood to be ready to negotiate the matter to a conclusion.

The railroad companies have made every effort to cooperate with the Government in this matter, and many of the strongest railroad systems which could make thoroughly satisfactory other arrangements have, nevertheless, elected to join in this general movement in the belief that relationship with the Government will be simplified and the general railroad situation will be benefited by such cooperative action.

The railroads have had under consideration to-day a number of important matters, including the question of the maintenance of the properties while in the possession of the Government, remedial legislation to accompany the return of the railroads to private operation, and the formation of a proposed national equipment corporation.

The question of maintenance during Federal control is now being investigated and considered by both the Railroad Administration and by the railroad companies. Sufficient data has not yet been secured to lead to any conclusion, but it is hoped and expected that with all the facts in hand, an amicable understanding can be reached between the Government and the railroads as to the extent to which they have been properly maintained while in the Government's possession.

Within a short time the railroads expect to submit to the House Committee on Interstate Commerce substantially the same recommendations for remedial legislation as were submitted by them to the Senate Committee in January of this year. In order to show precisely the form which these recommendations would take, they have been reduced to the phraseology of a bill. The only change of importance will be the substitution of a Board of Transportation for the Secretary of Transportation with a seat in the President's Cabinet as originally proposed.

#### REDEMPTION OF CERTIFICATES OF INDEBTEDNESS ISSUED BY DIRECTOR-GENERAL OF RAILROADS.

In a statement issued yesterday the Federal Reserve Bank of New York said:

The total of certificates of indebtedness heretofore issued by the Director General of Railroads including carrier, other transportation and equipment certificates, amounts to over \$285,000,000. Of this total the Federal Reserve Bank of New York, as fiscal agent of the United States to day stated, that over \$216,000,000 has been redeemed to July 25 1919, by it, or approximately three quarters of the amount of the whole.

The Federal Reserve Bank of New York calls attention to the fact that greater physical convenience will result and prompt redemption in cash will be made, of any further certificates of indebtedness of the Director General of Railroads presented to the Federal Reserve Bank of New York, by accompanying such certificates with the proper assignment to the Director General of Railroads for cancellation and by such further endorsements, assignments, or authority to receive payment as are required by the Treasury Department.

#### PRESIDENT WILSON'S REQUEST TO SENATE FOR PROVISIONAL APPOINTMENT ON REPARATION COMMITTEE—SENATE RESOLUTIONS ON TREATY.

The Senate Committee on Foreign Relations, which on July 14 took up for consideration the peace treaty with Germany, which had been presented to the Senate on July 10 by President Wilson and referred by that body to the Committee, declined on July 22 the President's request that it approve provisional appointment of a representative of the United States on the International Reparations Committee without awaiting ratification of the treaty. President Wilson's request was contained in a letter to Senator Lodge, Chairman of the Committee, dated July 18 and presented to the Senate on the 21st. The letter follows:

July 19, 1919.

My Dear Senator:—There are some things in connection with the execution of the Treaty of Peace which can hardly await the action of the several Governments which must act with regard to the ratification of the treaty, and the chief of these is the functioning of the Reparations Commission.

It is of such importance to the business interests of the United States as well as to the nations with which we are associated that the United States should be represented on that Commission and represented now while the work of the Commission is taking shape, that I am taking the liberty of writing to ask if you will not be kind enough to consult the Committee on Foreign Relations with regard to the particular appointment and say to them that I would very much appreciate their approval of my appointing provisionally a representative of the United States to act upon the Reparations Commission.

Very sincerely yours,  
WOODROW WILSON.

The Committee registered itself against the proposal on the 22d inst. in the adoption (by a vote of 8 to 7) of a resolution presented by Senator Knox (Republican). As to action on that day on the several resolutions growing out of the President's request the New York "Sun" on the 23d said:

When the Committee convened there were pending a series of resolutions outlining the reply that Senator Lodge (Mass.) should make to the President. Senator Williams (Miss.) had introduced one agreeing that the President had power to make the appointment, and Mr. Harding (Ohio) had proposed to instruct the Chairman to reply that "neither the Committee nor the Senate has any authority to take action in respect to any treaty provision until said treaty becomes effective through ratification."

Mr. Hitchcock (Neb.) had proposed to amend this by declaring that while the treaty is in the stage of negotiation the President has power to make such appointments if they are necessary. Mr. Knox (Pa.) had insisted that until the treaty is ratified "no power exists either in the President or in Congress to execute any provision of the proposed treaty either provisionally or otherwise."

When the matter was taken up this morning the Hitchcock proposal was voted down, 9 to 6, and that of Mr. Knox, its wording slightly changed, was adopted by a vote of 8 to 7. It was a party vote except that Mr. McCumber voted with the Democrats. Accordingly the reply which Chairman Lodge later dispatched to the President stated that "until the treaty has been ratified in accordance with its terms no power exists to execute any of its provisions either provisionally or otherwise."

The Knox resolution reads:

Resolved, That it is the judgment of the Committee that, until the proposed treaty is ratified, in accordance with its terms, no power exists to execute any of its provisions, either provisionally or otherwise.

Besides occupying the attention of the Senate Foreign Relations Committee, the treaty has also been the subject of considerable debate in the Senate. The Committee on the 14th, in preparing for detailed consideration of the treaty, decided to favorably report three resolutions asking President Wilson for information bearing on the Versailles negotiations. The resolutions concern the Shantung settlement, an alleged secret understanding between Japan and Germany, and the failure to recognize Costa Rica as a belligerent. The Shantung resolution was introduced by Senator Borah, Republican, of Idaho. The Costa Rica resolution, presented by Senator La Follette, would inquire why Costa Rica "was not permitted" to sign the peace treaty and whether Nicaraguan forces are "now permitted" to invade or threaten Costa Rican territory. Under the first-named resolution, introduced by Senator Lodge, President Wilson is asked for a copy of a treaty said in newspaper dispatches to have been negotiated in 1918 by which Japan was to safeguard indirectly Germany's interests at the Peace Conference. Before voting its favorable report, the Committee added a request for "any further information concerning any negotiation between Japan and Germany during the progress of the war." Both the Lodge and La Follette resolutions were adopted by the Committee without a record vote on the Borah measure all the Democratic members present voted in the negative. The Lodge resolution was adopted by the Senate on the 15th without a record vote. As adopted that resolution reads:

Resolved, That the President be and he is hereby requested, if not incompatible with the public interest, to send to the Senate a copy of any treaty purporting to have been projected between Germany and Japan referred to in the press dispatches hereto annexed, together with any information in regard to it which may be in possession of the State Department or any further information concerning any negotiations between Japan and Germany during the progress of the war.

The Borah resolution was adopted by the Senate on July 17 without a record vote, as adopted it reads:

Resolved, That the President be requested, if not incompatible with the public interest, to send to the Senate a copy of any letter or written protest by any member or members of the American Peace Commission or of any officials attached thereto against the disposition or adjustment which was made with reference to Shantung, and particularly a copy of the letter written by Gen. Tasker H. Bliss, member of the Peace Commission, on behalf of himself, Robert Lansing, Secretary of State, and Hon. Henry White, members of the Peace Commission protesting against the provisions of the treaty with reference to Shantung.

Any memorandum or other information in the possession of the American Peace Commission or any member thereof with reference to the attempt of Japan or her peace delegates to intimidate the Chinese peace delegates, and to control the action of said Chinese delegates through and by means of intimidation.

On July 16 the Foreign Relations Committee unanimously adopted a resolution presented the previous day by Senator Johnson, Republican, California, asking for all tentative drafts of the League of Nations Covenant presented at Versailles. According to the Philadelphia "Ledger" the Johnson resolution was transmitted directly from the Committee room to the White House without action by the Senate as a whole. The following is the Johnson resolution as adopted:

Resolved, That the Committee on Foreign Relations respectfully request the President, if not incompatible with the public interest, to transmit the following to the Committee:

1. All drafts or forms presented to or considered by the Peace Commissioners relating to a League of Nations and particularly the draft or form prepared or presented by the Commissioners of the United States.
2. All proceedings, arguments, and debates, including the transcript of the stenographic reports of the Peace Commission relating to or concerning a League of Nations or the League of Nations finally adopted, and all data bearing upon or used in connection with the treaty of peace with Germany now pending.

On July 24 Senator Lodge presented a resolution under which the Senate would "respectfully request" that the treaty with France be submitted so that the Senate could consider it "in connection with the treaty of peace with Germany." A request for immediate consideration was blocked by Senator Robinson, Democrat, Arkansas. The Lodge resolution quotes from Section 4 of the treaty as published:

The present treaty will be submitted to the Senate at the same time as the Treaty of Versailles is submitted to the Senate for its advice and consent to ratification.

It was stated yesterday (July 25) that President Wilson would not submit the Franco-American pact to the Senate until his return from his trip about the country which he plans making in defense of the Peace Treaty. This trip, it is reported, will begin about Aug. 10 and will cover about five weeks. For a week or more President Wilson has held, at the White House, conferences with Republican Senators on the Peace Treaty and the League of Nations. The invitations to these were identical, and read:

*My Dear Senator*.—Matters of so great a consequence are now under consideration that I would very much appreciate an opportunity to have a talk with you about the treaty and all that it involves. I wonder if it would be possible for you to see me at the White House at [hour and dates varying, of course].

Cordially and sincerely yours,

WOODROW WILSON.

On the 18th inst. the New York "Sun" quoted Senator Lodge as follows with regard to the question of possible appearance of the President before the Foreign Relations Committee (it had been intimated in the press that he might be invited to appear before the Committee):

There seems to be in the press a great deal of misunderstanding about the President desiring to appear before the Committee on Foreign Relations. No committee of Congress has any right or ought to have any right to summon the President of the United States before them, and no suggestion has been made that they should do so.

The ground which Madison took, that he could not receive officially a committee of the Senate because the Senate was an independent and coordinate branch and the dealings of the President with the Senate must be with the Senate as a whole, so far as I know has never been departed from, and it has always seemed to me the absolutely correct ground. The President, of course, has not asked to appear before the committee, who, it is needless to say, would receive him with the utmost respect, but I feel sure the President approves the unbroken rule as to the relations between the President and the Senate formulated by Mr. Madison.

The Committee on Foreign Relations, of course, would be only too glad to receive any communication the President might see fit to make to them. They have already asked him in the recognized manner for certain papers which they desire and those will, no doubt, be received as soon as practicable. The stage has not yet been reached for examining anybody before the committee, as the reading of the treaty has not yet been completed.

It is also well to remember that under the rules of the Senate the President has the power to convene the Senate at any place he pleases and that the Senate is bound to go to that place and hear any communication he desires to make. Our rules also provide for the President coming and sitting with the Senate in executive session.

LEAGUE OF NATIONS INTERPRETATIONS BY SENATE PROPOSED BY W. H. TAFT IN LETTER TO WILL H. HAYS.

Suggestions for "interpretations and reservations" in the acceptance by the Senate of the League of Nations Covenant have been offered by ex-President William H. Taft. The suggestions are contained in two letters addressed by Mr. Taft to Will H. Hays, Republican National Chairman, and although the latter was quoted at Indianapolis on July 24 as stating that he had never seen the letters, it was announced in Washington Associated Press dispatches July 23 that copies of them had reached some Republican Senators. In stating that he had never seen the letters Mr. Hays was also quoted as saying:

They had not been received when I left for the West Tuesday, but I understand were received Wednesday afternoon and have been forwarded to me. They have not reached me. Neither the originals nor any copy thereof has been given to nor shown to any one by any one connected in any way with the Committee. I know nothing whatever about their publication. I have been in touch, by correspondence and otherwise, with Mr. Taft on this matter, of course, as well as with others, in the effort to help develop a solution of this matter in the right way, but these particular letters I have never seen.

The Associated Press in its Washington account on July 23 of Mr. Taft's plan said in part:

The suggestion has been received with earnest consideration by the group of Republicans who favor the League idea and who already are at work on a definite program of interpretive reservations which they declare they have reason to believe will be accepted by the Administration. The Administration leaders, however, unwilling to concede that any reservations will be necessary, still insist they will have the votes when the time comes to ratify the covenant as it is.

So confident are the League Republicans of the success of their plan that some of them believe President Wilson will publicly accept it to smooth the way to acceptance of the League. Some Republican Senators who have seen the President in the last few days have come away from the White House with the impression that Mr. Wilson, while not encouraging reservations if they can be avoided, might not be averse to such interpretations as would leave the League fabric unimpaired. They say, however, that this impression is not based on any direct statement by the President.

Six specific interpretation proposals are outlined, which Mr. Taft says he is convinced will meet the objections of a large group of Republicans who favor a league. He counts forty-five Democratic Senators as supporting the President in the treaty fight, and says that should three Republicans be committed to vote against material amendments no such proposals could receive a Senate majority.

The former President suggested to Mr. Hays that his name be withheld for the present from connection with the interpretation plan since it might antagonize some Senators of his party.

Mr. Taft also has written some of the Republican Senators who, under the leadership of Senators McCumber, North Dakota, and McNary, Oregon, have been interested in formulating a middle course for solution of

the Senate situation. It is understood that Senators Kellogg, Minnesota; Colt, Rhode Island, and Spencer, Missouri, also have been consulted in the interests of such a plan.

The two letters to Mr. Hays, copies of which were received here to-day, do not outline definitely the six interpretations suggested by Mr. Taft, but they are referred to as having been contained in a previous unpublished communication. These six stipulations are understood to be substantially as follows:

1. That upon two years' notice the United States could cease to be a member of the League without having the League pass upon whether she had fulfilled all her obligations under the Covenant.
2. That self-governed colonies and dominions could not be represented on the League Council at the same time with the mother Government, or be included in any of those clauses where the parties to the dispute are excluded from its settlement.
3. That the functioning of the Council under Article X shall be advisory only, and that each member shall be left free to determine questions of war in its own way, the decision of the United States resting with Congress.
4. That differences between the nations regarding immigration, the tariff and other domestic questions shall not be left to the League for settlement.
5. That the Monroe Doctrine is to be reserved for administration by the United States.
6. That the United States reserves the right to withdraw unconditionally at the end of ten years or at least to terminate then her obligations under Article X.

These interpretations, Mr. Taft wrote, could be made without weakening the Covenant. The argument of Administration Senators against inclusion of any such provisions in the ratification has been, however, that any qualification at all would necessitate re-negotiation with the other nations and encourage them to adopt reservations.

It is known that in his White House conferences with Republicans the President has emphasized this argument, though he has been told by some of them who are friendly to the League that he must choose between reservations or failure of the entire League plan. Just how much basis there might be for the prediction that Mr. Wilson might decide to endorse interpretive reservations did not appear to-night, though it was reported negotiations actually were under way to secure such an endorsement.

The letters to Mr. Hays, as presented in the press, were written at Pointe-au-Pic, Quebec, and are as follows:

Pointe-au-Pic, Que., July 20.

*My dear Mr. Hays*—In what I said yesterday I did not go over the various interpretations and reservations, because I thought that in our previous correspondence they were sufficiently explained. I think it wise, now that I have formulated them, after a good deal of thought, to take up my reasons in detail for suggesting them.

Speaking generally, I wish to emphasize my conviction that the United States Senate might well ratify the present treaty, without any reservations or interpretations. I am confident that the actual operation of the treaty after ratification would bring about exactly the same result as that which would be attained by the acceptance of these interpretations and reservations, but it seems to me to be the part of statesmen to recognize the exigencies, personal, partisan and political, of a situation in seeking to achieve real progress and reform.

The situation which confronts us now in reference to the ratification of the treaty is one created by very serious mistakes of policy committed by Mr. Wilson. The partisan character of this Administration during the war, together with his appeal to his countrymen to elect a Democratic Congress in November 1918, created a condition of personal and political antagonism toward him among Republican leaders which was shared by a majority of the American people. This was shown in the results of the election. Notwithstanding this, Mr. Wilson persisted in continuing the same partisan exclusion of Republicans in dealing with the highly important matter of setting the results of the war. He selected a commission in which the Republicans had no representation and in which there were no prominent Americans of any real experience and leadership of public opinion. With such a commission, his unusual course in going abroad himself, as President, greatly emphasized the personal element in the framing of the treaty and intensified the general tendency to oppose anything that he might bring home, because of his apparent wish to dictate the policy of the world and to monopolize the credit for it.

I feel that some of the defects of the League of Nations are due to him. I am confident that he prevented the adoption of the plan of the League to Enforce Peace in respect to an international court and the settlement of justiciable questions. This was, as I am advised, in the English plan, but was studiously omitted from the very satisfactory American plan. His prejudice against courts is well known. Article X, I think, is due to him primarily, because it is merely the embodiment of the last of his fourteen points. While it came from his suggestion, however, it suited the demand of the French, so far as it went, and I believe it to be now the heart of the League in tending to unite the forces of the world in police duty to suppress wars of conquest.

The power of amendment, contained within the terms of the League, offers full opportunity to remedy the defects of the League with reference to the international court and in other respects. The great point which supporters of the League of Nations now should seek is the establishment of the basis upon which, through amendment, the League can be perfected. It is absolutely necessary to retain Article X in order to stabilize the world. The fluid condition of the region of the war threatens the stability of the world, and it needs the united forces of the world to restore a normal condition of self maintenance. In my judgment, therefore, it would be most unfortunate if the cautionary influence of Article X may not be retained, in the crucial decade through which the world is to pass.

The attitude of hostility toward the President has aroused criticism and opposition which might have been avoided had he taken with him such a man as Mr. Root and two representatives of the Foreign Relations Committee in the Senate. The criticisms thus aroused have stirred the conscience of a number of Republican Senators and have endangered the ratification of the League by two-thirds of the Senate.

Mr. Wilson's influence with his Democratic supporters in the Senate will secure perhaps forty-five votes. Nineteen Republican votes are needed, and the question is how they can be secured. I don't think they can be secured, except by relieving their consciences through reassuring interpretations of the League, of such a character that they are likely to be accepted, without further negotiations and conference and delay, by the other nations who dictated the peace.

After consideration of the arguments made on the subject, I have formulated these interpretations and reservations, with the hope that they will suggest a basis of agreement between the Democrats and sufficient Republicans to ratify the treaty and secure us the inestimable benefit of a League of Nations which will be the foundation for growth and development into a new era in our international relations.

The attempt of such men as Senator Borah, Senator Johnson, Senator Sherman, and others to defeat the treaty and the deliberate exaggeration

of the Shantung feature of the treaty do not, I think, indicate the attitude of the majority of the Republican Party in the Senate, and I do not think that any attention should be paid to the suggestion that the treaty be amended in its provisions with reference to the rearrangement of the map of the region of the war.

To repeat, I am strongly in favor of ratifying the treaty as it is. Were I in the Senate, I would not hesitate to vote for it, but the situation may require concession to secure ratification, and I suggest what I have already sent to you, a copy of which I enclose, as something that will secure a useful League of Nations, which may be improved and which at the same time may satisfy the genuine objections of the Republican friends of the League in the Senate.

Coming now to specific interpretations, it seems to me that the first achieves all that the draftsmen of the withdrawal clause intended, and as thus interpreted relieves that clause from a possible construction by which the actual withdrawal on two years' notice might be greatly hindered through the claims of the other members of the League.

The second interpretation has to do with the presence in the League, as members, of self-governing dominions or colonies of a home government, also member. Certainly, in a small body like that of the Council, it would be unfair to have a home Government represented and also one of its dominions or colonies, and I cannot think it was the intention of the framers of the covenant that this might happen. Yet I am bound to say that such a result is not excluded by the present language of the covenant in Article X and Article IV, nor does the language of Article XV necessarily exclude from the tribunal to recommend a settlement of a dispute a home Government where one of its dominions or colonies is a party, nor does it necessarily exclude a dominion or colony from such tribunal where the home Government may be a party; yet I have no doubt that both of these exclusions were intended by the framers of the covenant.

Nor is there any express description of the function to be performed by the Council or the Assembly under Article XV, so as to require that it should act judicially and according to international law, or equity and justice. I have no doubt that it was intended that the language of the preamble should characterize the function of the duties of the Council or Assembly under Article XV and, therefore, the language I have introduced in the second interpretation is merely giving expression to that which ought to be inferred as the intention of the framers of the Covenant. I may say that it supplies that which Mr. Root forcibly represented as a defect of the Covenant.

The third interpretation is an exact legal construction of the effect of Article X, and I do not see how any of the signatory powers can object to it. The conclusions in respect to the function of Congress under this article is the necessary result of the distribution of power under our Constitution, to which none of the associate members of the League can object.

The fourth interpretation is a mere statement of international law and the proper construction of the seventh paragraph of Article XV, which is only inserted to satisfy criticism of that paragraph, based on the unfounded assumption that some tribunal of the League will be found which will declare issues in respect to immigration or the tariff to be something other than a question of domestic policy. If, as all authorities show, immigration and tariff unaffected by treaties are purely domestic questions, then it cannot injure the League to say that which is undoubtedly a maxim of international law and remove the concern of those who suspect other nations of being in constant and unprincipled conspiracy against the interests of the United States. We may deplore this attitude of mind, but where it costs nothing in the effectiveness of the League, we may well insert a provision to remove the fears it prompts.

The fifth interpretation defines the Monroe Doctrine. As the expression "Monroe Doctrine" is used in Article XXI, and as the United States is the author of the doctrine and has maintained it for ninety-six years, it is fairly within the limit of an interpretation for it to state what the doctrine has been made to be in the history of its development to the present day. As the time has come for its world recognition, the time has also come for its definition, and I believe the language used correctly states what we have a right to claim it to be and all that we have the right to claim it to be.

These interpretations, it seems to me, reasonably answer all the reasonable or sincere criticisms against the League, except as they are met by the single reservation as to Article X, which is suggested at the close. Mr. Root, in his letter to you, proposed that the operation of Article X be limited to five years, when the settlements of the war should be re-examined, with the view to the further operation of the Article after a resettlement. Influenced by some direct information that I have as to the attitude of France in respect to Article X, I am confident that the period of five years is not long enough for this stabilization and does not offer the security which France eagerly seeks under the League or by supplemental treaty. I think, therefore, that the cautionary influence of the League would be greatly strengthened by lengthening this period from five to ten years. It seems to me that ought to be done by the formal exercise of the right to withdraw as a member of the League after ten years by giving a notice to that effect.

The nations of the League can be sure that, should the League work well, the United States will withdraw the notice and continue to bear its part of the world's burden in securing the benefits of the League, if those benefits are apparent after ten years' trial. The provision, however, may tend to satisfy doubters in respect to the League by requiring for its extension beyond ten years the affirmative action of the President and two-thirds of the Senate in favor of such extension after the trial of a decade. Meantime, should the failure of the League be apparent before the expiration of the ten years, the withdrawal clause gives us full opportunity to end our relation to the League by a two years' notice.

I venture to think that my suggestions are not amendments, but only interpretations of action authorized by the League itself. I don't think they will weaken in any substantial way the forcible effect of the League, and I hope that they may remove the qualms and anxious concern friends of the League whose votes are necessary to ratify it.

Sincerely yours,

WILLIAM H. TAFT.

Pointe-au-Pic, Quebec, July 20.

*My Dear Will:* Referring to your telephone to me this (Sunday) morning, I understand you to agree with me that it would be unwise at this time to bring my suggestions to the attention of Mr. Root, Senator Lodge, or of the Republicans ranged in general opposition to the ratification of the League without reservations. What I fear is that if these reservations come to the knowledge of such opponents of the League their authorship will at once prompt opposition to them. I understood you to say that at a later time an open statement by me to the public, that I approved these interpretations and reservations, as a proper basis of compromise, might be useful in securing the acquiescence of some Republicans and the needed support of the Democrats.

I am ready, at any time, when it is thought to be useful, to make such a statement, but I don't wish to make it when it will merely create confusion worse confounded. I have opened communication on the subject with the three Senators whose votes I hope may defeat radical reservations in the nature of amendments likely to come from the majority in the Foreign Re-

lations Committee. These recommendations have to be voted for by Borah in order to bring them out of the Committee, if, as I hope, McCumber will vote against them. After their defeat, which I hope may be accomplished by forty-five Democratic votes with three Republicans against them, then the deadlock will be on.

The Democrats and three Republicans can defeat amendments but they cannot ratify the treaty. Sixteen more Republicans are needed. We may be sure there are that number of Republicans who are friendly to the League of Nations and are anxious to ratify the treaty and relieve the Republican party from the burden of defeating it. We can be sure also that the Democrats who favor the treaty will be anxious to have a ratification, if not without reservations, then with reservations that do not destroy its effect.

It is at such time, I conceive, when suggestions of the character I have made can perhaps be useful. My view, therefore, is that you would better keep our correspondence confidential until the issue is thus clearly drawn. Then it may be possible for me to be useful with the Democrats, because they know I am in favor of ratification of the treaty without reservation or amendment, if possible, and thus stand with them. Understand me, I have no desire to appear as the author of a compromise, and I am entirely willing and anxious to suppress my relation, if by so doing it will facilitate a satisfactory ratification of the treaty. I only wish to help where and when I can and I wish to avoid injury to the cause by complete self-effacement, if that will help.

I am glad to know from you that you approve the compromise I have suggested, and that your belief in keeping the matter confidential until a later time when it may be useful to act. I feel that it would perhaps be wiser not to consult Mr. Root at all, and certainly not Mr. Lodge and his sympathetic associates on the Foreign Relations Committee, until the situation more fully develops and issues are more clearly drawn.

I am sending a copy of this letter to Mr. Hilles, with the hope that you and he may confer in furtherance of our common object, which is that of securing a ratification of the treaty, a freeing of the Republican party from the burden of defeating the treaty, and the removal of its issues from the next political campaign.

As always, sincerely yours,

W. H. TAFT.

With regard to a conference which President Wilson had on July 22 with Senator Calder of New York the New York "Times" on the 23d inst. said:

Senator Calder told the President, he said, that he was not satisfied with the obligation imposed under Article X. He felt that it would compel the United States to plunge into small disputes of nations over territorial matters.

"I asked the President," said Senator Calder, "what he would think of a reservation to Article X to provide that it should be operative up to 1921 and be renewed, after that, for another period of time. I suggested that that would give the United States opportunity to decide, after 1921, if it wanted to be bound further by Article X."

"The President looked at me sharply and shook his head. "That article is one of the most vital ones in the covenant," the President said. "The nations of the world are looking to us to help maintain a status of peace."

Besides Senator Calder the President had also been in conference on that day with two other Republican Senators—Senator Edge of New Jersey and Senator Cummins of Iowa.

#### BRITISH PARLIAMENT PASSES BILL RATIFYING TREATY WITH GERMANY AND ANGLO-FRENCH PACT.

After consideration in Committee of the Whole, the bill ratifying the peace treaty with Germany passed its third reading in the British House of Commons on July 21, at what is said to have virtually been an all-night session. When the third reading was moved Joseph Devlin, Nationalist, demanded its rejection as a protest against Premier Lloyd George's attitude toward Ireland. The Devlin motion was rejected by a vote of 163 to 4. Before the motion had been put the Committee of the Whole had passed the treaty bill without amendment, following unanimous approval by the House on second reading. In an address earlier in the afternoon of the 21st the Premier (the Associated Press reports) had said he despaired of any settlement of the Irish question until disunity in Ireland had been overcome. These dispatches also said:

The Premier, replying to Mr. Devlin's motion, ridiculed the suggestion that his attitude toward Ireland had changed. He said he adhered to his position announced in the general elections, and was prepared to carry it into effect. The Home Rulers, he added, could have Home Rule for themselves, if they wished it, but they could not force it on Ulster.

Further reference to the Premier's reply to his critics is made in another item.

The British House of Commons also passed, unanimously, on July 21 (or more properly at 3 a. m. July 22) the bill ratifying the Anglo-French convention, which would give temporary protection to France in the event of an unprovoked attack by Germany. A like convention has been drawn up between the United States and France. On July 24 the House of Lords passed the bill ratifying the German peace treaty and the bill endorsing the alliance between England, France and the United States for the defense of France. When the bill ratifying the Anglo-French pact was taken up for action in the House of Commons on July 21, Commander Kenworthy moved its rejection on the ground that it was inconsistent with the spirit of the League of Nations. Joseph Devlin seconded the motion. Lloyd George, in defending the bill, stated that if the pact had been in existence in 1914 with the signatures of Great Britain and the

United States appended to it, the war would not have occurred. Both bills had been laid before Parliament by Premier Lloyd George on July 3. Details of his remarks on that occasion are given elsewhere in to-day's issue of our paper.

#### PREMIER LLOYD GEORGE ON PEACE TREATY AND LEAGUE OF NATIONS—KAISER'S TRIAL.

As indicated in another item in to-day's issue of our paper we note that the British House of Commons this week passed the bills ratifying the peace treaty with Germany and the Anglo-French pact. On July 21 in reporting the ratification of the bills the Associated Press in London advised details of the reply of Premier Lloyd George to his critics in the debate in the House on the second reading of the bills. These advices we quote as follows:

The Premier's recent announcement that the former German Emperor would be tried before a tribunal in London had created much discussion, and several members, including Lord Robert Cecil, expressed doubts as to the advisability of the trial being held in London. The selection of a neutral country for this purpose, it has been contended, would have been better.

The Premier in answer to this said: "What right have we to assume that any neutral country could desire to be the scene of such a trial? The Allies have sufficient confidence in this country that whoever comes here for trial will receive a trial equal to the highest traditions of the British nation, and there are none higher in the world."

"If war is to be abolished it must be treated, not as an honorable game with the prospect of personal glory, but as a crime. That is why we decided that the author of this war should be tried."

Another matter of extreme importance which came up for discussion was the Irish question, and to this the Premier devoted considerable time, with numerous interjections by Joseph Devlin, Nationalist member for the Falls Division of Belfast.

Sir Samuel Hoare, Unionist member for Chelsea, warned the Government that some of the Unionists considered the settlement of the Irish difficulty just as urgent as did the Irish members.

The Premier caused laughter by describing the Irish Convention which had failed to agree as his attempt to apply President Wilson's principles to Ireland.

Answering Mr. Devlin's demands for a referendum, he urged that the difficulty was that Ireland was not a nation, but three nations in race, religion, and temperament and outlook—in fact, in everything constituting the fundamental conditions of a nation. Until this difficulty was bridged it was useless to talk about self-determination, and until Irishmen definitely faced this difficulty he despaired of any settlement.

In opening the debate, Sir Donald Maclean, Liberal, said that, while there was a natural prejudice against trading with Germany, he could not see how the Allies could recover an indemnity unless they did so.

He said he regretted that the peace terms should in themselves prevent Germany from giving immediate reparation and making speedy payment of part of the indemnity.

"Unlike many of my party," Sir Donald continued, "I agree absolutely that the ex-Kaiser, who was responsible for some of the grossest acts of the war and who has been rejected by his own people, should be brought to a fair and solemn trial."

Sir Donald suggested, however, that instead of the trial being held in London it should take place in "relative obscurity in some neutral State."

After referring to the "seething caldron" in the Near East, Sir Donald said: "The one bright and shining hope of the whole picture is the League of Nations."

John R. Clynes, former Food Controller; George Nicoll Barnes, Minister without portfolio; Lord Robert Cecil, and other members continued the debate. Lord Robert Cecil spoke in favor of a renewal of the revision of the treaties when it became necessary and expressed doubts as to the advisability of trying the former German Emperor in London.

Premier Lloyd George, in his reply, expressed gratification at the course the debate had taken and the spirit in which the treaty had been received. He believed this reflected the spirit of the great public outside.

The Premier defended the Anglo-American convention with France, which he contended was no proof of France's want of confidence in, nor any reflection upon, the League of Nations. The League, he said, was in the nature of an experiment. He considered France justified in feeling, after the experience she had gone through, that, while she believed in that experiment and would do her utmost to promote its success, the League would have a better chance of establishing itself as a permanent organization if it had the British Empire and the United States behind it, and its decrees were feared and respected.

With regard to criticisms of the Peace Treaty itself, the Premier said he thought that they had been largely self-destructive. He added, "Some think we demanded too little; others too much."

Dealing with an amendment moved by Horatio W. Bottomley, Independent, for South Hackney, regretting that Germany had not been required to enter into binding obligations to pay the whole cost of the war, the Premier gave details respecting the demands of the treaty on this subject and pointed out that the very first clause was a recognition by Germany of her responsibility to defray the whole cost. But, he asked, was there the remotest chance of exacting that sum? The total cost to the Allies was £30,000,000,000. The sinking fund Germany would have to provide was £1,800,000,000 yearly. How could she pay that?

"It is useless to talk about Germany's waterways," continued Mr. Lloyd George. "You can't cash waterways at the Bank of England. It is useless to talk about German soil. You can only talk about the produce you can get outside of Germany and get the cash for. Germany has lost three-quarters of her iron ore, one-third of her coal deposits, between six and seven millions of her population, and all her colonies. Nobody could think that she would be able to pay eighteen hundred million a year, even if all these were still in her possession."

Regarding criticisms of territorial adjustments, the Premier contended that it was impossible to make a settlement leaving no Poles inside of Germany and no Germans inside of Poland. That was largely due to Germany's policy of establishing little colonies here and there in order to Prussianize Poland, and the Peace Conference had taken the only possible course in accordance with the principles accepted as the basis for the armistice.

Turning to the question of conscription, Mr. Lloyd George reiterated that it was necessary to retain a strong army until the fruits of victory had been secured, but he hoped that by the beginning of next year Great Britain would have a voluntary army meeting all her needs with respect to stopping

mad competition and armaments. Everything, he added, depended upon the sincerity of the nations in their desire for peace.

Concerning Russia, he said the Government still stood by the policy he announced a few months ago.

Concluding, he said that he did not assert that the Peace Treaty as a whole was perfect, but he looked to the organization of the League of Nations to remedy any defects, to act as a court of appeal and to readjust cruddles, irregularities and injustices. The Conference had redressed many wrongs, and, he believed, had created no new ones.

"I claim that this treaty will stand against the perils on which the German Empire shattered itself," he exclaimed.

T. P. O'Connor, Nationalist, expressed profound disappointment over the Premier's speech. He asked whether Mr. Lloyd George meant to withdraw from his contract with regard to Ireland. He declared that two men had created the Sinn Féin. One was Sir Edward Carson, the other was Mr. Lloyd George.

What was the good of the Premier talking about German perfidy in breaking the treaty with regard to Belgium, when he himself was breaking his contract? President Wilson, he added, must have told the Premier that good relations between America and England were impossible if Irishmen remained unreconciled.

The Premier's announcement that the former German Emperor, William Hohenzollern, would be tried by a tribunal which would soon sit in London, was made in the House of Commons on July 3 at the time the Premier introduced the bills for the ratification of the peace treaty and the Anglo-French Convention. At that time the Associated Press dispatches from London contained an account as to what the Premier had to say from which we take the following:

In discussing the Peace Conference's decision to try the men held chiefly responsible for the war the Premier said that if such a course had been followed after other wars "there would have been fewer wars." He said it was the intention to make such an example of Germany as to discourage others from "ever again attempting to repeat this infamy."

The Premier's address was made in connection with two bills he introduced, one dealing with ratification of the peace terms and the other approving the American-Anglo-French convention providing for American and British aid if Germany should attack France unprovoked.

The Premier's reference to the United States and England agreeing to aid France if she should be attacked was loudly applauded.

When the Premier first mentioned the League of Nations many of the members cheered, but seemingly nearly an equal number burst into laughter.

"I beg of you to try it. I beg of you to take it seriously," the Premier protested.

Proceeding, he declared: "If it saved only one generation from the horrors of war it would be a great achievement."

One member shouted: "Nobody wants it!"

The terms of the treaty with Germany in some respects were terrible, the Premier said, but terrible were the deeds which justified it and still more terrible would have been the consequences if Germany had succeeded.

"The world is rocking and reeling under the blow that failed," the Premier said "if the blow had succeeded liberty of Europe would have vanished."

The German army, the Premier said, was at present inadequate to disturb the peace of the feeblest of the neighbors of Germany.

In explaining the peace treaty the Premier described it as "the most momentous document to which the British Empire ever affixed its seal."

Speaking of the territorial terms of the treaty, Lloyd George said the territory taken from Germany was a matter of restoration. It was a restoration of Alsace-Lorraine, he said, taken forcibly from the land to which its population was deeply attached; it was a restoration of Schleswig-Holstein, the taking of which he described as the "meanest of Hohenzollern frauds, robbing a helpless country in the pretence they were not doing it and then retaining the land against the wishes of the population"; a restoration of "a Poland torn to bits by Russian, Austrian and Prussian autocracy and now reknit under the flag of Poland." And, he added, "they are territories which ought not to belong to Germany."

The British delegation, the Premier said, has taken a stand resolutely opposing any attempt to put a predominantly German population under Polish rule, as it would be foolish to have another Alsace-Lorraine in Europe.

"I do not think any one can claim the terms imposed constitute injustice to Germany," the Premier said in discussing the reparation clauses, "unless they believe justice in the war was on the side of Germany. Having regard to the uses Germany made of her army, there is no injustice in scattering and disarming it. If the Allies had restored the colonies to Germany after the evidence of ill treatment of the natives, and the part the natives have taken in their own liberation, it would have been a base betrayal."

"Then take the trial of those responsible for the war. If wars of this kind are to be prevented, those personally responsible for them, who have taken part in plotting and planning them, should be held personally responsible. Therefore, the Entente decided that the man who undoubtedly had the primary responsibility, in the judgment, at any rate, of the Allies, should be tried for the offences he committed in breaking treaties he was bound to honor and by that means bringing on the war."

"It was an exceptional course, and it's a pity it was, because if it had been done before there would have been fewer wars. The Allied countries unanimously decided that a tribunal—an inter-Allied one—should sit at London for the trial of the person chiefly responsible for the war."

"Those guilty of submarine outrages ought to be punished, for the officers should have known that they would be held personally responsible for offences against the laws of war."

Premier Lloyd George argued that it was not vengeance "to take every possible precaution against a recurrence of the war and to make such an example of Germany as will discourage ambitious rulers and peoples from ever again attempting to repeat this infamy. The German people approved the war, and therefore it was essential in the terms to show that if nations enter into unprovoked wars of aggression against their neighbors what lies in store for them."

After referring to guarantees in the treaty, such as disarmament, which he declared should not be a "scrap of paper," the Premier spoke on the bill dealing with the American and British guarantee in the event of an unprovoked attack on France, saying he did not suppose any section of the House would oppose that.

"It is entered into with the approval of the League of Nations," the Premier asserted. "Within living memory, France twice has been invaded by Germany. With her population of 40,000,000 facing a hostile population of sixty or seventy million, France had legitimate reason for feeling nervous apprehension when the British and American armies left. I do not agree that the treaties showed lack of faith in the League of Nations. After all, the League would have no value unless it had behind it strong nations prepared at a moment's notice to stop aggression."

France was quite prepared, said the Premier, to reconsider at the proper time the question of the occupation of the Rhine. There was an understanding with France. But the moment Germany carried out her undertaking regarding disarmament, the cost of the army of occupation should not exceed 240,000,000 marks a year.

Lastly, there was the guarantee of the League of Nations, a great and hopeful experiment, rendered possible only by other conditions. Without disarmament the League convention, like the other conventions, would be blown away by the first gust of war.

"Let us earnestly try it!" exclaimed the Premier. "Had it been in existence in 1914 it would have been difficult for Germany and Austria to make war, and if they had America would have been in the first day, instead of two years after."

The Premier argued that it would have been a mistake to let Germany into the League while there were questions resulting from the war that still remained to be settled. It was for Germany herself to accelerate the date of her entry by showing that the fire of war had purified her soul. The sooner she entered the better it would be for Germany and the world.

After alluding to the disposition of the colonies and to the labor convention, Lloyd George, reviewing Great Britain's part in the war and the treaty, described it as a tremendous achievement. He was not sure that the great commonwealth of nations known as the British Empire yet realized the great part it had in the achievement. He then passed, in brief review, to the men who joined the colors, the money raised and the sacrifices of men and material made by the Empire.

"It is a great record," he concluded. "Let us rejoice, but rejoice as men under no delusion that our troubles are ended, but rather like men who feel that the first and worst of our troubles are passed and that the spirit, courage and resolution which enabled us to overcome them will also enable us to overcome them will also enable us cheerfully to face what is to come. Let us not waste strength prematurely in fighting each other. I say with all solemnity that if we wish to save this country from sinking under its burdens and the world's we must make the most effective use of the resources of the country and the Empire."

The Premier paid special tribute to the work of the British expert advisers, who, he said, had been the object of the admiration of the nations at the Conference, and ended with an appeal for the victory loan, with one of his typical flashes—"Don't demobilize the spirit of patriotism."

#### COMPLETE TREATY TERMS PRESENTED TO AUSTRIA —DR. RENNER'S PROTEST—AUSTRIA'S ADMISSION TO LEAGUE.

With the delivery to the Austrian delegates on July 20 of the final sections of the peace terms as drafted by the Allied and Associated Powers, Austria is now in possession of the complete treaty. The first sections, as indicated in our issue of June 7, page 2296, were presented to the Austrian peace plenipotentiaries at St. Germain on June 2 by Paul Dutasta, Secretary of the Peace Conference; the terms as then submitted lacked certain clauses on military reparation, financial and boundary clauses, and these comprise the sections handed, without ceremony, to the Austrian delegates on the 20th at St. Germain by Secretary Dutasta. A memorandum accompanying the new clauses gives the Austrians fifteen days in which to make their final observations, although they have already submitted a number of notes on the terms previously presented to them. Among other things Austria is required under the military terms to reduce her army to 30,000. The financial terms provide that the Austrian pre-war debt shall be apportioned among the former parts of Austria and that the Austrian coinage and war bonds, circulating in the separated territory, shall be taken up by the new Governments and redeemed as they see fit. The amount of damage is to be determined by the Reparation Commission, which will notify Austria before May 1921 of the extent of her liabilities. Three bond issues are to be made, as detailed further below. It is also provided that "Austria must pay the total cost of the armies of occupation from the armistice of Nov. 3 1918, so long as maintained, and may export no gold before May 1 1921, without consent of the Reparation Commission." Austria is also called upon to renounce all rights as to international, financial or commercial organizations in Allied countries, and it is further required that she shall agree to deliver within one month the gold deposited as security for the Ottoman debt. It is likewise stipulated that "with a view to making good the losses in river tonnage, she agrees to deliver up 20% of her river fleet." As indicating the opposition evidenced toward the peace conditions imposed, we quote as follows, Paris cablegrams to the daily papers under date of July 22:

Dr. Karl Renner, head of the Austrian Peace Delegation, declared he would "not sign engagements which he knew could not be executed," in commenting on the peace terms, prior to his departure from St. Germain for Feldkirch, according to morning newspapers. Dr. Renner, according to these reports, protested against "the unheard of hardness of the conditions made against Austria and Germany," and he added, "let us try to submit to the Entente, completely unadorned, our great distress and so obtain a peace with conditions that will be supportable for our country."

Dr. Renner to-day notified Paul Dutasta, Secretary-General of the Peace Conference, that he was returning to Vienna for a few days. He said Herr Franz Klein, former Austrian Minister of Justice, would act as head of the Austrian delegation during his absence.

Details of the conditions imposed under the portions of the treaty presented to the Austrian delegates on July 20 are announced as follows in the cabled press dispatches from Paris July 20:

In addition to the published summary of the terms of June 2 the new clauses provide for reparation arrangements very similar to those in the treaty with Germany, including the establishment of an Austrian Sub-Section of the Reparations Commission, the payment of a reasonable sum in cash, the issuing of bonds and the delivery of livestock and certain historical and art documents.

The financial terms provide that the Austrian pre-war debt shall be apportioned among the various former parts of Austria and that the Austrian coinage and war bonds circulating in the separated territory shall be taken up by the new Governments and redeemed as they see fit.

Under the military terms the Austrian army is henceforth reduced to 30,000 men on a purely voluntary basis.

Paragraph 5, relating to the military, says that the Austrian army shall not exceed 30,000 men, including officers and depot troops. Within three months the Austrian military forces shall be reduced to this number, universal military service abolished and voluntary enlistment substituted as a part of the plan "to render possible the initiation of a general limitation of armaments of all nations."

The army shall be used exclusively for the maintenance of internal order and control of frontiers. All officers must be regulars, those of the present army to be retained being under the obligation to serve until forty years old, those newly appointed agreeing to at least twenty consecutive years of active service. Non-commissioned officers and privates must enlist for not less than twelve consecutive years, including at least six years with the colors.

Within three months the armament of the Austrian army must be reduced according to detailed schedules, and all surplus surrendered. The manufacture of all war materials shall be confined to one single factory under the control of the State, and other such establishments shall be closed down or converted. Importation and exportation of arms, munitions and war materials of all kinds is forbidden.

Paragraph 8 (on reparation) reads in substance:

The Allied and Associated Governments affirm and Austria accepts the responsibility of Austria and her allies for causing loss and damage to which the Allied and Associated Governments and their nationals have been subjected as a consequence of the war imposed upon them by the aggression of Austria and her allies. While recognizing that Austria's resources will not be adequate to make complete reparation, the Allied and Associated Governments request and Austria undertakes that she will make compensation for damage done to civilians and their property in accordance with categories of damages similar to those provided in the treaty with Germany.

The amount of damage is to be determined by the Reparation Commission provided for in the treaty with Germany, which is to have a special section to handle the Austrian situation. The Commission will notify Austria before May 1 1921 of the extent of her liabilities and of the schedule of payments for the discharge thereof during a period of thirty years. It will bear in mind the diminutions of Austria's resources and capacity of payment resulting from the treaty.

As immediate reparation, Austria shall pay during 1919, 1920 and the first four months of 1921, in such manner as provided by the Reparation Commission, "a reasonable sum which shall be determined by the Commission."

Three bond issues shall be made, the first before May 1 1921, without interest, the second at 2½% interest between 1921 and 1926, and thereafter at 5%, with an additional 1% for amortization, beginning in 1926, and a third at 5% when the Commission is satisfied that Austria can meet the interest and sinking fund obligations. The amount shall be divided by the Allied and Associated Governments in proportions determined upon in advance on a basis of general equity.

The Austrian section of the Reparation Commission shall include representatives of the United States, Great Britain, France, Italy, Greece, Poland, Rumania, the Serbo-Slovene State and Czecho-Slovakia. The first four shall each appoint a delegate with two votes, and the other five shall choose one delegate each year to represent them all. Withdrawal from the Commission is permitted on twelve months' notice.

Austria, recognizing the right of the Allies to ton-for-ton replacement of all ships lost or damaged in the war, cedes all merchant ships and fishing boats belonging to nationals of the former empire, agreeing to deliver them within two months to the Reparation Commission. With a view to making good the losses in river tonnage, she agrees to deliver up 20% of her river fleet.

The Allied and Associated Powers require, and Austria undertakes, that in part reparation she will devote her economic resources to the physical restoration of the invaded areas. Within sixty days of the coming into force of the treaty, the governments concerned shall file with the Reparation Commission lists of animals, machinery, equipment and the like destroyed by Austria and which the governments desire replaced in kind, and lists of the materials which they desire produced in Austria for the work of construction, and which shall be reviewed in the light of Austria's ability to meet them.

As an immediate advance as to animals, Austria agrees to deliver within three months after ratifications of the treaty, 4,000 milch cows to Italy and 1,000 each to Serbia and Rumania; 1,000 heifers to Italy, 300 to Serbia and 500 to Rumania, 50 bulls to Italy and 25 each to Serbia and Rumania, 1,000 calves to each of the three nations, 1,000 bullocks to Italy and 500 each to Serbia and Rumania, 2,000 sows to Italy, and 1,000 draft horses and 1,000 sheep to both Serbia and Rumania.

Austria also agrees to give an option for five years as to timber, iron and magnesite in amounts as nearly equal to the pre-war importations as Austria's resources make possible. She renounces in favor of Italy all cables touching territories assigned to Italy, and in favor of the Allied and Associated Powers and others.

Austria agrees to restore all records, documents, objects of antiquity and art and all scientific and bibliographical material taken away from the invaded or ceded territories. She will also hand over without delay all official records of the ceded territories and all records, documents and historical material possessed by public institutions and having a direct bearing on the history of the ceded territories which have been removed during the past ten years, except that for Italy the period shall be from 1861.

As to artistic, archaeological, scientific or historic objects formerly belonging to the Austro-Hungarian Government or crown, Austria agrees to negotiate with the State concerned for an amicable arrangement for the return to the districts of origin on terms of reciprocity of any object which ought to form part of the intellectual patrimony of the ceded districts and for twenty years to safeguard all other such objects for the free use of students.

As for special objects carried off by the house of Hapsburg and other dynasties from Italy, Belgium, Poland and Czecho-Slovakia, a committee of three jurists appointed by the Reparation Commission is to examine within a year the conditions under which the objects were removed and to order restoration if the removal were illegal. The list of articles includes among others:

For Tuscany, the crown jewels and part of the Medici heirlooms; for Modena, a "Virgln," by Andrea Del Sarto, and three manuscripts; for



Palermo, twelfth century objects made for the Norman kings; for Naples, ninety-eight manuscripts carried off in 1718; for Belgium, various objects and documents removed in 1794; for Poland, a gold cup of King Ladislaus in 1772, and for Czecho-Slovakia, various documents and historical manuscripts removed from the royal chateau of Prague.

The first charge upon all the assets and revenues of Austria shall be the costs arising under the present treaty, including, in order of priority, the costs of the armies of occupation, reparations and other charges specifically agreed to and, with certain exceptions, as granted by the Reparation Commission for payments for imports. Austria must pay the total costs of the armies of occupation from the armistice of Nov. 3 1918, so long as maintained, and may export no gold before May 1 1921, without consent of the Reparation Commission.

Each of the States to which Austrian territory is transferred and each of the States arising out of the dismemberment of Austria, including the Republic of Austria, shall assume part of the Austrian pre-war debt specifically secured on railways, salt mines and other property, the amount to be fixed by the Reparation Commission on the basis of the value of the property so transferred. Similarly, the unsecured bonded pre-war debt of the former empire shall be distributed by the Reparation Commission in the proportion that the revenues for the three years before the war of the separated territory bore to those of the empire, excluding Bosnia and Herzegovina.

No territory formerly part of the empire, except the Republic of Austria, shall carry with it any obligation in respect of the war debt of the former Austrian Government, but neither the governments of those territories nor their nationals shall have recourse against any other State, including Austria, in respect of war debt bonds held within their respective territories by themselves or their nationals.

The war debt held outside the former empire shall be a charge on the Republic of Austria alone. All war securities shall be stamped within two months with the stamp of the State taking them up, replaced by certificates, and settlement to the Reparation Commission.

The currency notes of the former Austro-Hungarian Bank circulating in the separated territory shall be stamped within two months by the new governments of the various territories with their own stamp, replaced within twelve months by a new currency, and turned over within fourteen months to the Reparation Commission. The bank itself shall be liquidated as from the day after the signature of the treaty by the Reparation Commission.

States to which Austrian territory was transferred and States arising from the dismemberment of Austria shall acquire all property within their territories of the old or new Austrian governments, including that of the Royal Family. The value is to be assessed by the Reparation Commission and credited to Austria on the reparation account.

Property of predominant historic interest to the former Kingdoms of Poland, Bohemia, Croatia, Slavonia, Dalmatia, Bosnia, Herzegovina, the Republic of Ragusa, the Venetian Republic, or the Episcopal principalities of Trent and Bressanone may be transferred without payment.

Austria renounces all rights as to all international, financial or commercial organizations in Allied countries, Germany, Hungary, Bulgaria, Turkey or the former Russian Empire. She agrees to expropriate on demand of the Reparation Commission any rights of her nationals in any public utility or concession in these territories, in separated districts and in mandatory territories, to transfer them to the Commission within six months and to hold herself responsible for indemnifying her nationals so dispossessed.

She also agrees to deliver within one month the gold deposited as security for the Ottoman debt, renounce any benefits accruing from the treaties of Bucharest and Brest-Litovsk, and transfer to the Allied and Associated Governments all claims against her former Allies.

Any financial adjustments, such as those relating to banking and insurance companies, savings banks, postal savings banks, land banks or mortgage companies in the former monarchy necessitated by the dismemberment of the monarchy and the re-settlement of public debts and currency shall be regulated by agreement between the various governments, failing which, the Reparation Commission shall appoint an arbitrator or arbitrators, whose decision shall be final.

Austria shall not be responsible for pensions of nationals of the former empire who have become nationals of other States.

According to Associated Press advices July 21 from Vienna, that city is much incensed over the stipulation in the articles of the peace treaty handed to the Austrian delegates Sunday that thousands of milch cows be surrendered to Italy, Serbia and Rumania. These advices state that it is remarked that the American Food Mission knows that hundreds of children are sick from scarcity of milk, and that many deaths have occurred among them from the same cause.

Since the presentation of the first sections of the peace terms Austria has been informed by the Allied and Associated Powers, in reply to a request for admission into the League of Nations as an original member, that the Allied and Associated Powers "fully appreciate the evidence. . . . Austria has given of her good intentions" and that when Austria possesses a responsible government having "both the will and power to fulfill its international obligations they are prepared to support Austria's candidature for admission to the League."

These advices of the Allied and Associated Powers were in answer to a note sent by Dr. Karl Renner, Austrian Chancellor and head of the Austrian peace delegation, to Premier Clemenceau, President of the Peace Conference, on June 23, which was not, however, made public until July 9 when the reply was given to the press. To the Austrian note of June 23 there was annexed a statement containing proposals by Professor Heinrich Lammasch, of the Austrian peace delegation, for modification of the covenant of the League of Nations. There was also annexed a substitute for the section of the covenant dealing with freedom of transit and equitable commercial treatment. The following is the text of the Allied reply to Austria's request for admission to the League:

The principal Allied and Associated Powers note with satisfaction the adherence of the Austrian delegation to the project of a League of Nations and to the principle upon which such a League of Nations has been founded by the covenant embodied in the conditions of peace. They are glad to know that the Austrian Government shares their view that the establishment of such a League will conduce to the maintenance of peace in those parts of the world which hitherto have been centres of international frictions and misunderstandings.

The principal Allied and Associated Powers have taken into careful consideration the demand of the Austrian delegation for the admission of their country as an original member of the League of Nations. It has never been their intention to exclude Austria for any long period from the League; on the contrary, they wish to reiterate that it is their hope and conviction that the League will at the earliest possible date include all nations that can be trusted to carry out the obligations accepted by members of the League.

They must point out, however, that in urging the claim of Austria to membership in the League as immediately necessary to the safety of their territory, the Austrian delegation have used some arguments which appear to indicate that they have not fully appreciated the provisions of the Covenant. But they recognize, nevertheless, the strength of the claim put forward by the Austrian delegation. They fully appreciate the evidence which, by the attitude which she has hitherto observed, Austria has given of her good intentions. They see no reason why she should not apply for admission to the League, in accordance with the provisions of Article 1 of the Covenant, at the earliest opportunity that may present itself after the ratification of the Treaty of Peace.

As soon as they are assured that Austria possesses a responsible Government and that this Government has both the will and the power to fulfill its international obligations, they are prepared to support Austria's candidature for admission to the League.

The Allies' reply stated with regard to Dr. Lammasch's proposals for a permanent international court, &c., that these proposals had been carefully studied, and that the principal powers have been impressed with the value of some of the suggestions, but it added:

"While they consider the immediate establishment of a permanent court to be of the highest importance, they have not thought it possible or expedient to embody in the Covenant itself the detailed provisions required for its constitution." The promise is made that the suggestions of Professor Lammasch will be submitted for the consideration of the Council of the League when it takes up the preparation of a plan for the establishment of a permanent court in accordance with Article XIV of the Covenant.

As to the amendment of the other article suggested, the reply states that the Allied Powers do not consider that it is at present necessary or possible, but confidence is expressed that when the members of the League proceed to formulate the general international convention foreseen in this article the proposals of the Austrian delegation will receive due consideration.

The Austrian note was summarized as follows in the Paris dispatches of July 9:

Sympathy with the idea of the League of Nations and an expression of willingness to be satisfied with taking the role of a participating member in that organization and enjoy its protection was expressed in the Austrian reply.

The reply sets forth that the delegation recognized that German Austria, as the text of the note names the nation, could not well take a part in the problem of creating the League, "which by its very nature remains in the hands of great powers," but will be glad of its protection without taking an important part in the rights and obligations entailed by membership in this League.

The note pointed out that German Austria has been charged with "the responsibility for the war," but said it had been thus charged "without any fault of its own." The principles upon which the new nation is founded are set forth as essentially democratic, the principles being those of the Social Democratic and Christian Socialist parties.

"Essentially, therefore," the note continues, "the nation is founded on the two principal classes, working men and peasants, who, under the old regime never had a real share in the direction of the State and could never freely realize their political aims." "It is the revolution," continues the exposition, "which has insured a full and complete preponderance to democracy in our country."

The history of the democratic movement in Austria since 1848 is gone into by the note. The idea of the movement, it is claimed, was to transform the country into a confederation of nations, in each of which the people should govern themselves.

"Therefore," the note says, "has our democracy, especially in German Austria, from the first day that President Wilson proclaimed the principles of the League of Nations, hailed this idea and appreciated it at its just value while the Austro-Hungarian monarchy was still in the midst of the war."

The progress that had been made to this end within the Austro-Hungarian monarchy, Dr. Renner points out, has been negative "under the seeds of hate that the war has left behind it," but, he added, "the idea of a private union of several nations is far surpassed by the idea of a League of Nations which is to include all the nations of the world and render special leagues superfluous."

Dr. Renner shows that the complexity of conditions among the various Danubian nations, together with the aggravation of hatred engendered by the war, appeared to make it impossible for those nations to keep peace among themselves, subordinating their own particular interests to the common good, unless they were placed under a just arbitral authority, such as would be furnished by the League of Nations.

This fact, the Chancellor sets forth, made the League of Nations of special importance for German Austria, and he declares that its Government felt profound disappointment when it learned that German Austria had been refused immediate admittance into the League, the privilege of membership being contingent upon the fulfillment of certain conditions and at an indefinite future date. He argues that this is unjust, when other States formed from Austria-Hungary, especially Czecho-Slovakia, figure as charter members of the League.

He asked if German Austria would have to serve its period of probation "simply because the founders of the League are not yet convinced that the new republic intends to keep its international engagements."

The claim is made that the German-Austrian republic had given no reason for doubt as to its political intentions, having kept its international engagements and given incontestable proof that it was trying, "more than any of its neighbors and under more difficult conditions, to maintain order at home and to direct its relations abroad in the spirit of peace and of esteem for nations."

As a further argument for the immediate admission of German Austria to the League Dr. Renner cites the fact that she is surrounded largely by States formed from the former monarchy, and that she is interested in the many

problems connected with the liquidation of that monarchy, for which agreements among the various States would be necessary. The territorial arrangements made by the peace conditions also would bring new questions into being among the several nations.

"Some of these States are extremely bellicose; German Austria prefers pacific means," the note declares, and it argues that the various problems cannot be solved without the assistance of the League of Nations. Armed conflict could not be avoided if there were not such arbitration, the Chancellor insists, and he declares that an intolerable situation would be created if German Austria were excluded and found neighboring States possessing important rights as members of the League that German Austria would not have. He presupposes a dispute with Czecho-Slovakia which was submitted to the Council of the League, in which Czecho-Slovakia would have a delegate and a vote, while German Austria could only place before the Secretary-General a statement of its case.

Dr. Renner declares that his nation from the beginning has confided its difficulties without reserve to the decision of the Powers, while other nations formed from the old monarchy had had recourse to arms, and he urges this as another reason for her immediate admission to the League, whose protection she needs and as a member of which he contends she would prove that she constituted "a support to the new political order of the world and an element of peace and organic social renovation in the heart of Europe."

Dr. Renner said that the Austrian delegation did not feel competent to formulate a counter proposition to the Covenant of the League of Nations, but that it presented to the Peace Conference in an annex to the note suggestions drawn by Professor Heinrich Lammasch, one of its members, which the delegation approved for reasons stated in a second annex.

#### PRESIDENT WILSON DENIES RESPONSIBILITY FOR SHANTUNG SETTLEMENT IN GERMAN PEACE TREATY.

President Wilson took occasion to deny on July 23 reports published on that day to the effect that in conferring with Republican Senators he had said he was responsible for the Shantung settlement in the peace treaty with Germany. A statement denying this was issued at the White House as follows on the 23d:

The President authorizes the announcement that the statement carried in several of the papers this morning that he originated or formulated the provisions with regard to Shantung in the treaty of peace with Germany is altogether false. He exerted all the influence he was at liberty to exercise in the circumstances to obtain a modification of them, and believes that the ultimate action of Japan with regard to Shantung will put the whole matter in its true light.

#### SHANTUNG SETTLEMENT DENIAL BY JAPANESE DELEGATES TO PEACE CONFERENCE.

On July 23 Paris cablegrams said:

The Japanese delegation to the Peace Conference to-day issued a denial of assertions that the Shantung settlement in the German Peace Treaty was in exchange for the withdrawal of the Japanese contention regarding the racial clause in the League of Nations Covenant.

#### POSSIBLE COMPROMISE IN SHANTUNG PROBLEM.

In Paris advices July 22 the Associated Press said:

Informal conversations on possible compromises which would solve the Shantung problem constantly are taking place. The opinion prevails in conference circles that some arrangement probably will be reached by which the gentlemen's agreement formulated between Japan and the other great powers, that Japan shall return Shantung to China, will be made public.

While this agreement was not formally prepared and signed by the great powers, it is known that notes were made, but that the Chinese delegates never were shown any sort of written document and consequently refused to sign the treaty. They said verbal statements were too vague to insure them against the permanent loss of Shantung.

#### ITEMS ABOUT BANKS, TRUST COMPANIES, ETC.

No sales of bank or trust company stocks were made this week at the Stock Exchange or at auction.

The Sherman National Bank of this city has been placed in voluntary liquidation. The business of the institution, as indicated in our issue of May 31, was taken over by the Irving Trust Company on May 24, the bank being operated as the "Irving Trust Company, Sherman office." Formal action on the question of placing the bank in voluntary liquidation was taken by its stockholders on June 26.

Frederick C. Harding, agent in New York of the Anglo-South American Bank, Ltd., announces that a branch of that institution is about to be opened at Lima, Peru. This is in conformance with the policy of the bank to meet fully the necessity of business for complete banking facilities in South America. With the opening of the branch in Peru, the Anglo-South American Bank will have increased the number of its branches in South America to 22. Heretofore, the interests of the bank in the Peruvian territory have been cared for through its affiliation with the Banco del Peru y Londres. This new branch, will materially augment the importance of Anglo-South American service for direct personal representation for its customers in that territory. The old connection, however, will be retained. Norman Stenning, formerly manager of the Banco del Peru y Londres, will be in charge of the branch at Lima. For many years he was manager of the Mendoza branch of the Anglo-South

American Bank in Argentina and has long been prominent in banking and business affairs in South America. The Anglo-South American bank now maintains thirty-one branches in the most important commercial and industrial centers of Europe and South America.

The Bank of Italy, Head Office San Francisco, with resources of over \$107,000,000 and 24 branches in 18 cities in California, has been admitted to full membership in the Federal Reserve Bank. The recent amendment of the California State Bank Act permits state institutions to enter, and the Bank of Italy it is announced is the first important state bank in California to qualify with the Federal Reserve requirements. The East River National Bank of New York City, is an allied institution.

Alfred J. McGrath has resigned as Cashier of the International Bank and has become associated with the foreign department of Imbrie & Co. Mr. McGrath has recently returned from service in France, where for the past two years he had been on duty as Captain Q. M. C., and Disbursing Quartermaster, Financial Division A. E. F. Mr. McGrath leaves for abroad in a few days where he will represent the foreign interests of Imbrie & Co.

American Trust Company of this city, which commenced business on Jan. 27 last, reports that its deposits now exceed \$5,000,000.

The deposits of the W. R. Grace & Co. Bank, 7 Hanover Square, this city, reached \$8,269,890 on June 30. The institution has a capital of \$500,000, surplus \$700,000 and undivided profits \$254,422, and its aggregate resources stood at \$10,914,858. The official staff includes; J. Louis Schaefer, President; M. Bouvier, D. Stewart Iglehart and F. G. Fischer, Vice-Presidents. F. D. Hendrickson is Cashier, and R. F. C. Benkiser, W. Wilkening, G. S. Mason and C. P. Barnett, Assistant Cashiers.

Edwin F. Rorbeck has tendered his resignation as a Vice-President of the Metropolitan Trust Co. of this city. It was accepted at a meeting of the executive committee yesterday.

Franz Meyer has been appointed Assistant Cashier and manager of the foreign department of the National Bank of Commerce in New York and Manfred Barber, assistant manager of the department. Mr. Meyer came to the bank in 1907 as draft clerk and subsequently was made manager of the foreign department. Mr. Barber has been an auditor for the last two years in the foreign department. He was formerly auditor of the Central Bank & Trust Corp. of Atlanta, Ga., and before that was manager of one of the branches of the Bank of Hamilton, Toronto, Canada.

Harold M. Benson, heretofore Secretary of the Continental Guaranty Corporation of this city, has been appointed Vice-President, while Duane R. Dills succeeds Mr. Benson as Secretary of the institution. Henry A. Rudkin has been elected a director. He is connected with the Stock Exchange firm of McClure, Jones & Reed.

Guaranty Post No. 104, American Legion, was organized on July 24 by officers and employees of the Guaranty Trust Co. of New York who have returned from service with the army and navy. More than 500 members of the company's staff were in the service. Lieut.-Col. Grayson, M.-P. Murphy, Senior Vice-President of the company, who was head of the American Red Cross in Europe during the early part of the war and who later served as a staff officer of the Rainbow Division, was elected Honorary President of the new Post.

At the last meeting of the board of directors of the New York Title & Mortgage Company, Morgan J. O'Brien, Jr., son of Judge O'Brien, was elected a member of the board.

Howard Cline, former New York State Bank Examiner and before that eight years Chief Clerk of the Fulton Trust Company, New York City, upon his return from service overseas as a Y. M. C. A. secretary, has been made Manager of the Jamaica branch of the Title Guaranty & Trust Company. Mr. Cline received the Italian War Cross and the

Order of Cavaliere for his service looking after the wounded and mutilated at the front and at the interior hospitals.

The Comptroller of the Currency announces the consolidation of the First National Bank of Stamford, Conn., and the Stamford National Bank, under the charter of the First National Bank and under the title of the First-Stamford National Bank with a capital of \$400,000. The combined capital of the banks prior to the consolidation amounted to \$600,000.

The election is announced of Hendriks H. Whitman as a director of the State Street Trust Co. of Boston, Mass., on July 15.

The Comptroller of the Currency has approved plans to increase the capital of the Merchants National Bank of Worcester, Mass., from \$750,000 to \$1,000,000. Reference thereto appeared in the "Chronicle" of May 24.

The stockholders of the Tradesmens National Bank of Philadelphia, at a special meeting on July 18, unanimously voted to increase the capital by \$500,000; the new shares to be offered at \$200 per share. This will also add \$500,000 to the Surplus Fund, making a total capital surplus and undivided profits of more than \$2,800,000. Reference to the intention to increase the capital was made in our issue June 21.

The closing of the North Penn Bank of Philadelphia, by order of the State Bank Commissioner on July 18, is reported to have disclosed a shortage of \$900,000. On July 21, the cashier Ralph T. Moyer, was arrested on charges growing out of the suspension of the institution, and on the 22nd he was released from custody on bail to the amount of \$25,000. It was reported yesterday (July 25) that there was a possibility of the bank being taken over by other financial institutions of the city, the Philadelphia "Press" quoting Frederick T. Pusey, legal representative of the State, as follows with regard to the proposals:

I have been in communication with two prominent banking institutions, and if it is shown that the conditions at the North Penn Bank are not deplorable they will take it over and will pay the depositors dollar for dollar. I am in hopes that this can be done, but until the real conditions of the bank are made known to us, we cannot tell just what the situation will be. The bankers will not buy a pig in a poke, and they must know exactly what the situation is before any arrangements can be made.

Several official statements anent the closing of the bank have been issued during the week: the first inking the depositors had that the bank was in difficulty came with the posting of the following notice on the doors of the institution on the 18th:

The business and property of the North Penn Bank has been taken in possession by the Hon John S. Fisher, Commissioner of Banking for the Commonwealth of Pennsylvania.  
P. G. Cameron.

Mr. Cameron, who is Deputy State Bank Commissioner, also issued a statement on that day saying:

The foregoing resolutions are self-explanatory, Mr. R. P. Ferguson, Examiner of the State Banking Department, and myself are going over the accounts and assets of the bank but it will necessarily take time to arrive at the bank's true condition. It would assist us in our work if the depositors would present their pass books for balance.

It is impossible to say at this time whether or not the bank may re-open or what the depositors may receive.

The resolutions referred to above were those which had been adopted by the directors of the bank on the 18th and which read as follows:

Whereas, after an investigation of the business and affairs of the North Penn Bank we are of the opinion that the said bank is in an unsafe and unsound condition to continue business and has an impairment of capital; and

Whereas, for the protection of depositors and the public we are of the opinion that the said bank should close its doors and discontinue business; now, therefore be it

Resolved, that we, the directors, hereby petition the commissioner of banking to forthwith take possession of the business and affairs of said bank to the end that the best interests of the depositors and public may be served.

Gov. Sproul on July 19 issued a statement relative to the trust funds belonging to the Insurance Department of the State, which were deposited with the bank, and which during the Winter had amounted to \$400,000. The amount had since been reduced, the Philadelphia "Ledger" on July 19 said:

The bank carried about \$300,000 of state funds. Of that sum, \$225,000 a part of the settlement of the affairs of the Pittsburgh Life & Trust Co., which closed at a loss to its clients a year and a half ago.

Charles A. Ambler, then state insurance commissioner, deposited \$400,000 obtained in settlement in the North Penn Bank. The sum of \$175,000 was withdrawn from the bank by Thomas B. Donaldson, when he succeeded Mr. Ambler, and it is rumored that he planned gradually to wipe out the deposit by transferring the funds from the North Penn Bank to other institutions.

Gov. Sproul's statement of the 19th follows:

The conditions surrounding the North Penn Bank have been giving Banking Commissioner Fisher, Insurance Commissioner Donaldson and myself a great deal of concern ever since they were inducted into office last winter.

Mr. Fisher reported to me soon after his appointment that the condition of the North Penn Bank was very unsatisfactory and that he was amazed to find that over \$400,000 of trust funds belonging to the Insurance Department had been deposited in this small bank.

Within a few days after learning this I made a change in the Insurance Department, and appointed Thomas Blaine Donaldson, Insurance Commissioner. Mr. Donaldson's experience had been along the lines of the liquidation of defunct insurance companies, and he had more experience than any man whom I knew in matters of this kind. He immediately set about the reduction of the liabilities of the North Penn Bank to the Insurance Department and had kept me in touch with the situation as much as possible. I was disturbed to find that such conditions had been handed over to us, and our particular effort has been in the direction of carefully investigating and correcting any questionable conditions in the fiduciary institutions which are under the jurisdiction of the State. Both the Banking Commissioner and the Insurance Commissioner are giving their undivided time and attention to the most careful oversight of all the institutions under their care.

The North Penn case seems to be a regrettable instance of the mixture of public funds and private enterprise and we hope to be able to reduce such conditions to a minimum during the present administration.

A statement issued on the same date by former Insurance Commissioner Ambler said:

Without reference to the records I cannot recall the amount of money transferred to the North Penn or other Philadelphia banks while I was Insurance Commissioner. The money was distributed among several Philadelphia banks, I did not think it unusual in the least to give the North Penn Bank a share of the funds, because they were protected no matter where they were deposited. Not only were they protected with surety bonds to the full total of the deposits, but considerably more.

After I have a chance to look over the passbooks and records I may be able to say what sums and at what time the State funds were transferred to the North Penn Bank. In making these transfers I merely followed precedent established by my predecessors in favoring home-town institutions. Mr. O'Neil had large sums moved from Philadelphia banks to western institutions, and when I took office I naturally seized the opportunity to favor the banks of my home city.

Mr. Ambler also said:

My company, the Ambler-Davis Contracting Co., will be able to pay the \$60,000 or any sum found owing to the bank and the State money is amply protected.

My company has been dealing with the North Penn Bank for years, and our notes have always been backed with gilt edge security. When we needed funds to finance big contracts, some of which involved several hundred thousand dollars, we obtained loans only by legitimate business methods and not merely on the firm's name.

These notes have always been protected and none has ever fallen overdue. The relations of this company with the North Penn Bank have been in strict accord with banking and business practice and absolutely nothing occurred which could have caused the bank the slightest embarrassment.

According to the Philadelphia "Ledger" of yesterday former insurance commissioner Ambler, turned over personal bonds approximating \$325,000 to Colonel Pusey on the 24th. It is also announced that he intended to meet all of his obligations to the bank, and that he awaited only the exact total of his loans. Colonel Pusey the "Ledger" reports estimates the figure at \$75,000, not including overdrafts.

The North Penn Bank was organized in 1910. It had a capital of \$150,000; on June 2 it reported a surplus of \$50,000 and total deposits of \$2,066,322; this same statement gave the deposit of the State of Pennsylvania as \$45,000. The Philadelphia "Press" of the 20th stated that the City's deposit in the institution was said by City Treasurer Shoyer to be \$18,000.

The directors of the Farmers Deposit Savings Bank of Pittsburgh, an allied institution of the Farmers Deposit National Bank, recently elected E. B. Coll, heretofore Cashier of the institution, President to succeed the late T. H. Given and at the same time they appointed Arthur E. Braun, President of the Farmers Deposit National Bank (a position to which he was elected on July 3 to succeed Mr. Given), Vice-President; Charles W. Alston, formerly Assistant Cashier, Cashier in place of Mr. Coll, and Franklin Coar, heretofore Paying Teller, Assistant Cashier in lieu of Mr. Alston. Mr. Coll entered the service of the Farmers Deposit National Bank 28 years ago as a messenger boy and advanced so rapidly that in 1903 when the Farmers Deposit Savings Bank was organized he was made Cashier. Under his able management the resources of the institution have grown to nearly \$8,000,000.

On July 11 the Citizens Banking Co. of Oil City, Pa., was closed and the following notices to the depositors signed by the directors were posted on the doors:

Resolved, that a large part of the assets of the Citizens Banking Company having become involved and rendered uncertain and doubtful to such an extent that a present quick realization of such assets cannot be expected and that an impairment of the capital of this company now exists, it is therefore the determination of the board of directors of the company that the business of said company be suspended.

In accordance with the provisions of Section 21 of the Act of May 21 1919, this institution is closed and its affairs are in charge of the undersigned State Bank Examiner, until such time as the Commissioner of Banking shall designate a special deputy or agent in the premises.

C. H. Graff, State Bank Examiner.

The Citizens Banking Co. is a State institution organized in 1902. It had a capital of \$100,000 and carried deposits of nearly \$1,300,000. It is said that the primary cause of the suspension of the company was the fact that the Baltimore Roofing and Asbestos Co. of Asbestos, Md., in which the officers and directors of the bank were heavily interested, had gone into the hands of receivers several weeks ago. Steps have been taken, we understand, for the reorganization of the bank.

The First National Bank and the First Trust & Savings Company of Cleveland announces the maintenance for the convenience of its depositors of a Tax Department where patrons may feel at liberty to confer with a tax consultant in the preparation of their returns for federal taxes. The department offers to advise and assist in the straightening out of any differences or disallowances found in returns upon verification by Internal Revenue Agents or by the Department in Washington.

The stockholders of the City National Bank of Dayton, Ohio, recently authorized the doubling of the capital stock of the institution, raising the same from \$200,000 to \$400,000. The new issue will be offered to stockholders at par (\$100). All payments must be made by Oct. 19.

Advices from Canton, Ohio, state that the stockholders of the Geo. T. Harter Bank of that city have given their consent to a proposed doubling of the capital stock of the institution, making the same \$600,000 instead of \$300,000. The new stock, which we are advised has already been sold was offered to present stockholders at par, namely \$100 per share.

John C. Armstrong, heretofore Assistant Secretary of the People's Trust & Savings Bank of Chicago, has been made Secretary. Harry L. Schmitz has been appointed an Assistant Cashier and Manager of the real estate and farm loan departments of the institution and J. Herbert Moon, who recently returned from service with the United States Navy, and former note teller, has been also appointed an Assistant Cashier.

Nels M. Hokanson, Vice-President of the Union Bank of Chicago, has been elected a director in the Swedish Chamber of Commerce of the United States of America. The Union Bank has always done a considerable Swedish business and Mr. Hokanson has written quite extensively on American trade with Sweden. The new affiliation with the Chamber of Commerce, it is pointed out, gives the bank increased facilities for obtaining trade reports and commercial information from Sweden and should prove of considerable benefit to the bank's clients.

The Great Lakes Trust Co., located at 110 So. Dearborn Street, Chicago, opened for business on July 22 with deposits for the day of \$3,597,694 38. The capital of the bank is \$3,000,000 and surplus \$600,000. Reference to the organization of the institution was made in these columns July 5. The following officers have been elected:

Harry H. Merrick, President; formerly Vice-President Central Trust Co. of Illinois.  
 J. C. Johnson, Vice-President; formerly Vice-President Citizens' National Bank, Evansville, Ind.  
 John W. Thomas, Vice-President; formerly Vice-President Central Trust Co. of Illinois.  
 R. R. Phelps, Vice-President; formerly Credit department, First National Bank.  
 Chas. C. Willson, Vice-President and Cashier; formerly Cashier Continental & Commercial Trust & Savings Bank.  
 W. E. Nichol, Assistant Cashier; formerly with Chicago Savings Bank & Trust Co.  
 E. L. Augustus, Assistant Cashier; formerly with Citizens' National Bank, Evansville, Ind.

The directors are:

B. E. Affleck, President Universal Portland Cement Co., Chicago.  
 F. L. Bateman, President Transcontinental Freight Co., Chicago.  
 William Butterworth, President Deere Plow Co., Moline.  
 Joseph Byfield, President Hotel Sherman Co., Chicago.  
 A. A. Crane, Vice-President First & Security National Bank, Minneapolis.  
 Donald R. Cotton, Carnegie Steel Co., St. Paul, Minn.  
 Joseph B. Edwards, President Kellogg Switchboard & Supply Co., Chicago.  
 Samuel M. Hastings, President Computing Scale Co. of America, Chicago.  
 J. C. Johnson, Vice-President.  
 Harry H. Merrick, President.  
 John S. Miller, attorney, Chicago.  
 Otto E. Osthoff, Vice-President H. M. Bylesby & Co., Chicago.  
 David B. Pierson, Vice-President Stephens-Adamson Mfg. Co., Aurora.  
 Frank W. Renwick, Vice-President Chicago Gravel Co., Chicago.  
 John F. Smulski, President Northwestern Trust & Savings Bank, Chicago.  
 Louis M. Stumer, Stumer, Rosenthal & Eckstein, Chicago.  
 George H. Taylor, real estate, Chicago.  
 L. M. Viles, President Buda Company, Chicago.

W. H. Yager, President Arms Palace Horse Car Co., Chicago.  
 Joseph I. Zook, Treasurer, Montgomery Ward & Co., Chicago.  
 H. H. Ogden, President First National Bank, Muskogee, Okla.  
 John C. Paddock, Cashier Merchants & Illinois National Bank, Peoria, Ill.  
 C. A. Bickett, President Bickett Coal & Coke Co., Chicago.  
 John W. Thomas, Vice-President.  
 R. R. Phelps, Vice-President.  
 Chas. C. Willson, Vice-President and Cashier.

It is stated that while the new institution is essentially a Chicago and Middle West bank, it will give special attention to the development of foreign trade.

The Guaranty Trust Company of Kansas City opened for business on Monday last, July 21, in offices in the Security Building, southwest corner of Eleventh and Main streets, which have been attractively equipped for modern banking purposes. Although separately incorporated, the Guaranty Trust Company of Kansas City is an outgrowth and enlargement of the business of the Maxwell Investment Company and recently was incorporated with a capital of \$500,000 and chartered to do a general bond, mortgage and trust business. Its larger capital will give the firm necessary funds for expansion and its charter authorizes it to manage trust affairs of all kinds. An announcement concerning the new organization says in part:

The assets and business of the Maxwell Investment Company have been purchased by the Guaranty Trust Company and will be maintained together with the established field offices, in Dallas, Memphis and Oklahoma City, as the farm mortgage department of the new organization.

The Maxwell Investment Company was founded in 1871 by J. E. Maxwell and has built up a national reputation and large investment business with the customers in all parts of the United States.

The bond department of the Guaranty Trust Company will specialize in State, municipal, corporation and public utility bonds. Securities will be purchased by the company for its own account and offered to investors with full recommendations.

Through its trust department the Guaranty Trust Company will act as executor and trustee under will, trustee under deed of trust, custodian of securities, escrow depository, guardian for individuals, trustee under mortgages and trust indentures for corporations, registrar and transfer agent. Vaults will be maintained for the use of customers desiring safe keeping of securities.

The following are the officers of the Guaranty Trust Company: J. E. Maxwell, Chairman of the Board; Wm. L. Maxwell, President; A. A. Zinn, Vice-President in charge of Mortgage Department; M. K. Baker, Vice-President in charge of Bond Department; J. E. McPherson, Secretary and Trust Officer, and D. R. Vance, Treasurer.

The directors are:

Frank A. Baker, Treasurer Ridenour-Baker Grocery Company; M. K. Baker, Vice-President; Frank M. Bernardin, President B. R. Electric Company; Charles S. Gleed, Director Atchison Topeka & Santa Fe Railway Company; Charles W. Lonsdale, Vice-President Simonds-Shields-Lonsdale Grain Company; J. E. McPherson, Secretary; J. E. Maxwell, Chairman of the Board; Wm. L. Maxwell, President; Harry N. Minty, T. H. Mastin & Co.; Herbert M. Woolf, President Woolf Brothers Furnishing Goods Co.; A. A. Zinn, Vice-President.

The Comptroller of the Currency approved the increase of \$100,000 in the capital of the United States National Bank of Superior, Wis., raising it to \$200,000.

The Nebraska National Bank of Omaha has increased its capital from \$200,000 to \$500,000. The Comptroller of the Currency has sanctioned the increase.

Approval of a change in the title of the Commercial National Bank of Muskogee to the Commercial National Bank of Muskogee, at Muskogee, Okla., is announced by the Comptroller of the Currency.

John C. Cardwell, formerly Vice-President of the Liberty Insurance Bank of Louisville, from which he has just resigned, and one of the best known bankers in the State of Kentucky, was on June 8 elected President of the Citizens-Union Fourth Street Bank, a new Louisville institution now in process of organization and which it is expected will be opened in the Speed Building about Aug. 1. At the same time, Joseph H. Waterfill, a Vice-President of the Citizens-Union National Bank of Louisville, was appointed a Vice-President of the new institution. Mr. Cardwell began his banking career 17 years ago as Cashier of the Cecilian Bank, Cecilian, Ky., which he had organized and of which he eventually became President. He went to Louisville in 1908 as Vice-President and Cashier of the Jefferson County Deposit Bank (Jeffersontown) with which he is still identified. On Jan. 1 1919 he became Vice-President of the Liberty Insurance Bank. Mr. Cardwell, we understand, has also been elected a Vice-President of the Citizens-Union National Bank. In 1915 Mr. Cardwell was appointed Secretary of the Kentucky Bankers' Association, and was one of the most popular and efficient secretaries the Association ever had.

While Secretary, it is stated, he succeeded in getting more than 99% of the banks of Kentucky into the Association—the largest percentage of any State in the United States. In addition to the above connections Mr. Cardwell is Vice-President of the Jefferson County Bank of Jeffersontown, and the Union Bank & Trust Co. of Elizabethtown, Ky. Mr. Waterfill entered the Union National Bank (now a part of the Citizens-Union National Bank) 14 years ago as an assistant bookkeeper, and has risen rapidly to the Vice Presidency of the institution. The new Citizens-Union Fourth Street Bank has a capital of \$100,000 and surplus of \$50,000. The new bank is affiliated institution being owned by the Citizens Union National Bank and the Fidelity & Columbia Trust Co.

Official announcement was made in the Savannah "News" of July 20 that the Hibernia Bank of that city (capital \$200,000) had purchased control of the National Bank of Savannah (capital \$400,000) with the object of liquidating the latter and merging its business with that of the Hibernia. Negotiations looking to the merger of the two institutions had been pending, we understand, for some time. In a statement concerning the sale of the National Bank of Savannah, Jacob S. Collins, the President of that institution, said in part:

The principal reason for selling control of the bank is due to the fact that I was anxious to relieve myself of what appeared to be more work than I felt able to continue to carry on. Having large personal interests which have suffered for years, having given my entire time to service in the bank, and having the Oglethorpe Savings & Trust Co., with a branch in Thomasville, whose business is growing rapidly, I felt that that institution needed more attention from me. There are other reasons in which the public may not be interested, but in buying control of the National Bank originally I had associated with me a number of my personal and lifelong friends, two of whom have passed away and the First Vice-President, Mr. Robert M. Hicks, is about to retire and move to California. So that, to this extent, it was the breaking up of the family as it were. The merging of the two institutions will make the Hibernia Bank of Savannah one of the large banks of this section and it was wise for the Hibernia Bank to have acquired the National Bank because the prestige alone is worth nearly its capital stock.

I, nevertheless, sold the control at a satisfactory price to all of my associates so that, from the standpoint of dollars and cents, they will be satisfied.

In the meantime the National Bank will continue at present with the same officers and with the same directors with possibly a slight change in the board so that no inconvenience will be caused to the customers.

The building occupied by the National Bank of Savannah, it is said, is not included in the sale. It is also stated that the Oglethorpe Savings & Trust Co. in which Mr. Collins is heavily interested is affected by the merger. Application for membership in the Federal Reserve System has been made by the Hibernia Bank. The officials of the Hibernia Bank of Savannah are: M. A. O'Byrne, President; Charles Ellis, Vice-President; James P. Doolan, Cashier, and M. A. Spellman, Assistant Cashier.

On July 16 the stockholders of the American Bank & Trust Co., of Petersburg, Va., ratified a proposal to increase the capital from \$200,000 to \$500,000 at the same time action was taken toward increasing the Board of Directors from 15 to 25 members.

A change in the name of the Metropolitan Bank of New Orleans to the Pan-American Bank & Trust Company and an increase of \$400,000 in its capital, raising it to \$800,000 is proposed. These plans grow out of arrangements which the directors of the Metropolitan Bank have concluded with persons closely affiliated with the Pan-American Life Insurance Company who had under consideration the formation of a bank, the newly concluded arrangements providing for a consolidation of these interests with those of the Metropolitan, A. Dumser, President of the Metropolitan Bank, announces that the premium at which the new \$400,000 of stock is to be sold will increase the surplus to approximately \$500,000, giving the bank a capital and surplus of about \$1,300,000, against the present capital and surplus of \$600,000. Those affiliated with the Pan-American Life Insurance Company who are concerned in the movement are T. S. Witherspoon, Crawford H. Ellis, E. G. Simmons and others. None of the present officers and employees of the Metropolitan Bank are to be disturbed. The directorate is to be increased by adding the names of Messrs. Witherspoon, Ellis, Simmons and their associates, and the election of Ellis as Chairman of the Board, T. S. Witherspoon as Active Vice-President and Eugene J. McGivney as General Counsel.

The actual consolidation of the Hibernia Bank & Trust Co. and the New Orleans National Bank, previously reported in

these columns occurred on July 15, following the final meeting of the board of directors of the latter institution. The enlarged institution shows deposits exceeding \$42,000,000 and total resources of more than \$53,000,000, with surplus of \$2,500,000. It is an interesting fact that the deposits of the Hibernia Bank & Trust Co. as of the date of the merger, July 15, compared with the combined deposits of the two banks one year ago, record an increase of \$10,500,000, or a gain of 33 1-3%. The office of the New Orleans National Bank, as previously announced, becomes the Camp Street Branch of the Hibernia Bank & Trust Co., in charge of the same officers as have heretofore directed its affairs. The board of directors of the Hibernia Bank is enlarged by the addition of six of the former board members of the New Orleans National Bank, as follows: Gus B. Baldwin, Alvin P. Howard, Adolph Katz, E. L. Powell, E. G. Schlinder and S. Zemurray. The officers at the main branch remain as before, with R. S. Hecht as President, F. W. Ellsworth, First Active Vice-President, and Chas. F. Herb, Second Vice-President. This merger gives New Orleans a \$50,000,000 institution capable of handling all kinds of financial undertakings, from the smallest to the very largest.

A consolidation has been arranged between the First National Bank of Beaumont, Texas, (capital \$200,000) and the Gulf National Bank of the same place (capital \$150,000) under the title of the former institution. Under the merger plan, we understand, each bank is to furnish \$350,000 of capital and surplus, making the combined capital and surplus of the new institution \$700,000, of which \$400,000 represents the capital and \$300,000 the surplus and undivided profits. P. B. Doty, heretofore President of the Gulf National Bank, will be chief executive of the enlarged First National, with W. L. Pondrom, formerly Vice-President and Cashier of the First National Bank, as Vice-President, and L. P. Tullos, formerly Cashier of the Gulf National Bank, as Cashier.

The Comptroller of the Currency announces his approval of the increase in the capital of the Lockhart National Bank of Lockhart, Tex. The amount has been raised from \$100,000 to \$200,000.

The directors of the London Joint City & Midland Bank, Limited, announce an interim dividend for the past half-year at the rate of 18% per annum less income tax, payable July 15. The dividend for the corresponding period last year was at the same rate.

The directors of Lloyds Bank, Limited, announce that Colonel Francis Vernon Willey of Blythe Hall, Nottinghamshire, has been elected to a seat on the board.

THE ENGLISH GOLD AND SILVER MARKETS.

We reprint the following from the weekly circular of Samuel Montagu & Co. of London, written under date of July 10 1919:

GOLD.

The Bank of England gold reserve against its note issue is £86,524,000, an increase of £71,640 as compared with last week's return. Announcement has been made in New York of further substantial gold shipments, or engagements for shipments, to a total of \$21,620,000. About half of this amount is for Spain, and about a quarter each for Japan and South America. A small amount of \$135,000 has been engaged for shipment to England. It now seems fairly assured that a Government Mint will be set up in the Transvaal, probably at Johannesburg. In this event, the Dominion of South America will follow the example of Australia, Canada, and India, in creating a local mint. The British sovereign has enjoyed universal popularity; it has commanded, and does still command, a premium in certain places over gold, coined or otherwise. If the whole of the output from the Transvaal be minted (instead of only a part, as heretofore) the British sovereign is likely to be still more conspicuous throughout the world; although a shortage of gold bullion, consequent upon such an increased mintage, would probably impel a considerable quantity of the new coin into the melting pot, after a brief and barren lease of life.

SILVER.

The market showed an upward tendency at the beginning of the week, partly owing to a special order and partly to an inclination to hold up supplies. Just now the market is unduly sensitive to such influences which, however, are but a passing phase. It is fairly obvious that unless purchases for the Indian Government can be made, justification for a permanently higher level of prices does not exist. After all, the Indian currency problem is still, as it has been for the last year or so, the principal factor in the market.

China has bought substantially but seems for the moment to have shot its bolt. Buying for that quarter has been usually very intermittent in duration. A feature of the week has been the premium on the price for forward delivery, which is now 1/4d. above that for cash delivery.

INDIAN CURRENCY RETURNS.

In Lacs of Rupees—	June 15.	June 22.	June 30.
Notes in circulation	16006	16078	16276
Silver coin and bullion in India	4087	4159	4150
Silver coin and bullion out of India	300	300	200
Gold coin and bullion in India	1761	1761	1769
Gold coin and bullion out of India	—	—	—
Securities (Indian Government)	1668	1668	1668
Securities (British Government)	8250	8250	8249

The mintage during the week ending 30th ult. amounted to 136 lacs of rupees. The stock in Shanghai on the 5th inst. consisted of about 22,900,000 ounces in sycee and 12,300,000 dollars, as compared with about 23,650,000 ounces in sycee and 12,100,000 dollars on the 21st ult.

Table with exchange rates for various locations: London, India, Java, etc. Columns include Cash, 2 Mos., 3 Mos. and 6 Mos. rates.

The quotations to-day for cash and forward delivery are 1s. 4d. and 1s. 8d. respectively below 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:

Table of London market data including interest rates for various currencies (Silver, Consols, British, French, etc.) and dates from July 19 to July 25.

The price of silver in New York on the same day has been:

Small table showing silver prices in N.Y. for different dates: 103 3/4, 104 3/4, 106 1/2, 107 1/4, 107 3/4.

Commercial and Miscellaneous News

Breadstuffs figures brought from page 393.—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:

Large table showing receipts of flour, wheat, corn, oats, barley, and rye at various ports (Chicago, Minneapolis, Duluth, etc.) for the weeks ending July 19, 18, and 17, and since Aug. 1.

Total receipts of flour and grain at the seaboard ports for the week ended July 19 1919 follow:

Table summarizing total receipts of flour, wheat, corn, oats, barley, and rye for the week ending July 19, 1919, and for the same weeks in 1918 and 1917.

\* Receipts do not include grain passing through New Orleans for foreign port on through bills of lading.

The exports from the several seaboard ports for the week ending July 19 are shown in the annexed statement:

Table showing exports from various seaboard ports (New York, Boston, Philadelphia, etc.) for the week ending July 19, 1919, and for the same week in 1918.

The destination of these exports for the week and since July 1 1919 is as below:

Table showing the destination of exports for the week ending July 19, 1919, and for the same week in 1918, categorized by region (United Kingdom, Continent, etc.).

The world's shipments of wheat and corn for the week ending July 19 1919 and since July 1 1918 and 1917 are shown in the following:

Table of wheat and corn exports for 1919 and 1918, broken down by region (North America, Russia, Danube, etc.).

The quantities of wheat and corn afloat for Europe are omitted for the present, as no figures are available since those for 1916.

National Banks.—The following information regarding national banks is from the office of the Comptroller of the Currency, Treasury Department:

Table listing applications for charter and conversions of state banks, including bank names and amounts.

Table listing original organizations and charters issued, including bank names and amounts.

CHARTER EXTENDED.—The First National Bank of Perty Amboy, N. J. Charter extended until close of business July 21 1939.

Table listing increases of capital approved for various banks, including bank names and amounts.

CHANGES OF TITLE APPROVED.—The First National Bank of Mayfield, Ky., to "The First National Bank of Mayfield," etc.

Canadian Bank Clearings.—The clearings for the week ending July 17 at Canadian cities, in comparison with the same week in 1918, shows an increase in the aggregate of 29.5%.

Large table showing Canadian bank clearings for the week ending July 17, 1919, compared with 1918, broken down by city (Montreal, Toronto, Winnipeg, etc.).

Auction Sales.—Among other securities, the following, not usually dealt in at the Stock Exchange, were recently sold at auction in New York, Boston and Philadelphia:

Table listing auction sales for various companies including Mercantile Nat. Bank of Providence, 20 Mechanical Nat. Bank of Providence, 5 Merchants' Nat. Bank of St. Paul, Minn., etc.

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

Table listing auction sales for various companies including Nat. Grand Bank, Marblehead, 1 Warren Nat. Bank, Peabody, 19 Arlington Nat. Bank, Boston, etc.

By Messrs. Wise, Hobbs & Arnold, Boston:

Table listing auction sales for various companies including Peoples Nat. Bank, Roxbury, 5 Quincy Mkt. C. S. & W., com., new, 18 Sullivan Machinery, etc.

By Messrs. Barnes & Lofland, Philadelphia:

Table listing auction sales for various companies including Merchants Warehouse, 12 Rights to subscribe to Comm. Trust Co. at \$200, 362 1-3 Rights to subscribe to Third Nat. Bank at \$200, etc.

DIVIDENDS.

The following shows all the dividends announced for the future by large or important corporations: Dividends announced this week are printed in italics.

Table listing dividends for various companies under categories: Railroads (Steam), Street and Electric Railways, and Miscellaneous. Includes companies like Alabama Great Southern, A.T. & T., Baltimore & Ohio, etc.

Main table listing dividends for various companies including Street and Electric Rys., West Penn Power, West Penn Railways, West Penn Trac. & W. P., York Railways, etc.





STATEMENTS OF RESERVE POSITION OF CLEARING HOUSE BANKS AND TRUST COMPANIES.

	Averages.				
	Cash Reserve in Vaults.	Reserve in Depositories	Total Reserve.	Reserve Required.	Surplus Reserve.
Members Federal Reserve Bank	\$ 563,160,000	\$ 563,160,000	\$ 1,126,320,000	\$ 522,640,160	\$ 40,819,840
State banks	9,662,000	6,411,000	16,073,000	15,512,400	560,600
Trust companies	1,890,000	4,364,000	6,254,000	6,267,450	def13,450
<b>Total July 19</b>	<b>11,552,000</b>	<b>573,935,000</b>	<b>585,487,000</b>	<b>544,420,010</b>	<b>41,066,990</b>
Total July 12	12,265,000	539,267,000	551,532,000	534,791,670	16,740,330
Total July 5	11,912,000	569,523,000	581,435,000	541,155,660	40,279,340
Total June 28	11,795,000	550,754,000	562,549,000	529,419,640	33,129,360

	Actual Figures.				
	Cash Reserve in Vaults.	Reserve in Depositories	Total Reserve.	Reserve Required.	Surplus Reserve.
Members Federal Reserve Bank	\$ 547,945,000	\$ 547,945,000	\$ 1,095,890,000	\$ 523,237,770	\$ 24,707,230
State banks	9,559,000	7,069,000	16,628,000	15,351,120	1,276,880
Trust companies	1,677,000	4,895,000	6,572,000	6,348,900	223,100
<b>Total July 19</b>	<b>11,236,000</b>	<b>559,909,000</b>	<b>571,145,000</b>	<b>544,937,790</b>	<b>26,207,210</b>
Total July 12	11,714,000	559,793,000	571,507,000	538,418,730	33,088,270
Total July 5	12,117,000	530,239,000	542,356,000	535,922,300	6,433,700
Total June 28	11,859,000	535,159,000	547,018,000	532,940,870	14,077,130

\* Not members of Federal Reserve Bank.  
 a This is the reserve required on net demand deposits in the case of State banks and trust companies, but in the case of members of the Federal Reserve Bank includes also amount of reserve required on net time deposits, which was as follows: July 19, \$4,967,160; July 12, \$4,908,420; July 5, \$4,824,540; June 28, \$4,623,330.  
 b This is the reserve required on net demand deposits in the case of State banks and trust companies, but in the case of members of the Federal Reserve Bank includes also amount of reserve required on net time deposits, which was as follows: July 19, \$5,031,900; July 12, \$4,917,510; July 5, \$4,909,050; June 28, \$4,635,870.

**State Banks and Trust Companies Not in Clearing House.**—The State Banking Department reports weekly figures showing the condition of State banks and trust companies in New York City not in the Clearing House, as follows:

	July 19, 1919.		Differences from previous week.	
	Loans and Investments.	Specie.	Inc.	Dec.
Currency and bank notes	\$791,280,200	10,278,400	17,859,500	1,711,700
Deposits with Federal Reserve Bank of New York	70,409,200	70,409,200	Inc.	525,200
Total deposits	\$861,689,400	10,807,600	18,388,700	3,870,100
Deposits, eliminating amounts due from reserve depositories and from other banks and trust companies in N. Y. City, exchanges and U. S. deposits	761,998,700	143,222,800	Inc.	6,942,000
Reserve on deposits	143,222,800	143,222,800	Inc.	6,300,600
Percentage of reserve, 21.3%				

**Banks and Trust Companies in New York City.**—The averages of the New York City Clearing House banks and trust companies combined with those for the State banks and trust companies in Greater New York City outside of the Clearing House, are as follows:

COMBINED RESULTS OF BANKS AND TRUST COMPANIES IN GREATER NEW YORK.

Week ended—	Loans and Investments.	Demand Deposits.	Total Cash in Vaults.	Reserve in Depositories.
	\$	\$	\$	\$
Jan. 25	5,544,714,000	4,650,058,300	135,813,100	646,887,000
Feb. 1	5,525,768,300	4,630,229,800	132,677,300	648,143,600
Feb. 8	5,492,269,000	4,539,150,100	130,565,700	642,124,800
Feb. 15	5,509,784,600	4,504,885,000	133,267,700	628,112,400
Feb. 21	5,571,831,800	4,527,389,800	133,632,800	625,109,700
Mar. 1	5,583,221,600	4,569,358,800	131,342,200	643,761,000
Mar. 8	5,629,541,700	4,571,345,100	128,952,600	647,186,900
Mar. 15	5,649,123,500	4,633,702,000	132,655,200	658,275,500
Mar. 22	5,698,079,800	4,733,613,800	130,905,000	692,405,000
Mar. 29	5,633,730,000	4,618,929,500	134,143,000	627,395,900
Apr. 5	5,596,229,300	4,747,993,000	130,736,900	682,805,200
Apr. 12	5,630,505,500	4,723,746,700	135,497,500	651,649,200
Apr. 19	5,730,276,600	4,689,495,300	134,131,300	672,170,700
Apr. 26	5,694,610,000	4,736,482,100	136,428,700	682,036,200
May 3	5,735,162,000	4,773,617,400	139,041,500	685,925,800
May 10	5,817,508,300	4,822,202,600	134,432,800	677,399,900
May 17	5,830,918,700	4,873,611,200	141,466,900	671,089,000
May 23	5,750,391,000	4,861,516,200	136,791,200	689,984,100
May 31	5,705,065,600	4,885,307,200	133,474,700	676,577,800
June 7	5,877,225,200	4,904,243,900	136,878,600	691,657,300
June 14	5,929,699,200	4,880,332,900	137,691,300	671,664,300
June 21	5,817,988,200	4,846,099,100	134,955,500	679,994,600
June 28	5,732,766,200	4,769,196,800	134,566,800	665,490,300
July 5	5,804,258,400	4,860,090,300	131,398,300	684,431,000
July 12	5,820,469,000	4,804,154,700	144,478,700	649,207,500
July 19	5,504,893,200	4,872,061,700	142,504,200	688,939,900

\* This item includes gold, silver, legal tenders, national bank notes and Federal Reserve notes.

**New York City State Banks and Trust Companies.**—In addition to the returns of "State banks and trust companies in New York City not in the Clearing House," furnished by the State Banking Department, the Department also presents a statement covering all the institutions of this class in the City of New York.

For definitions and rules under which the various items are made up, see "Chronicle," V. 98, p. 1661.  
 The provisions of the law governing the reserve requirements of State banking institutions as amended May 22 1917 were published in the "Chronicle" May 19 1917 (V. 104, p. 1975). The regulations relating to calculating the amount of deposits and what deductions are permitted in the computation of the reserves were given in the "Chronicle" April 4 1914 (V. 98, p. 1045).

STATE BANKS AND TRUST COMPANIES IN NEW YORK CITY.

Week Ended July 19.	State Banks.		Trust Companies.	
	July 19 1919.	Differences from previous week.	July 19 1919.	Differences from previous week.
Capital as of Feb. 21	\$ 25,900,000		\$ 104,600,000	
Surplus as of Feb. 21	43,559,000		172,776,000	
Loans & Investments.	623,609,300	Inc. 1,006,500	2,111,171,800	Dec. 18,495,400
Specie	8,866,100	Inc. 610,000	12,712,100	Inc. 774,700
Currency & bk. notes	27,589,600	Dec. 2,012,200	22,870,400	Inc. 909,300
Deposits with the F. R. Bank of N. Y.	53,729,500	Dec. 1,463,500	230,895,300	Inc. 6,019,600
Deposits	741,665,700	Inc. 2,568,600	2,191,772,100	Dec. 87,811,100
Reserve on deposits.	108,584,300	Dec. 3,723,900	318,838,800	Inc. 7,313,800
P. C. reserve to dep.	20.3	Dec. 0.4%	18.0	Inc. 0.3%

**Non-Member Banks and Trust Companies.**—Following is the report made to the Clearing House by clearing non-member institutions which are not included in the "Clearing House Return" on the following page:

RETURN OF NON-MEMBER INSTITUTIONS OF NEW YORK CLEARING HOUSE.

(Stated in thousands of dollars—that is, three ciphers [000] omitted.)

CLEARING NON-MEMBERS	Capital.	Profits.	Loans, Discounts, Investments.	Cash in Vaults.	Reserve with Legal Depositories.	Net Demand Deposits.	Net Time Deposits.	Natl Bank Circulation.
Members of Fed'l Res. Bank	\$ 1,500	\$ 1,538	\$ 14,850	\$ 224	\$ 1,783	\$ 11,033	\$ 136	\$ 190
Battery Park Nat.	200	698	11,165	168	1,532	11,600	346	
Mutual Bank	300	319	7,744	174	1,062	6,609	90	
New Netherland	500	954	5,770	15	854	3,013	1,371	
W R Grace & Co's	200	651	10,926	334	1,110	6,414	4,984	
Yorkville Bank	400	1,324	9,105	681	969	7,474		390
First Nat'l, Jer Cy								
<b>Total</b>	<b>3,100</b>	<b>5,396</b>	<b>69,565</b>	<b>1,596</b>	<b>7,312</b>	<b>46,505</b>	<b>6,927</b>	<b>580</b>

  

State Banks	Not Members of the Fed'l Reserve Bank	Bank of Wash Hts.	Colonial Bank	International Bank	North Side, Bklyn.	Total	
100	450	2,324	349	157	2,620	4,450	
500	1,180	11,917	1,437	1,209	12,909	24,033	
500	233	6,721	794	343	6,605	405	
200	233	4,975	457	296	4,698	323	
<b>Total</b>	<b>1,300</b>	<b>2,098</b>	<b>26,437</b>	<b>3,037</b>	<b>2,005</b>	<b>26,832</b>	<b>728</b>

  

Trust Companies	Not Members of the Fed'l Reserve Bank	Hamilton Tr, Bklyn	Mech Tr, Bayonne	Total			
500	1,076	8,226	480	301	6,037	1,064	
200	408	8,791	337	345	4,308	4,350	
<b>Total</b>	<b>700</b>	<b>1,485</b>	<b>17,017</b>	<b>817</b>	<b>646</b>	<b>10,345</b>	<b>5,394</b>

  

Grand aggregate—	Comparison previous	5,100	8,980	103,019	5,450	9,963	683,682	13,049	580
Gr'd aggr, July 12	5,000	8,658	103,116	5,589	9,692	682,992	13,119	582	
Gr'd aggr, July 5	5,000	8,658	103,005	5,049	9,537	81,232	13,117	586	
Gr'd aggr, June 28	5,000	8,640	103,997	5,249	9,438	80,286	13,190	582	
Gr'd aggr, June 21	5,000	8,640	106,608	5,246	10,608	82,326	13,035	583	

a U. S. deposits deducted, \$1,570,000.  
 Bills payable, rediscounts, acceptances and other liabilities, \$6,983,000.  
 Excess reserve, \$124,510 increase.

**Boston Clearing House Bank.**—We give below a summary showing the totals for all the items in the Boston Clearing House weekly statement for a series of weeks:

	BOSTON CLEARING HOUSE MEMBERS.			
	July 19 1919.	Changes from previous week.	July 12 1919.	July 5 1919.
Circulation	\$ 4,703,000	Inc. 218,000	\$ 4,485,000	\$ 4,720,000
Loans, disc'ts & Investments	557,693,000	Inc. 2,356,000	555,337,000	571,603,000
Individual deposits, incl. U.S.	465,443,000	Inc. 14,645,000	450,798,000	467,414,000
Due to banks	121,889,000	Dec. 6,295,000	128,184,000	120,044,000
Time deposits	11,803,000	Dec. 173,000	11,976,000	12,292,000
Exchanges for Clear. House.	21,304,000	Dec. 1,054,000	22,358,000	26,684,000
Due from other banks	85,645,000	Inc. 5,571,000	77,075,000	76,709,000
Cash in bank & in F. R. Bank	69,632,000	Inc. 1,579,000	67,953,000	63,441,000
Reserve excess in bank and Federal Reserve Bank	21,140,000	Inc. 1,562,000	19,638,000	14,666,000

**Philadelphia Banks.**—The Philadelphia Clearing House statement for the week ending July 19 with comparative figures for the two weeks preceding, is as follows. Reserve requirements for members of the Federal Reserve system are 10% on demand deposits and 3% on time deposits, all to be kept with the Federal Reserve Bank. "Cash in vaults" is not a part of legal reserve. For trust companies not members of the Federal Reserve system the reserve required is 15% on demand deposits and includes "Reserve with legal depositories" and "Cash in vaults."

Two ciphers (00) omitted.	Week ending July 19 1919.			July 12 1919.	July 5 1919.
	Members of F. R. System	Trust Cos.	Total.		
Capital	\$9,775.0	\$3,000.0	\$32,775.0	\$32,775.0	\$32,775.0
Surplus and profits	80,654.0	7,784.0	89,438.0	89,437.0	83,960.0
Loans, disc'ts & Investm'ts	767,784.0	28,823.0	796,607.0	799,171.0	799,050.0
Exchanges for Clear. House	25,515.0	536.0	27,051.0	25,817.0	31,423.0
Due from banks	108,962.0	15.0	118,977.0	114,182.0	118,897.0
Bank deposits	154,258.0	372.0	154,630.0	150,708.0	146,091.0
Individual deposits	496,160.0	19,462.0	515,622.0	514,970.0	521,517.0
Time deposits	5,601.0		5,601.0	5,566.0	5,432.0
Total deposits	656,019.0	19,734.0	675,753.0	671,244.0	673,040.0
U.S. deposits (not included)			20,155.0	23,543.0	30,109.0
Res'v with Fed. Res. Bank	55,159.0		53,159.0	53,736.0	55,274.0
Res'v with legal deposit'rs		2,714.0	2,714.0	4,212.0	3,509.0
Cash in vault	14,129.0	853.0	15,000.0	16,089.0	14,264.0
Total reserve & cash held	69,308.2	3,566.0	72,874.2	72,987.4	72,547.4
Reserve required	60,662.0	2,877.0	63,539.0	63,705.0	62,535.0
Excess res. & cash in vault	18,646.0	689.0	19,335.0	19,202.0	19,989.0

\* Cash in vault is not counted as reserve for Federal Reserve bank members.

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 in the statement were given in the statement of Dec. 14 1917 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 JULY 11 1919.

Substantial gains in demand deposits accompanied by further declines in Government deposits are indicated in the Federal Reserve Board's weekly statement of condition on July 11 of 770 member banks in leading cities. Cash in vault and reserve balances with the Federal Reserve banks likewise show considerable additions for the week. The decline in the number of reporting banks is due altogether to consolidations of member banks in Kansas City and Dallas.

Aggregate holdings of United States war securities and war paper declined from 3,356.5 to 3,332.2 millions and constitute 23% of the total loans and investments of all reporting banks, as against 23.1% of the week before. For the New York City banks a slight increase in this ratio from 26.6 to 26.8% is noted.

An increase of 134 millions in net demand deposits, largely outside the Federal Reserve bank cities, is due probably to a large extent to the increase of deposits in the agricultural districts. Government deposits fell off 85.1 millions, while time deposits show a gain of 5.3 millions and a larger gain outside of Federal Reserve bank and branch cities. Reserve balances with the Federal Reserve banks increased 65.9 millions and cash in vault 40.6 millions.

1. Data for all reporting banks in each district. Three ephers (000 omitted).

Table with 13 columns: Three ephers (000) omitted, Boston, New York, Philadel., Cleveland, Richm'd., Atlanta, Chicago, St. Louis, Minneap., Kan. City, Dallas, San Fran., Total. Rows include: Number of reporting banks, U. S. bonds to secure circulation, Other U. S. bonds, U. S. Victory notes, U. S. certificates of indebtedness, Total U. S. securities, Loans secured by U. S. bonds, All other loans and investments, Reserve balances with F. R. bank, Cash in vault, Net demand deposits, Time deposits, Government deposits, Bills payable with F. R. bank, Bill rediscounted with F. R. bank.

2. Data for Banks in Federal Reserve Bank and Branch Cities and All Other Reporting Banks.

Table with columns: Three ephers (000) omitted, New York, Chicago, All F. R. Bank Cities, F. R. Branch Cities, All Other Reporting Banks, Total. Sub-columns for each city show July 11 and July 3. Rows include: Number of reporting banks, U. S. bonds to secure circulation, Other U. S. bonds, U. S. Victory notes, U. S. certificates of indebtedness, Total U. S. securities, Loans secured by U. S. bonds, All other loans and investments, Reserve balances with F. R. bank, Cash in vault, Net demand deposits, Time deposits, Government deposits, Bills payable with F. R. bank, Bills rediscounted with F. R. bank, Ratio of U. S. war securities & war paper, total loans & invest't. %.

The Federal Reserve Banks.—Following is the weekly statement issued by the Federal Reserve Board on July 18:

Liquidation of over 100 millions of war paper, accompanied by substantial reductions in net deposits and Federal Reserve note circulation, is indicated by the Federal Reserve Board's weekly bank statement, issued at at close of business on July 18 1919.

Government deposits declined 14.1 millions, members' reserve deposits 13.5 millions, while the "float" carried by the Reserve banks went up 55.7 millions. Other deposits, including foreign government credits, show an increase of 10.4 millions, while net deposits worked out 72.9 millions less than the week before. Federal Reserve notes in circulation decreased 36.1 millions, all Reserve banks, except those at Atlanta, St. Louis and Kansas City, reporting substantial reductions in the volume of outstanding Federal Reserve note circulation.

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 JULY 18 1919

Table with columns: July 18 1919, July 11 1919, July 3 1919, June 27 1919, June 20 1919, June 13 1919, June 6 1919, May 29 1919, July 19 1918. Rows are divided into RESOURCES (Total gold held by banks, Total gold reserves, Total reserve, Total bills on hand, Total earning assets) and LIABILITIES (Capital paid in, Government deposits, Total gross deposits, F. R. bank notes in circulation, F. R. bank notes in circulation—net liability, Total liabilities).

\* Includes One-Year Treasury Notes

Table showing Federal Reserve Notes and other financial data. Columns include dates from July 18 1919 to July 19 1918. Rows list Gold reserve against net deposit liab., Ratio of gold reserves to net deposit and Federal Reserve Notes, Distribution by Maturity, Federal Reserve Notes Held by banks, and Amount chargeable to Fed. Res. agent.

WEEKLY STATEMENT OF RESOURCES AND LIABILITIES OF EACH OF THE 12 FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS JULY 18 1919.

Table showing resources and liabilities of 12 Federal Reserve Banks. Columns are Bank Name (Boston, New York, Phila., Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneap., Kan City, Dallas, San Fran., Total). Rows include Total gold held by banks, Total gold reserves, Total reserves, Total earning assets, and Total resources/Total liabilities.

STATEMENT OF FEDERAL RESERVE AGENTS ACCOUNTS AT CLOSE OF BUSINESS JULY 18 1919.

Table showing Federal Reserve Agents Accounts. Columns are Bank Name (Boston, New York, Phila., Cleveland, Richmond, Atlanta, Chicago, St. Louis, Minneap., Kan. City, Dallas, San Fran., Total). Rows include Federal Reserve Notes, Chargeable to F. R. Agent, Issued to F. R. Bank, Collat'l security for outg notes, and F. R. notes in actual circulation.

# Bankers' Gazette.

Wall Street, Friday Night, July 25, 1919.

**Railroad and Miscellaneous Stocks.**—The stock market has been less active than last week and before, but otherwise its characteristics and general features are unchanged. In other words it continues to be a speculator's market. There seems to have been no connection whatever between the news of the week and the fluctuation of prices. The downward movement which was in full swing at the close last week had spent its force by Tuesday, since which a part of the decline then shown has been recovered.

The foreign exchange market has been closely watched this week. Sterling has been relatively steady at about 10 points above the \$1.26 figures to which it momentarily dropped last week. It is still too low, however, to admit of a free commercial intercourse and it is hoped that some arrangement will soon be made to overcome the present unfortunate situation. The weekly weather report was better in some respects than the previous one, especially in regard to corn and cotton, but the results of winter wheat threshing are, as heretofore reported, disappointing.

The lowest prices of the week for stocks were reached, in some cases on Monday, in others on Tuesday, since which the market has been decidedly irregular. Railway shares have been neglected and the 12 most active issues show a net loss for the week. Some are 2 points or more lower. Texas & Pacific has dropped  $4\frac{1}{4}$  points of its recent advance. Can. Pac. and Union Pac. are 2 points down and A. & N. H. R., Balt. & Ohio, St. Paul, New York Cent., Reading and So. Pac., are between 1 and 2 points down.

**TRANSACTIONS AT THE NEW YORK STOCK EXCHANGE DAILY, WEEKLY AND YEARLY.**

Week Ending July 25 1919.	Stocks.		Railroad.	State, Mun. & Foreign.	U. S. Bonds.
	Shares.	Par Value.	Stocks.	Bonds.	Bonds.
Saturday	HOLIDAY				
Monday	1,478,790	\$129,369,000	\$1,746,000	\$1,182,000	\$10,038,000
Tuesday	1,443,858	130,122,800	1,488,000	825,000	10,563,000
Wednesday	1,570,235	136,221,500	2,135,000	565,000	9,097,000
Thursday	1,639,370	141,349,000	1,335,000	459,000	7,582,000
Friday	1,065,423	93,711,650	1,416,000	582,000	6,964,200
Total	7,195,676	\$630,773,850	\$8,118,000	\$3,611,000	\$44,244,200

  

Sales at New York Stock Exchange.	Week Ending July 25.		Jan. 1 to July 25.	
	1919.	1918.	1919.	1918.
Stocks—No. shares	7,195,676	1,724,828	187,629,008	81,252,426
Par value	\$630,773,850	\$163,802,550	\$15,693,603,080	\$7,575,676,600
Bank shares, par			\$47,200	\$12,900
Government bonds	\$44,244,200	\$19,847,000	\$1,308,145,100	\$564,438,500
State, mun., &c., bds.	3,611,000	3,503,500	100,218,000	117,809,000
R.R. and misc. bonds	8,118,000	3,330,000	314,762,000	100,063,000
Total bonds	\$55,973,200	\$26,682,500	\$1,813,120,100	\$842,310,500

**DAILY TRANSACTIONS AT THE BOSTON, PHILADELPHIA AND BALTIMORE EXCHANGES.**

Week ending July 25 1919.	Boston.		Philadelphia.		Baltimore.	
	Shares.	Bond Sales.	Shares.	Bond Sales.	Shares.	Bond Sales.
Saturday	HOLIDAY					
Monday	32,887	\$118,000	11,215	\$25,000	8,830	\$9,500
Tuesday	27,785	83,300	10,404	24,200	18,828	8,200
Wednesday	40,343	119,900	18,469	28,500	9,721	16,000
Thursday	46,312	140,400	18,479	29,100	14,116	63,500
Friday	55,889	20,000	8,062	27,000	2,635	6,000
Total	203,221	\$481,600	66,629	\$133,800	54,130	\$103,200

**United States Bonds.**—Sales of Government bonds at the Board are limited to \$3,000 4s reg. at 106 and the various Liberty Loan issues. For range see third page following.

Daily Record of Liberty Loan Prices.	July 19	July 21	July 22	July 23	July 24	July 25
3 1/2s, 1st Lib. Loan, 1932-47, High	99.50	99.54	99.50	99.42	99.48	
Low	99.44	99.40	99.40	99.30	99.36	
Close	99.46	99.44	99.40	99.30	99.48	
Number of bonds sold	516	1,059	317	249	284	
4s, 1st Lib. Loan, 1932-47, High	93.80	93.76	94.00	94.00	94.10	
Low	93.80	93.76	93.76	93.90	93.90	
Close	93.80	93.76	94.00	94.00	94.10	
Number of bonds sold	40	60	241	7	177	
4s, 2d Lib. Loan, 1927-42, High	93.30	93.24	93.60	93.60	93.64	
Low	93.20	93.18	93.24	93.48	93.48	
Close	93.20	93.24	93.50	93.54	93.62	
Number of bonds sold	191	161	316	272	198	
4 1/2s, 1st Lib. Loan, 1932-47, High	94.98	95.00	95.00	95.00	95.00	
Low	94.80	94.80	94.90	94.90	94.90	
Close	94.90	94.80	94.90	94.90	94.98	
Number of bonds sold	11	133	294	40	84	
4 1/2s, 2d Lib. Loan, 1927-42, High	93.58	93.50	93.98	94.08	94.08	
Low	93.60	93.62	93.86	93.92	93.92	
Close	93.76	93.84	93.98	94.08	94.06	
Number of bonds sold	1,195	973	661	842	467	
4 1/2s, 2d Lib. Loan, 1932-47, High	---	---	---	---	---	
Low	---	---	---	---	---	
Close	---	---	---	---	---	
Number of bonds sold	---	---	---	---	---	
4 3/4s, 3d Lib. Loan, 1928, High	94.96	94.98	95.10	95.14	95.14	
Low	94.80	94.82	94.90	95.00	95.00	
Close	94.96	94.94	95.10	95.14	95.00	
Number of bonds sold	1,996	1,453	1,486	1,520	1,198	
4 1/2s, 4th Lib. Loan, 1933, High	93.72	93.56	93.90	94.02	94.00	
Low	93.38	93.22	93.40	93.80	93.88	
Close	93.40	93.56	93.84	94.02	93.94	
Number of bonds sold	3,818	4,439	3,753	3,485	2,756	
4 1/2s, Victory L. L., 1922-23, High	99.98	100.00	99.98	99.98	99.98	
Low	99.94	99.94	99.94	99.94	99.94	
Close	99.96	99.96	99.94	99.94	99.90	
Number of bonds sold	1,496	2,140	966	1,285	1,595	
3 1/2s, Victory L. L., 1922-23, High	100.02	100.00	100.00	100.00	100.00	
Low	99.98	99.96	99.96	99.96	99.92	
Close	100.00	99.98	100.00	99.96	99.94	
Number of bonds sold	874	1,993	1,762	40	209	

**State and Railroad Bonds.**—Sales of State bonds at the Board include \$5,000 Virginia 6s deferred trust receipts at 65 1/2, \$9,000 N. Y. Canal 4s 1961 at 98 3/4 and \$1,000 New York 4s 1962 at 98 7/8.

The railway and general bond market has attracted attention this week chiefly because of quite extensive dealings in a few issues. Prominence among the latter have been Inter. Mer. Mar., Inter. Met., Wilson Co., Rubber, Steel and some of the copper bonds. The first named have advanced over a point while the Wilsons have declined about as much. Railway bonds as well as the shares have been neglected, while attention was, as noted above, absorbed in the more highly speculative issues.

The following sales have occurred this week of shares not represented in our detailed list on the pages which follow:

STOCKS. Week ending July 25.	Sales for Week.	Range for Week.		Range since Jan. 1.	
		Lowest.	Highest.	Lowest.	Highest.
American Express.....	100	120 95 July 23	95 July 23	82 1/4 Apr 103	May
Am. Telegr. & Cable.....	100	61 July 23	61 July 23	59 June 63	May
Ann Arbor.....	100	200 5 3/4 July 24	6 3/4 July 24	1 Apr 6 1/4	July
Buffalo Roch. & Pitts.....	100	20 59 3/4 July 23	60 July 24	59 1/4 July 72 1/4	Feb
Burns Bros. pref.....	100	100 107 July 22	107 July 22	107 July 110 1/4	May
Chlo. & E. Ill. tr. rts.....	2,400	11 July 22	13 1/4 July 23	11 July 13 1/4	July
Prof. trust certf.....	1,600	15 July 21	17 1/4 July 24	15 July 17 1/4	July
Famous Play-Last rights.....	10,500	2 1/2 July 21	2 3/4 July 21	1 July 3 1/4	July
Fisher Body pref.....	100	300 100 3/4 July 22	101 July 21	91 Feb 101 3/4	May
General Chemical.....	100	100 185 July 25	185 July 25	163 1/4 Feb 197	June
General Cigar rights.....	2,400	3 3/4 July 24	3 3/4 July 21	3 1/4 July 3 1/4	July
Homestake Mining.....	100	200 80 July 22	80 July 22	80 July 100	Feb
Internat Nickel, pref. 100	100	96 3/4 July 25	96 3/4 July 25	95 June 97 3/4	May
Kelly-Springfield rights.....	8,287	3 1/4 July 25	3 1/4 July 21	3 1/4 July 1	July
Kelsey Wheel, pref. 100	100	96 July 24	96 July 24	89 Jan 100	May
Keokuk & Des M.....	200	6 1/4 July 23	6 1/4 July 23	2 1/4 Jan 7 1/4	July
Keystone Tire rights.....	22,700	19 1/4 July 22	22 3/4 July 23	19 1/4 July 22 3/4	July
Kress (S. H.) & Co.....	100	79 3/4 July 21	79 3/4 July 21	80 Jan 81 1/4	July
MSP&SSM 1st'd line 100	100	60 3/4 July 24	60 3/4 July 24	60 1/4 July 60 1/4	July
Nashv. Chatt. & St. L. 100	100	117 3/4 July 22	117 3/4 July 22	114 Feb 119 1/4	May
Pettit Mulliken & Co 100	100	55 July 22	55 July 22	50 May 61 1/4	July
Royal Dutch (Am) rights 1,800	119	19 July 22	20 July 25	19 July 20	July
N. Y. shares rights.....	141,209	19 1/4 July 22	21 July 23	19 1/4 July 21	July
Sears, Roebuck, pref. 100	100 119	July 24 119	July 24 119	July 120	Mar
Tax Pac Land Trust. 100	40-400	July 21 400	July 21 180	Jan 470	May

**Foreign Exchange.**—Sterling ruled steady, and substantial recoveries from last week were shown. This was also true of Continental exchange which moved in sympathy, while the neutrals were also well maintained, but extremely dull.

The range for foreign exchange for the week follows:	Sterling, Actual			Cheques.		
	Sixty Days.	Actual	Actual	Sixty Days.	Actual	Actual
High for the week	4 40	4 40	4 43	4 28	4 44	4 44
Low for the week	4 22 1/2	4 22 1/2	4 28	4 29	4 29	4 29
Paris Bankers' Francs	---	---	---	---	---	---
High for the week	7 04	7 04	6 98	6 96	6 96	6 96
Low for the week	7 23	7 23	7 17	7 15	7 15	7 15
Germany Bankers' Marks	---	---	---	---	---	---
High for the week	---	---	8 00	8 12 1/2	8 12 1/2	8 12 1/2
Low for the week	---	---	6 70	6 70	6 95	6 95
Amsterdam Bankers' Guilders	---	---	---	---	---	---
High for the week	37 9 16	37 9 16	38	38 1/4	38 1/4	38 1/4
Low for the week	36 9 16	36 9 16	37	37 1/4	37 1/4	37 1/4

**Domestic Exchange.**—Chicago, par. St. Louis, 15@25c. per \$1,000 discount. Boston, par. San Francisco, par. Montreal, \$39.31250 per \$1,000 premium. Cincinnati, par.

**Outside Markets.**—Irregularity marked the trading on the "Curb" this week, prices at the opening displaying considerable weakness with a sharp upward movement following. The close showed price movements without definite trend. There was some reduction in volume of business from recent heavy trading. Motor and tire issues were among the most active issues. Bethlehem Motor from 28 3/4 sold up early to 31 1/4, reacted to 29 1/2, and moved upward again resting finally at 30. Colonial Tire & Rubber was conspicuous for an advance of some five points to 45, the close to-day being at 44. Fisk Rubber dropped almost three points at the opening to 45 3/4, recovered to 48 1/4 and ends the week at 47 1/2. Interoceanic Rubber improved from 22 1/4 to 25 the final figure to-day being 24. Savold Tire issues were fairly active the N. Y. and Ohio companies improving about two points to 54 and 33 3/4 respectively. The close was at 53 1/2 for the former, while the latter broke to 30 1/2 to-day the close being at 31 1/2. Savold Tire Corp. lost five points to 58. Parish & Bingham Corp., a new issue, rose from 38 to 41 1/2, but fell back to 38 1/2. Martin Parry Corp. was active and declined from 34 1/2 to 32 1/2, recovered all the loss and sold finally at 33. Allied Packers recovered after a drop from 62 1/2 to 55, recovered to 61. Cramp Shipbuild. moved to a new high level of 204, a gain of 24 points. It closed to-day at 200. General Asphalt Com. after early loss from 88 to 83 ran up to 95, moving back to-day to 88. Lima Locomotive weakened from 82 to 80 then advanced to 93. Shell Transport & Trading, dealt in for the first time, moved up from 70 to 76 1/2 and down finally to 74 1/2. Tobacco Products Exports lost two points to 33, advanced to 38 and ends the week at 37 1/2. Trading in several of the recently active issues was transferred to the Exchange viz.: United Retail Stores, Amer. Malt & Grain and Pacific Gas and Elec. Com. Activity in the oil group was centred in a few issues. Sinclair Con. Oil weakened from 62 to 58 1/2, recovered to 61 1/2 and moved downward again to 59. Sinclair Gulf fell from 58 to 55, rose to 59 with a final reaction to 57. Midwest Refg. declined from 181 to 175, advanced to 183, and sold finally at 179. Houston Oil com. after the loss of 3 points to 117 ran up to 130 and closed to-day at 128. In mining shares the Divide issues attract most attention. There was a fair market for bonds.

A complete record of "Curb" market transaction for the week will be found on page 364.

New York Stock Exchange—Stock Record, Daily, Weekly and Yearly 355

—OCCUPYING THREE PAGES—  
For record of sales during the week of stocks usually inactive, see preceding page

HIGH AND LOW SALE PRICES—PER SHARE, NOT PER CENT.

HIGH AND LOW SALE PRICES—PER SHARE, NOT PER CENT.						Sales for the Week	PER SHARE		PER SHARE		
Saturday July 19	Monday July 21	Tuesday July 22	Wednesday July 23	Thursday July 24	Friday July 25		NEW YORK STOCK EXCHANGE		PER SHARE		
\$ per share	\$ per share	\$ per share	\$ per share	\$ per share	\$ per share	Shares	Lowest	Highest	Lowest	Highest	
100	100	100	100	100	100	11,800	Acheson & Sons Fe...	90 Feb 3	104 May 27	81 Mar	99 1/2 Nov
85 1/2	85 1/2	85 1/2	85 1/2	85 1/2	85 1/2	1,800	Do prof.	84 1/2 July 25	89 Jan 4	80 Jan	92 1/2 Nov
13 1/4	13 1/4	13 1/4	13 1/4	13 1/4	13 1/4	25,100	Atlanta Birm & Atlantic...	5 Mar 27	107 May 23	5 Apr	109 Nov
10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	1,400	Atlantic Coast Line RR...	95	107 May 23	83 Apr	101 June
47 48 1/2	46 1/2	46 1/2	46 1/2	46 1/2	46 1/2	8,200	Baltimore & Ohio...	42 1/2 July 1	55 1/2 May 27	48 1/2 Dec	62 Nov
55 55 1/2	54 1/2	54 1/2	55 1/2	55 1/2	55 1/2	1,200	Do prof.	50	59 1/2 May 27	53 Apr	64 1/2 Nov
30 1/2	30 1/2	30 1/2	30 1/2	30 1/2	30 1/2	25,300	Brooklyn Rapid Transit...	18 1/2 Jan 27	33 1/2 July 23	25 1/2 Dec	48 1/2 Jan
26 1/2	26 1/2	26 1/2	26 1/2	26 1/2	26 1/2	3,200	Certificates of deposit...	19 1/2 Mar 21	28 1/2 July 23	19 1/2 Dec	25 1/2 Nov
163 1/2	164 1/2	163 1/2	164 1/2	164 1/2	165 1/2	6,250	Canadian Pacific...	154 July 1	170 1/2 July 10	135 Mar	174 1/2 Oct
64 1/2	65 1/2	64 1/2	65 1/2	64 1/2	65 1/2	3,450	Chesapeake & Ohio...	53 1/2 Jan 21	68 1/2 May 17	49 1/2 Jan	62 1/2 Nov
10 1/2	12 1/2	12 1/2	10 1/2	12 1/2	12 1/2	100	Chicago & Alton RR...	7 1/2 Jan 13	12 1/2 May 15	7 Apr	11 Nov
10 1/2	10 1/2	12 1/2	15 1/2	18 1/2	18 1/2	100	Do prof.	10 1/2 May 9	17 1/2 July 17	10 1/2 Dec	18 Nov
11 1/2	11 1/2					2,300	Chicago & East Illinois...	4 May 13	12 July 18		
15 1/2	15 1/2					100	Do prof.	4 May 13	15 1/2 July 21		
10 1/2	11 1/2	10 1/2	11 1/2	11 1/2	10 1/2	5,300	Chicago Great Western...	5 1/2 Feb 11	12 July 17	6 Apr	11 Nov
25 28 1/2	25 28 1/2	25 28 1/2	25 28 1/2	25 28 1/2	25 28 1/2	1,500	Do prof.	25 1/2 Jan 21	30 1/2 May 19	31 Apr	33 1/2 Nov
47 1/2	50 1/2	45 1/2	49 1/2	47 1/2	49 1/2	17,700	Chicago Milw & St Paul...	34 1/2 Feb 15	52 1/2 July 17	37 1/2 Apr	54 1/2 Nov
71 1/2	73 1/2	71 1/2	72 1/2	72 1/2	73 1/2	9,000	Do prof.	65 1/2 Jan 21	76 July 17	66 1/2 Apr	86 1/2 Nov
100 1/2	101	100 1/2	100 1/2	99 1/2	100 1/2	3,130	Chicago & Northwestern...	93 1/2 Jan 21	105 May 28	80 1/2 Mar	107 Nov
123 131	125 130	125 130	125 130	125 130	129 1/2	100	Do prof.	128 Apr 22	133 Jan 17	125 July	137 Jan
29 1/2	31 1/2	29 1/2	31 1/2	30 1/2	31 1/2	17,000	Chic Rock Isl & Pac...	22 1/2 Jan 21	32 1/2 July 17	18 Apr	32 1/2 Nov
78 1/2	78 1/2	78 1/2	78 1/2	78 1/2	79 1/2	1,500	7% preferred	73 1/2 Jan 21	84 June 6	50 1/2 Jan	88 Nov
67 1/2	68 1/2	65 1/2	66 1/2	67 1/2	67 1/2	2,200	6% preferred	61 1/2 Jan 21	73 July 17	46 Jan	75 Nov
50 1/2	51 1/2	50 1/2	51 1/2	50 1/2	51 1/2	100	Chic St P Minn & Omaha...	53 1/2 May 12	82 Jan 7	69 Sept	82 Dec
68 73	69 74	72 74	74	74	72	400	Chic St. Chic & St. Louis...	53 1/2 Feb 17	54 1/2 June 6	25 Feb	40 Nov
29 29	25 1/2	25 1/2	25 1/2	25 1/2	25 1/2	400	Colorado & Southern...	19 1/2 Jan 22	31 1/2 May 5	18 Apr	27 1/2 Nov
57 57						200	Do 1st pref.	48 1/2 Jan 3	58 1/2 July 24	47 Apr	55 Nov
116 116	113 1/2	116	114 1/2	115 1/2	113 1/2	600	Do 2d pref.	45 Feb 4	61 1/2 May 29	40 Apr	48 Dec
190 197	190 197	190 197	197 197	197 197	197 198	500	Delaware & Hudson...	101 Jan 20	116 May 29	100 1/2 Apr	119 1/2 Nov
10 1/2	10 1/2	11 1/2	11 1/2	11 1/2	11 1/2	1,300	Delaware Lark & Western...	172 1/2 Mar 18	217 May 7	160 Apr	185 Sept
18 1/2	20 1/2	17 1/2	20 1/2	19 1/2	20 1/2	38,200	Denver & Rio Grande...	30 1/2 Jan 8	11 1/2 July 14	2 1/2 Jan	7 Nov
							Do prof.	6 1/2 Feb 3	24 July 14	5 Apr	13 1/2 Nov
							Detroit United Ry...	80 Feb 24	105 May 13	80 Apr	90 Jan
							DuSable S S & Atlantic...	2 1/2 Feb 11	6 1/2 July 15	2 1/2 Feb	4 1/2 Oct
							Do prof.	5 1/2 Aug 5	11 1/2 July 21	4 1/2 May	8 1/2 Nov
							Do 1st pref.	15 1/2 Jan 2	20 1/2 May 19	15 Apr	23 1/2 Nov
							Do 2d pref.	24 1/2 Jan 21	33 July 15	23 1/2 Jan	35 1/2 Nov
							Do 3d pref.	17 1/2 Apr 3	23 1/2 July 17	18 1/2 Jan	27 1/2 Nov
							Great Northern pref.	89 1/2 Apr 21	100 1/2 May 27	88 Jan	106 1/2 Nov
							Iron Ore properties... No par	3 1/2 Jan 2	5 1/2 July 10	25 1/2 Jan	34 1/2 Nov
							Gulf Mob & Nor tr etfs...	7 1/2 Feb 27	12 1/2 July 25	8 Mar	10 May
							Do prof.	3 1/2 Jan 16	4 1/2 July 13	27 Mar	35 1/2 Dec
							Illinois Central...	96 Jan 21	104 May 16	92 Jan	105 1/2 Nov
							Interboro Cons Corp... No par	3 1/2 Mar 24	9 1/2 June 2	4 1/2 Dec	9 1/2 Jan
							Do prof.	1 1/2 Mar 29	3 1/2 June 12	17 1/2 Jan	47 1/2 Nov
							Iowa Central...	11 1/2 Feb 13	9 1/2 July 21	2 1/2 May	5 1/2 Nov
							Kansas City Southern...	4 1/2 Jan 30	25 1/2 May 19	15 1/2 Apr	24 1/2 Nov
							Do 1st pref.	49 1/2 Feb 15	57 May 21	45 Jan	59 1/2 Nov
							Lake Erie & Western...	7 Feb 26	14 July 21	7 1/2 Oct	11 1/2 Nov
							Do prof.	16 1/2 Apr 21	25 May 19	18 Apr	25 Oct
							Lehigh Valley...	50 1/2 July 3	60 1/2 June 2	53 1/2 Dec	65 1/2 Nov
							Louisville & Nashville...	113 Mar 8	122 1/2 May 17	110 Jan	124 1/2 Nov
							Manhattan Ry guar...	70 Mar 28	88 Jan 25	80 Dec	100 1/2 Dec
							Minneapolis & St L (new)	9 1/2 Jan 21	24 1/2 July 17	7 1/2 Apr	15 1/2 Nov
							Miss S P & S S M...	85 1/2 Mar 28	98 1/2 May 29	80 1/2 Jan	97 1/2 Nov
							Missouri Kansas & Texas...	4 1/2 Feb 10	16 1/2 July 22	4 1/2 Jan	6 1/2 Nov
							Do prof.	8 1/2 Jan 13	25 1/2 July 18	6 1/2 Jan	13 1/2 Nov
							Missouri Pacific trust etfs...	32 1/2 Feb 1	38 1/2 July 9	20 Jan	31 1/2 Nov
							Do 1st pref.	49 1/2 Jan 21	58 1/2 June 7	41 Jan	61 Nov
							N Ry of Mex 2d pref...	5 1/2 Feb 6	14 Mar 10	4 1/2 Mar	10 1/2 Nov
							New Ork Tex & Mex v t c...	28 1/2 Apr 10	45 July 14	17 Apr	30 1/2 Dec
							New York Central...	60 1/2 Jan 21	83 1/2 June 5	67 1/2 Jan	84 1/2 Nov
							N Y Chicago & St Louis...	25 Apr 19	33 1/2 July 10	13 1/2 Oct	34 Nov
							Do prof.	63 Apr 15	70 Apr 2	55 July	65 Nov
							Do 2d pref.	42 1/2 Apr 19	53 1/2 July 7	40 Oct	48 Nov
							N Y N H & Hartford...	25 1/2 Feb 13	40 1/2 July 17	27 Apr	45 1/2 May
							N Y Ontario & Western...	18 1/2 Jan 21	24 1/2 July 18	18 1/2 Jan	24 1/2 Nov
							Norfolk Southern...	15 1/2 Mar 7	20 May 29	14 Nov	21 1/2 Dec
							Do 1st pref.	103 1/2 Feb 21	112 1/2 July 19	111 Jan	112 1/2 Nov
							Northern Pacific...	88 1/2 Jan 21	99 1/2 May 27	81 1/2 Jan	112 1/2 Nov
							Pennsylvania...	43 1/2 Apr 21	43 1/2 May 19	43 1/2 June	50 1/2 Nov
							Perry & Eastern...	4 1/2 Mar 26	20 July 17	4 1/2 Apr	6 1/2 Nov
							Pere Marquette v t c...	12 1/2 Jan 21	26 1/2 June 11	9 1/2 May	18 1/2 Nov
							Do prof.	56 Mar 27	67 1/2 July 15	52 1/2 Apr	64 Nov
							Do 2d pref.	39 Apr 7	49 May 21	30 Apr	50 Nov
							Pitts Cin Chic & St Louis...	44 Apr 29	70 June 7	25 1/2 June	58 1/2 Nov
							Pittsburgh & West Va...	3 1/2 Jan 21	4 1/2 June 2	2 1/2 Jan	4 1/2 Nov
							Do prof.	79 Jan 31	84 1/2 June 7	61 Jan	82 Nov
							Reading...	75 Jan 21	93 1/2 June 6	70 1/2 Jan	96 1/2 Nov
							Do 1st pref.	75 Feb 22	88 1/2 Feb 4	35 Jan	39 May
							Do 2d pref.	50 1/2 Jan 21	50 1/2 May 16	35 Mar	40 July
							St Louis-San Fran tr etfs...	10 1/2 Jan 21	27 July 17	9 1/2 Apr	11 1/2 Dec
							Do prof.	22 Jan 27	37 May 2	21 Apr	33 Nov
							St Louis Southern...	16 Apr 22	23 1/2 June 9	19 Oct	25 Nov
							Do prof.	25 1/2 Feb 4	37 1/2 June 10	28 Oct	40 1/2 Jan
							Seaboard Air Line...	7 1/2 Feb 13	12 July 23	7 Apr	12 Nov
							Do prof.	15 1/2 Feb 3	23 1/2 July 17	15 1/2 Apr	25 1/2 Nov
							Southern Pacific Co...	95 1/2 Jan 21	115 June 2	80 1/2 Jan	110 Nov
							Do prof.	25 Jan 21	33 May 19	20 1/2 Apr	34 Nov
							Texas & Pacific...	68 1/2 June 30	72 1/2 May 27	57 Jan	75 Nov
							Third Avenue...	17 1/2 Jan 21	70 1/2 July 2	14 May	29 1/2 Dec
							Trust Co of Ala...	15 1/2 Jan 4	25 1/2 July 23	12 1/2 Dec	21 1/2 Jan
							Trust Co of Ala & W trust receipts...	3 1/2 Mar 7	4 1/2 July 24	4 1/2 June	7 1/2 Aug
							Do prof.	10 Mar 4	25 1/2 July 25	8 1/2 Apr	12 May
							United Railways Invest...	38 Jan 16	60 June 3	32 Dec	65 1/2 Jan
							Wabash...	124 1/2 Jan 21	138 1/2 May 29	109 1/2 Jan	137 1/2 Oct
							Do prof.	71 July 10	74 1/2 May 9	69 Jan	76 1/2 Nov
							Do 1st pref.	7 1/2 Jan 9	15 1/2 July 1	4 1/2 Jan	12 June
							Do 2d pref.	15 Jan 13	34 1/2 July 1	10 1/2 Apr	20 May
							Do 3d pref.	7 1/2 Jan 20	13 1/2 July 23	7 Apr	11 1/2 July
							Do prof A...	30 1/2 Jan 21	38 May 19	30 1/2 Dec	44 1/2 Jan
							Do prof B...	19 Jan 23	25 1/2 July 9	19 1/2 Dec	26 1/2 Nov
							Western Maryland (new)	8 1/2 Feb 7	14 1/2 July 17	10 Dec	17 1/2 Feb
							Do 2d pref.	23 June 19	30 1/2 July 9	20 Jan	32 June
							Western Pacific...	17 Feb 3	26 July 14	13 Jan	24 1/2 Nov
							Do prof.	52 1/2 Feb 20	61 1/2 Jan 9	46 Jan	66 June
							Whiting & Lake Erie Ry...	7 1/2 Mar 5	12 1/2 July 17	8 Apr	12 1/2 Nov
							Do prof.	17 Jan 30	24 1/2 July 17	17 1/2 Apr	26 Nov
							Wisconsin Central...	30 1/2 Jan 22	41 1/2 May 15	29 1/2 Dec	39 1/2 Oct
							Industrial & Miscellaneous				
							Adams Express...	29 1/2 Apr 26	64 May 23	42 Dec	80 Jan
							Advance Rumely...	21 Jan 21	58 1/2 July 3	11 Jan	26 1/2 Nov
							Alaska Rubber...	56 1/2 Jan 20	76 June 9	25 1/2 Jan	62 1/2 Nov
							Alaska Gold Mines...	68 Jan 13	113 July 14	49 Jan	72 1/2 Dec
							Alaska Juneau Gold Min'g...	25 July 7	4 1/2 Jan 15	1 1/2 Apr	5 1/2 Nov
							Allie Chalmers Mfg...	14 Jan 2	3 1/2 July 17	1 1/2 Apr	3 1/2 Nov
							Do prof.	30 Jan 21	50 July 7	17 1/2 Jan	37 May
							Amer Agricultural Chem...	81 1/2 Jan 23	96 1/2 June 2	72 1/2 Jan	86 1/2 May
							Do prof.	99 1/2 Jan 29	113 1/2 May 1	78 Jan	106 Oct
							American Bank Note...	98 Jan 9	108 Mar 15	80 1/2 Jan	101 Aug
		</									

For record of sales during the week of stocks usually inactive, see second page preceding.

Table with columns: HIGH AND LOW SALE PRICES—PER SHARE, NOT PER CENT. (Saturday July 19 to Friday July 25), Sales for the Week, STOCKS NEW YORK STOCK EXCHANGE, PER SHARE Range Since Jan. 1, PER SHARE Range for Previous Year 1918. Includes various stock listings like American Ice, American Locomotive, etc.

\* Bid and asked prices; no sales on this day. † Less than 100 shares. ‡ Ex-rights. § Ex-div. and rights. ¶ Ex-dividend. †† For fluctuations in rights see second page preceding.

For record of sales during the week of stocks usually inactive, see third page preceding.

Table with columns: HIGH AND LOW SALE PRICES—PER SHARE, NOT PER CENT. (Saturday July 19 to Friday July 25), Sales for the Week, STOCKS NEW YORK STOCK EXCHANGE, PER SHARE Range Since Jan. 1, and PER SHARE Range for Previous Year 1918. Lists various stocks like Industrial & Misc. (Con.) Par, Laclede Gas, etc.

\* Bid and asked prices; no sales on this day. † Less than 100 shares. ‡ Ex-rights. § Ex-div. and rights. ¶ Ex-div. ¶ For fluctuations in rights see p. 354.





Table with columns: Bonds, Interest Period, Price Friday July 25, Week's Range or Last Sale, Range Since Jan. 1. Includes sub-section 'BONDS N. Y. STOCK EXCHANGE Week ending July 25'.

Table with columns: Bonds, Interest Period, Price Friday July 25, Week's Range or Last Sale, Range Since Jan. 1. Includes sub-section 'BONDS N. Y. STOCK EXCHANGE Week ending July 25'.

\* No price Friday; latest bid and asked this week. a Due Jan. b Due Feb. c Due June. d Due July. e Due Sept. f Due Oct. g Option sale.

BONDS N. Y. STOCK EXCHANGE Week ending July 25

Table of bond listings for the New York Stock Exchange, including columns for instrument, price, week's range, and range since Jan 1. Includes entries like N Y Cent & H R RR (Con), N Y & Pn lat cons, and various municipal bonds.

BONDS N Y STOCK EXCHANGE Week ending July 25

Table of bond listings for the New York Stock Exchange, including columns for instrument, price, week's range, and range since Jan 1. Includes entries like P. C. C. & St. L (Con), Series F guar, and various corporate bonds.

\* No price Friday; latest bid and asked, a Due Jan. b Due Feb. g Due June. d Due July. e Due Aug. o Due Oct. p Due Nov. q Due Dec. s Option sale.

N. Y. STOCK EXCHANGE													N. Y. STOCK EXCHANGE																
BONDS													BONDS																
Week ending July 25													Week ending July 25																
Intrinst	Period	Friday July 25		Week's Range of Last Sale		Bonds Sold	Range Since Jan. 1.	Low	High	No.	Low	High	No.	Intrinst	Period	Friday July 25		Week's Range of Last Sale		Bonds Sold	Range Since Jan. 1.	Low	High	No.					
		Bid	Ask	Low	High											Low	High	Bid	Ask						Low	High	Low	High	
		<b>Miscellaneous</b>																											
M	N	61	64	62 <sup>1</sup> / <sub>2</sub>	62 <sup>1</sup> / <sub>2</sub>	1	59	67 <sup>1</sup> / <sub>2</sub>	1					M	S	25	30	29	29	19	25	35	1	59	67 <sup>1</sup> / <sub>2</sub>				
		<b>Street Railway</b>																											
A	O	60	Sale	60	61 <sup>1</sup> / <sub>2</sub>	5	60	76	1					A	O	60	Sale	60	61 <sup>1</sup> / <sub>2</sub>	5	60	76	1						
		<b>Gas and Electric Light</b>																											
M	N	87	93	93	93		91 <sup>1</sup> / <sub>2</sub>	95					M	N	87	93	93	93		91 <sup>1</sup> / <sub>2</sub>	95								
		<b>Coal, Iron &amp; Steel</b>																											
J	J	90 <sup>3</sup> / <sub>4</sub>	Sale	90 <sup>3</sup> / <sub>4</sub>	97	11	90 <sup>3</sup> / <sub>4</sub>	97 <sup>1</sup> / <sub>2</sub>					J	J	90 <sup>3</sup> / <sub>4</sub>	Sale	90 <sup>3</sup> / <sub>4</sub>	97	11	90 <sup>3</sup> / <sub>4</sub>	97 <sup>1</sup> / <sub>2</sub>								
		<b>Telegraph &amp; Telephone</b>																											
J	J	83 <sup>1</sup> / <sub>2</sub>	Sale	83 <sup>1</sup> / <sub>2</sub>	84 <sup>1</sup> / <sub>2</sub>	13	83 <sup>1</sup> / <sub>2</sub>	86					J	J	83 <sup>1</sup> / <sub>2</sub>	Sale	83 <sup>1</sup> / <sub>2</sub>	84 <sup>1</sup> / <sub>2</sub>	13	83 <sup>1</sup> / <sub>2</sub>	86								

\*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., p Due Nov., q Due Dec. # Option sale.

MARK PRICES—NOT PER CENTUM PRICES.

Main table with columns for dates (Saturday July 19 to Friday July 25), Stock/Exchange names, and price ranges (Lowest, Highest) for the current week and previous year (1918).

STOCK EXCHANGE CLOSED—EXTRA HOLIDAY.

\* Bid and asked prices. d Ex-dividend and rights. e Assessment paid. b Ex-stock dividend. f Ex-rights. g Ex-dividend. h Half-paid.

Outside Stock Exchanges

Boston Bond Record.—Transactions in bonds at Boston Stock Exchange July 21 to July 25, both inclusive:

Table with columns: Bonds, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week, Range since Jan. 1. (Low, High). Includes entries like U S Lib Loan 3 1/4, 1st Lib Loan 4 1/2, etc.

Chicago Stock Exchange.—The complete record of transactions at the Chicago Stock Exchange from July 21 to July 25, both inclusive, compiled from the official sales lists, is given below. Prices for stocks are all dollars per share, not per cent. For bonds the quotations are per cent of par value.

Table with columns: Stocks—, Par, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week, Range since Jan. 1. (Low, High). Includes entries like American Radiator, Amer Shipbuilding, Armour & Co, etc.

Pittsburgh Stock Exchange.—The complete record of transactions at the Pittsburgh Stock Exchange from July 19 to July 25, both inclusive, compiled from the official sales lists, is given below. Prices for stocks are all dollars per share, not per cent. For bonds the quotations are per cent of par value.

Table with columns: Stocks—, Par, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week, Range since Jan. 1. (Low, High). Includes entries like Allegheny Trust, Amer Rolling Mill, American Sewer Pipe, etc.

Table with columns: Stocks—(Concl.), Par, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week, Range since Jan. 1. (Low, High). Includes entries like Nat Fireproofing, Ohio Fuel Oil, Ohio Fuel Supply, etc.

Baltimore Stock Exchange.—The complete record of the transactions at the Baltimore Stock Exchange from July 21 to July 25, both inclusive, compiled from the official sales lists, is given below. Prices for stocks are all dollars per share, not per cent. For bonds the quotations are per cent of par value.

Table with columns: Stocks—, Par, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week, Range since Jan. 1. (Low, High). Includes entries like Alabama Co, 2d preferred, Armour & Co, etc.

Philadelphia Stock Exchange.—The complete record of transactions at the Philadelphia Stock Exchange from July 21 to July 25, both inclusive, compiled from the official sales lists, is given below. Prices for stocks are all dollars per share, not per cent. For bonds the quotations are per cent of par value.

Table with columns: Stocks—, Par, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week, Range since Jan. 1. (Low, High). Includes entries like Alliance Insurance, American Gas, American Milling, etc.

Table with multiple columns: Stocks (Concluded) Par., Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week Shares, Range since Jan. 1. (Low, High), and Stocks (Continued) with similar columns.

Volume of Business at Stock Exchanges.—See p. 354.

New York "Curb" Market.—Below we give a record of the transactions in the outside security market from July 19 to July 25, both inclusive. It covers the week ending Friday afternoon.

It should be understood that no such reliability attaches to transactions on the "Curb" as to those on the regularly organized stock exchanges.

On the New York Stock Exchange, for instance, only members of the Exchange can engage in business, and they are permitted to deal only in securities regularly listed—that is, securities where the companies responsible for them have complied with certain stringent requirements before being admitted to dealings. Every precaution, too, is taken to insure that quotations coming over the "tape," or reported in the official list at the end of the day, are authentic.

On the "Curb," on the other hand, there are no restrictions whatever. Any security may be dealt in and any one can meet there and make prices and have them included in the lists of those who make it a business to furnish daily records of the transactions. The possibility that fictitious transactions may creep in, or even that dealings in spurious securities may be included, should, hence, always be kept in mind, particularly as regards mining shares. In the circumstances, it is out of the question for any one to vouch for the absolute trustworthiness of this record of "Curb" transactions, and we give it for what it may be worth.

Large table with columns: Week ending July 25, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week Shares, Range since Jan. 1. (Low, High), and various stock names and prices.

Table of stock prices for various companies, including columns for Friday Last Sale Price, Week's Range of Prices, Sales for Week, and Range since Jan. 1.

New York City Realty and Surety Companies. All prices now dollars per share. Table listing various companies like Alliance R'ty, Amer Surety, Bond & M G, etc.

Quotations for Sundry Securities. All bond prices are "and interest" except where marked "f".

Table of quotations for sundry securities, including Standard Oil Stocks, RR. Equipments, Ordnance Stocks, Tobacco Stocks, and Short Term Notes.

New York City Banks and Trust Companies. All prices now dollars per share.

Table listing various banks and trust companies such as America, Amer Exch, Atlantic, Battery Park, Bowers, etc.

Table listing various industrial and miscellaneous companies including Amer Gas & Elec, Amer Lt & Trao, Amer Power & Lt, etc.

\* Odd lots. † No par value. ‡ Listed as a prospect. § Listed on the Stock Exchange this week, where additional transactions will be found. ¶ New stock. \* Unlisted. \*\* When issued. †† Ex-dividend. ‡‡ Ex-rights. §§ Ex-stock dividend. ¶¶ Dollars per 1,000 lire. flat.

\* Per share. † Basis. ‡ 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 or Month, Current Year, Previous Year), Jan. 1 to Latest Date (Current Year, Previous Year). Lists various railroads and their earnings data.

AGGREGATE OF GROSS EARNINGS—Weekly and Monthly.

Summary table with columns: Weekly Summaries (Current Year, Previous Year, Increase or Decrease, %), Monthly Summaries (Current Year, Previous Year, Increase or Decrease, %). Includes rows for 4th week April, 1st week May, etc., and monthly totals from July to May.

\* We no longer include Mexican roads in any of our totals



Latest Gross Earnings by Weeks.—In the table which follows we sum up separately the earnings for the second week of July. The table covers 13 roads and shows 11.29% increase in the aggregate over the same week last year.

Table with 4 columns: Second week of July, 1919, 1918, Increase, Decrease. Lists various railroad companies and their earnings for the week of July 15-21, 1919, compared to the same week in 1918.

Net Earnings Monthly to Latest Dates.—The table following shows the gross and net earnings with charges and surplus of STEAM railroad and industrial companies reported this week:

Table with 5 columns: Roads, Gross Earnings (Current Year, Previous Year), Net Earnings (Current Year, Previous Year). Lists companies like Midland Valley, Montour, and South Buffalo.

b Net earnings here given are before deducting taxes. Table with 5 columns: Gross Earnings, Net after Taxes, Other Income, Gross Income, Fixed Charges, Balance, Surplus.

Table with 5 columns: Gross Earnings, Net after Taxes, Other Income, Gross Income, Fixed Charges, Balance, Surplus. Lists Cuba RR and 11 mos.

ELECTRIC RAILWAY AND PUBLIC UTILITY COS.

Large table with 5 columns: Name of Road or Company, Latest Gross Earnings (Month, Current Year, Previous Year), Jan. 1 to Latest Date (Current Year, Previous Year). Lists numerous electric and utility companies.

Table with 5 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 Lewiston Augusta & Waterville Street Ry. earnings, expenses, &c., 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. i Of Abington and Rockland (Mass.).

Electric Railway and Other Public Utility Net Earnings.—The following table gives the returns of ELECTRIC railway and other public utility gross and net earnings with charges and surplus reported this week:

Table with 5 columns: Companies, Gross Earnings (Current Year, Previous Year), Net Earnings (Current Year, Previous Year). Lists companies like Alabama Power Co., Brazilian Traction, etc.

a Net earnings here given are after deducting taxes. c Given in Milreis.

Table with 5 columns: Gross Earnings, Net after Taxes, Fixed Charges, Balance, Surplus. Lists companies like Adirondack Elec, Cleve Painesy, etc.

z After allowing for other income received. \* \$37,086 of those earnings are from Keokuk Electric Co., and are subject to 6% dividend for current year on \$250,000 Preferred Stock of Keokuk Electric Company.

Table with columns: Gross Earnings, Net Earnings, Fixed Chgs. & Taxes, Balance, Surplus. Rows include New York Dock Co, Virginia Ry & Power Co, etc.

z After allowing for other income received.

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 June 28.

This index, which is given monthly, does not include reports in to-day's "Chronicle."

Full-page figures indicate reports published at length.

Large index table listing various companies and their report pages. Includes Steam Roads, Electric Railways, and Miscellaneous Companies.

The Hocking Valley Railway Company. (20th Annual Report—Year Ending Dec. 31 1918.) On subsequent pages will be found the text of the annual report, signed by Chairman and President Frank Trumbull...

GENERAL STATISTICS FOR CALENDAR YEARS.

Table with columns: 1918, 1917, 1916. Rows include Rev. coal & coke carried, Other rev. freight carried, Av. rev. per ton of rev. coal, etc.

\*Includes steam trains replacing electric trains in 1916. For 1917 the steam replacing service is included with other steam service.

INCOME ACCOUNT FOR CALENDAR YEARS—OLD BASIS.

Table comparing 1918, 1917, 1916, and 1915 income accounts. Rows include Revenues, Expenses, Total, Operating income, Other income, etc.

\* Includes \$68,508 general expenses (corporate) for year. x Excluding interest charged or credited between the company and the U. S. Government except interest during construction of additions and betterments credited to Federal income, and interest on note covering loan from the U. S. Railroad Administration charged to corporate income.

BALANCE SHEET DEC. 31.

Table with columns: 1918, 1917, 1918, 1917. Rows include Assets, Liabilities, Total.

\* Includes in 1918 additions to property through income since June 30 1907, \$181,409; funded debt retired through income and surplus, \$131,331; appropriated surplus against contingent liability for freight claims, \$120,000; reserve in vested insurance fund, \$47,217, and other reserves, \$24,252.

This company and the Toledo & Ohio Railway, severally endorsed, in 1901 upon 5% First Mortgage bonds of the Kanawha & Hocking Coal & Coke Co. due 1951 (\$2,842,000 outstanding), and in 1902 upon 5% First Mortgage bonds of the Continental Coal Co. due 1952 (\$1,569,000 outstanding) thereof.

El Paso & Southwestern Company

(5th Annual Report—Year ended Dec. 31 1918.)

President T. M. Schumacher, New York, June 1 1919, wrote in substance:

Federal Compensation.—The Company's annual compensation from the Government, as computed for the test period from July 1 1914, to June 30 1917, and certified by the Inter-State Commerce Commission, has been fixed at \$4,145,102, which was later reduced to \$4,135,114 on account of loss sustained through operation of the Clondroff Hotel property.

In addition to this Standard Return, the company is to receive rentals from all non-operating property. We have endeavored for several months to obtain additional compensation of \$139,329 on account of facilities put in operation after the Federal Administration took over the railroads as follows: Burro Mountain RR, Extension, \$40,250; Tucson, Cornelia & Gila Bend RR, \$69,233; Three Rivers Cut-Off, \$20,000; Dawson Line Ballasting, \$9,857.

Northern Pacific Railway.

(22d Annual Report—Year ended Dec. 31 1918.)

The report of President Howard Elliott, which includes both the corporate and Federal income accounts for 1918, contrasting with the company's returns in 1917, will be found in full on subsequent pages of this issue. Following the remarks of the President are given the balance sheet of Dec. 31 1918, the charges to capital account in 1918, the funded debt statement, land department figures, &c.

GENERAL BALANCE SHEET DECEMBER 31.

Table with columns: 1918, 1917. Rows include Assets, Liabilities, Total.

a Includes this company's half of \$107,613,500 stock of the Chicago Burlington & Quincy RR. to secure \$215,227,000 joint bonds made and issued by this company and the Great Northern Ry. to pay for said stock, costing \$109,114,810. b Net moneys in hands of trustees from sale of land grants lands, &c. c Cash for retirement St. Paul-Duluth division bonds. d After deducting \$9,149,300 funded debt held in treasury.—V. 108, p. 1505.

Rates Increased.—The Director-General of Railroads increased passenger rates as of June 10 1918, and freight rates as of June 25 1918, but more than offset the additional revenue by increasing wages of employees as of Jan. 1 1918, and of later dates. The operating ratio for the year 1918 was 58.34% as compared with 53.54% for 1917, an increase of 4.80%.

Taxes.—Taxes accrued during the year amounted to \$242,692. Under the contract with the Railroad Administration the taxes accruing against the property used in the operations of the railway system were assumed by them.

Additions and Betterments.—These expenditures, made under the direction of the Federal Administration, with the approval of the Corporation, have been charged to the company against property investment as follows: Equipment, \$1,325,484; road, \$810,429.

Rolling Stock.—Included in the equipment purchased during the year was the following: 250 gondolas, 58 tank cars, 20 second hand refrigerators, 50 ore cars, 10 Mikado type freight locomotives. Five of these locomotives were turned out in May of 1918, on order from the Federal Administration, turned over to the Virginian Railroad at a rental of \$60 per day per locomotive, but are now about to be returned.

In addition to the equipment mentioned in the foregoing, the Federal Administration, in August 1918, allocated 86,975, 200 drop bottom gondola, a total of 700 out of a lot of 100,000 cars ordered by the Federal Administration for all the railroads.

We pointed out to the Administration officials that we had ample equipment to take care of our business, in fact that we were furnishing more than our share of equipment for handling coal and coke.

After considerable correspondence, the number of cars allocated to us was reduced from a total of 700 to a total of 250 double-sheathed box cars. In later negotiations we decided if we could trade the box cars for gondola cars, we would accept 250 gondola cars and pay cash for them. This arrangement was accepted by the Federal Administration. These gondola cars are to be turned out now and will go direct to our railroad, although we have no use for them, having already a thousand such cars on storage tracks through lack of business.

Condition of Equipment Dec. 1918, Compared with Dec. 1917 (excluding Caboose and Work Cars).

Table with 5 columns: No. Owned, Serviceable, Unserviceable, % Serviceable. Rows include Locomotives, Freight cars, etc.

This is the total number of serviceable cars on the line. The per cent of cars on line to cars owned was on Dec. 31 1918, 94.35%; 1917, 107.5%.

Accounts Subject to Adjustment.—The accounts with the Railroad Administration as shown in the balance sheet which follows, agree with those shown on the Federal books, but are subject to change in case of error or to meet conditions of the contract. Various other items entering into the statistics, where they involve any adjustments of accounts with the United States Government, are tentative and subject to revisions.

EARNINGS STATEMENT FOR CAL. YEARS 1918 (Federal Figures).

Table with 4 columns: 1918, 1917, 1916. Rows include Mileage, Passenger, Freight, Mail, express, etc., Total operating revenue, etc.

INCOME ACCT. YEARS 1916 TO 1918 (1918 Under Lease to U. S. Govt.).

Table with 4 columns: 1918, 1917, 1916. Rows include Net operating income, Acce. compensation from U. S. Govt., Dividend income, etc.

BALANCE SHEET DEC. 31.

Table with 4 columns: 1918, 1917, 1916. Rows include Assets (Road & equip't, Invest. in affil. cos., Stocks, Bonds, Notes, Advances, Cash, Special deposits, Traffic, etc., bills, Miscell. assets, rec., Int. and divs. rec., Rents rec. (Govt.), Other assets, U. S. Gov. def. assets, Unadjusted debts) and Liabilities (Capital stock, Loans & bills pay., Traffic, etc., bal., Accts. & wages pay., Miscell. assets, pay., Divs. mat'd & unp., Deferred liabilities, U. S. Gov. def. liab., Tax liability, Accrued deprec'n., Unadjusted credits, Approp. surplus, Profit and loss).

a Capitalization of the subsidiaries and the company's ownership in their stocks and bonds as of June 30 1915 was given in V. 101, p. 2142. Since that compilation was made, the bonds of subsidiary companies owned has been increased from \$5,055,000 to \$5,116,406, while the book value of the stocks and notes owned has remained unchanged. Advances to subsidiary companies have increased from \$1,433,834 to \$4,205,338.—V. 109, p. 172.

Green Bay & Western Railroad.

(Report for Fiscal Year ending Dec. 31 1918.)

Table with 4 columns: 1918, 1917, 1916, 1915. Rows include Net earnings, Acrued compensation, Miscellaneous earnings, Total, Taxes, rents, &c., Additions and betterments, Balance, Paid on deb. 'A' 5%, Paid on stock, 5%, Paid on deb. 'B', Total, Balance.

a To July 1 1919, \$155,000 of this amount has been actually received from the U. S. Railroad Administration. b Includes \$26,611 Federal income tax, partly estimated.

GENERAL BALANCE SHEET DECEMBER 31.

Table with 4 columns: 1918, 1917, 1918, 1917. Rows include Assets (Road & equip't, Misc. phys. prop., Materials & app., Cash, Traffic, etc., bills, Due from agents, Stocks and bonds, Miscellaneous, Inv. in affil. cos., Other investments, Special deposits, U. S. movt. acct., Assets collected, Revenue prior to Jan. 1, Acrued comp'n., Miscellaneous) and Liabilities (Capital stock, 'A' debentures, 'B' debentures, Wares & accounts payable, Dividends unpaid, Sundry accounts, Unadjusted credits, U. S. Gov't. acct., Liabilities paid Dec. 1917, Add'n & bet'ty., Miscellaneous, Additions through income, &c., Acrued deprec'n., Approp'd surplus, Profit and loss).

Total 11,401,283 11,173,725 Total 11,401,283 11,173,725

Note.—Under date of March 29 1919, a contract between the Director-General of Railroads, on behalf of the U. S. Government, and this company, together with the Ahapee & Western Ry. Co., and the Kewanee Green Bay & Western RR. Co., was executed providing for the operation during Federal control of the railroads of such companies. The contract fixes the annual compensation from Jan. 1 1918 for all the properties taken over at noon, Dec. 28 1917, at \$331,955 (of which the Green Bay & Western RR. Co.'s share is \$204,878), and allows the companies a reasonable rate of interest, to be fixed by the Director-General from time to time, upon the cost of additions and betterments, less retirements in connection therewith, and upon cost of road extensions made during Federal control.—V. 108, p. 2241.

Aurora Elgin & Chicago RR. Co.

(Report for the Fiscal Year Ending Dec. 31 1918.)

Pres. L. J. Wolf, Cleveland, O., Mar. 24, wrote in subst.:

Results.—The year 1918 was most unsatisfactory for electric railways. Your company was no exception to this rule. Conditions growing out of the war were extremely burdensome. Our annual pay roll was increased about \$250,000 from June 1 1918. Cost of coal, including freight, increased about \$70,000 for the year, and \$208,653 over the year 1915. The cost of materials and supplies for maintenance increased very heavily.

Unprecedentedly severe weather conditions in Jan. and Feb. 1918, and the reduced amount of travel last fall, resulting from the influenza, the calling to the colors of most of the young men in the district, the high cost of living and the campaign for thrift, all contributed to the poor showing.

Rates.—The Illinois statute fixing the maximum intra-State passenger rate at 2c. per mile having been confirmed by a decision of the State Supreme Court, the Commission could not legally authorize the company to charge more than the statutory rate. The company therefore filed a petition in the U. S. District Court attacking the constitutionality of the statute and praying for an injunction to restrain the State from interfering with the collection of a 3c. fare on the interurban lines of the company. The petition was granted and increased rates were made effective Feb. 10 1919 (V. 108, p. 2229).

An increase of 10% was made at the same time in monthly commutation rates. Gross earnings, so far this year, were by far the best in the history of the company.

Passenger Earnings for the First 84 Days (Jan. 1 to Mar. 25) in 1919 and Four Preceding Years.

Table with 5 columns: 1919, 1918, 1917, 1916, 1915. Rows include Passenger earnings, x Average per day, x From circular of April 1 signed by Sec.-Treas. H. C. Lang.

Other increases in rates are in contemplation, which should further materially improve earnings. The making of these increases depends upon the policy of competing steam roads as to increasing their multiple trip ticket rates. The United States RR. Administration has been investigating this question and an early decision is anticipated.

Financial.—As a result of the unfavorable conditions enumerated above, the company was compelled to defer payment of the interest due Dec. 1 1918 on the bonds of the Elgin Aurora & Southern Traction Co., the interest due Jan. 1 1919 on its First and Refunding Mtge. bonds, the interest due Mar. 1 1919 on its Collateral Trust notes, and other items, making together a total of \$120,700.

The present rate of improvement in earnings, with the addition of those expected to result from the revision of steam road multiple trip ticket rates, should enable the company to take care of all fixed charges from now on and in time to make good the interest and other items now in arrears, but it will be necessary to arrange for carrying these items until they can be so cared for from earnings. Efforts are being made to effect such an arrangement.

Note.—The issue of \$800,000 of Three-Year 6% Collateral Trust notes, the sale of which was referred to in the annual report for the year ended June 30 1915, matured Mar. 1 1918.

When the notes were sold it was hoped and expected that the market for long-time bonds would improve to such an extent before the maturity of the notes as to make it possible to pay the same from the sale of a portion of the First and Refunding bonds pledged under the note issue, but the effect of war conditions on the security market and on the income statement of the company made it impossible to carry out this plan, or to market a new issue of notes.

The company was obliged to defer the payment of the interest due June 1 1918 on the bonds of the Elgin Aurora & Southern Traction Co., and of the interest due July 1 1918 on its First and Refunding Mortgage bonds, and was unable to pay the Collateral Trust notes when they matured Sept. 1 1918. Application was made to the War Finance Corporation for relief, and the directors of the Corporation agreed that if the holders of the \$800,000 of Collateral Trust notes would subscribe at par for a like amount of Three-Year 7 1/2% Collateral Trust gold notes, dated Sept. 1 1918, and banks holding short-time notes of the company would subscribe at par for \$200,000 of said 7 1/2% notes, and the holders of the bonds of the Elgin Aurora & Southern Traction Co., which had previously been extended to mature June 1 1919, would extend their bonds to mature Sept. 1 1921, the War Finance Corporation would subscribe at par for \$219,000 of the 7 1/2% notes, making a total note issue of \$1,219,000 due Sept. 1 1921.

All of these matters were consummated on or about the 15th day of Oct. 1918 and the funds received through the subscription of the War Finance Corporation were used to pay the deferred bond interest and other fiscal items then due.

The management wishes to express its deep appreciation to the Hon. John Skelton Williams, Comptroller, and to the directors of the War Finance Corporation, for valuable assistance in the consummation of these transactions.

As of Mar. 1 1919 a protective committee was organized and holders of the First and Refunding Mortgage bonds and of the Collateral Trust notes of your company were invited to deposit bonds and notes of the said issues under a deposit agreement. See V. 108, p. 971.

[As to coupons maturing in 1919, compare also V. 108, p. 2122, 2628; V. 109, p. 71.]

Track and Roadway.—Approximately 35,000 new ties were installed and the track is in good operating condition.

Electrical Department.—An automatic substation equipment, which operates without substation attendants, was installed in our Warrenville substation, thus resulting in a considerable saving. An automatic block signal was installed at Glen Ellyn. A Lincoln bonding machine was purchased for track bonding on both third rail and Fox River divisions, the use of which results in a saving of from 30c. to 70c. per joint over the former method.

The company was required to install crossing gates at street intersections throughout the Village of Oak Park. During the year crossing bells were installed at Edson and Brewster Aves., Lombard; at Monterey Ave., Villa Park; at Berkeley Ave., Elmhurst; and at the Clintonville crossing.

Franchises.—The franchise from the village of South Elgin was renewed for 25 years from Oct. 14 1918.

Statistics.—The balance sheet and income statement herein include charges to 1918 operating expenses and income, respectively, for: Reserves for depreciation of equipment, \$31,978; amortization of discount and expense on bonded debt, \$45,474.

## INCOME STATEMENT.

	Calendar Years—		6 Mos. to Dec. 31 '16.	June 30 Yr. 1915-16.
	1918.	1917.		
Gross earnings.....	\$2,140,355	\$2,159,349	\$1,109,327	\$1,950,510
Expenses and taxes.....	\$1,877,683	\$1,563,900	\$741,515	\$1,290,502
P. C. oper. exp. to earnings.....	(87.73)	(72.51)	(66.86)	(66.62)
Net earnings.....	\$262,672	\$595,449	\$367,811	\$651,008
Other income.....	125	193	203	257
Total net income.....	\$262,797	\$595,642	\$368,014	\$651,265
Interest.....	\$439,255	\$428,516	\$215,402	\$459,210
Deprec. and amortiza'n.....	77,452	74,029	38,023	

Balance, sur. or def. def. \$253,908 sur. \$93,096 sur. \$114,589 sur. \$162,055

## BALANCE SHEET DEC. 31.

	1918.		1917.	
	1918.	1917.	1918.	1917.
<b>Assets—</b>				
Prop., plant, &c.....	12,405,805	12,408,895		
Construction, im- provements, &c.....	3,096,266	2,902,481		
Other improvements and betterments.....	12,823	14,123		
Investments.....		17,510		
Bonds in treasury.....	1,559,000	1,559,000		
Sinking funds.....	454,026	454,026		
Working accounts.....	260,087	203,895		
Cash on hand, &c.....	50,886	21,745		
Notes & accounts receivable.....	115,763	101,984		
Unamortized debt, discount, &c.....	159,397	164,942		
Deferred accounts.....	112,637	36,322		
<b>Total.....</b>	18,327,285	18,014,923		
<b>Liabilities—</b>				
Preferred stock.....	3,100,000	3,100,000		
Common stock.....	3,100,000	3,100,000		
First & ref. bonds.....	4,732,000	4,678,000		
First mtge. bonds.....	2,589,000	2,649,000		
E. & A. S. Trac. cons. Ist Mtg. bonds.....	2,000,000	2,000,000		
3-yr. coll. tr. notes.....	1,219,000	800,000		
Salaries and wages.....	45,815	30,648		
Vouchers & acc'ls.....	210,466	156,186		
Notes payable.....	173,262	283,584		
Acct. Int. & taxes.....	253,350	100,234		
Outstanding tick- ets, &c.....		12,423		7,755
Reserves.....	193,196	169,894		
Profit and loss.....	691,773	891,620		
<b>Total.....</b>	18,327,285	18,014,923		

\* Includes reserve for depreciation of equipment, \$141,366; for damages \$35,457, and for doubtful acct's receivable, \$18,374. a Includes \$454,000 purchased for the sinking fund and deposited with the trustee. b Includes \$1,656,000 pledged as security for the \$1,219,000 3-year Collateral Trust notes, less \$3,000 held in treasury.—V. 108, p. 2123, 2329, 2628; V. 109, p. 71.

## GENERAL INVESTMENT NEWS

## RAILROADS, INCLUDING ELECTRIC ROADS.

**Augusta RR.—Co-operative Contract signed.**—See Pelham & Havana RR. below.

**Boston Elevated Ry.—Strike Settled, &c.**—

The strike of the employees came to an end on July 21 after four days with no cars running upon the assurance of an eight-hour day and a new scale of wages retroactive to May 1, which will give to men more than nine months in service (per hour).

**After 9 Mos. Service—Motormen Conductors Guards Brakemen. Increases.**  
On surface lines.....60 cts. 60 cts. 12 cts. per hr.  
On rapid transit lines: 62 cts. 65 1/2 cts. 53 1/2 cts. 12 cts. per hr.

Judge Pierce of the Mass. Supreme Court on July 22 refused to issue a temporary injunction to restrain Charles L. Burrill, Treasurer of the Commonwealth, from paying \$4,000,000 to the trustees of the Boston Elevated Ry. Judge Pierce said that there was no reasonable ground to believe that the full court would declare unconstitutional the Act under which the trustees had been appointed to operate the road, as each Justice before that Act was passed had in an opinion sent to the Legislature expressed his individual opinion that the proposed Act would be constitutional.

The pleadings are to be immediately completed, and counsel for the trustees and the Commonwealth will at once communicate with Chief Justice Rugg and ask that the case be heard before the full court on July 29. State Treasurer Charles L. Burrill on July 24 handed to Treasurer Wilson of the Boston Elevated a check for \$3,980,152 in payment of the amount required by the provision of the service-at-cost law which directs that any deficit of the company shall be paid in the first instance from the State Treasury and assessed upon the cities and towns served by the road.

In an order adopted by the House of Representatives of Mass. on July 25 the public trustees of the Eastern Massachusetts Street Ry. Co. and of the Boston Elevated are requested to establish a 5-cent fare on those systems. The present fare is 10c. on each road. It is requested that this fare be effective until Dec. 1, by which time remedial legislation probably will be enacted by a special session of the Legislature.—V. 109, p. 269, 171, 72.

**Brooklyn Rapid Transit Co.—Transfer Charge, &c.**—

See "Rapid Transit in N. Y. City" below.—V. 109, p. 269, 171.

**Buffalo Lockport & Rochester Ry.—Time for Deposit of 1st Mtge. Bonds Extended to Sept. 8.**—

The reorganization committee, R. Home Smith, Chairman, gives notice that the time for the deposit of 1st Mtg. bonds under the plan of reorganization dated Jan. 20 1919 has been extended to and including Sept. 8 1919. The National Trust Co., Ltd., of Toronto, Canada, is the depository. See plan, V. 108, p. 682, 1510, 1390. Compare also Rochester Buffalo & Lockport Ry.—V. 108, p. 1512.

**California Southern RR.—Co-operative Contract signed.**—

See Pelham & Havana RR. below.

**Cambria & Indiana RR.—Refunding.**—

The company informs us that the \$500,000 2d Mtge. Notes due Aug. 1 1919 will be paid off on that date; also that they have sold \$800,000 2-Year Collateral Trust 6% notes which will be issued as of Aug. 1.—V. 105, p. 2093.

**Canadian Northern Ry.—Sale of Collateral Trust Notes.**—

Wm. A. Read & Co., New York, &c., have sold at 100 and int., (see advertisement on a previous page) \$10,000,000 (entire issue) 2 1/2-year 6% Collateral Trust gold notes, due Feb. 1 1922, 5-year 6% Collateral Trust gold notes, due Aug. 1 1924. The bankers state:

Dated Aug. 1 1919. Int. payable F. & A. in New York. Denom. \$1,000 (c\*). 5-year notes callable on 60 days' notice on or after Feb. 1 1922 at 101 1/2 and int. to Feb. 1 1923, 101 and int. to Feb. 1 1924, and 100 1/2 and int. thereafter. The company agrees to pay the U. S. normal income tax up to 2% if exemption is not claimed by the noteholder.

**Security.**—The direct obligation of the company, specifically secured by pledge with the trustee of \$14,285,000 Canadian Northern Ry. General Mortgage 4% bonds, due Sept. 1 1934 (V. 98, p. 1600, 1607, 1918).

**The Dominion of Canada,** which owns the entire outstanding \$100,000,000 capital stock, unconditionally guarantees both principal and interest of the pledged bonds.

The guaranteed bonds deposited with the trustee are pledged at over 140% of the Notes or at 70, approximately a 7.35% income basis. Current quotations for this issue on the London Stock Exchange are about 85, or a 5 1/2% basis. The total general mortgage issue is \$45,000,000, secured by direct lien on the Canadian Northern Ry.

**Company.**—The Canadian Northern Ry. is owned by the Government of the Dominion of Canada, through acquisition of all the outstanding \$100,000,000 capital stock. The ownership is thus vested in the Dominion of Canada as a national asset, but its operation continues under the control of the railway corporation without change in its management since Government ownership. The board of directors, appointed by the Government, is representative of the most substantial commercial, agricultural and manufacturing interests in Canada.—V. 109, p. 172.

**Chicago Elevated Rys. Collateral Trust.—July 1 Interest on Debentures Unpaid.**—

The "Chronicle" learns that the coupons due July 1 on the \$7,000,000 debentures of 1914 remain unpaid. The interest on the \$14,000,000 2-year notes was also defaulted.—V. 109, p. 269.

**Chicago Peoria & St. Louis RR.—Payment of Overdue Equipment Notes.**—F. J. Lisman & Co., New York, gives the following notice:

The undersigned on behalf of the Receivers are prepared to pay the principal of \$59,000 Equipment 6% Gold Notes, Series "A," which matured on Nov. 1 1918, and the coupons of said Equipment Notes which matured Nov. 1 1918, both with interest at 6% from Nov. 1 to date of payment. No payments can be made by us after Monday next, July 28.—V. 108, p. 378.

**Chicago Terre Haute & Southeastern RR.—Contract.**—Director General of Railroads Hines on July 25 signed the Federal operating contract with this company, fixing the annual compensation at \$922,784.—V. 108, p. 972.

**Cincinnati (O.) Traction Co.—New Rates.**—

Beginning July 1 the following rates of fare took effect: Adults tickets 6 1/4c; 5 tickets for 39c.; cash fares 7c.; children under 10 years—tickets, 3 1/4c.; strips of 4 tickets for 13c.; two children carried for one adult ticket for 6 1/4c.; cash fare, 4c.; transfers—issued under the present rules including plane passengers—tickets, 3 1/4c.; strips of 4 tickets for 13c.; same tickets will be used for inclined plane fares as for tickets; cash fare, 4c.—V. 108, p. 1274.

**Cleveland Cincinnati Chicago & St. Louis Ry.—Offering of Bonds.**—J. P. Morgan & Co., First National Bank, National City Co. and Guaranty Trust Co., New York, are offering by advertisement on another page at 98 and int. to yield 6 1/4% \$15,000,000 10-year 6% Refunding and Improvement Mortgage gold bonds, Series "A," dated July 1 1919, due July 1 1929. For complete description see last week's "Chronicle," page 270.

**Delaware Valley Ry.—Co-operative Contract Signed.**—

See Pelham & Havana RR. below.

**Erie RR.—Extension of Bonds.**—Holders of the \$2,149,000 2d Mtge. 5% bonds of New York & Erie RR. dated Mar. 1 1849, maturing Sept. 1 1919, can by depositing their bonds with J. P. Morgan & Co., N. Y. City, or Drexel & Co., Phil., on or before Aug. 30 1919 obtain cash for the coupon due Sept. 1 1919, and in addition to having their bonds extended at 5% till Sept. 1 1939 will receive the sum of \$27.50 in cash on each \$1,000 bond, making the investment yield of the extended bonds over 5.20% per annum.

On Sept. 2 1919, or at any time prior thereto, the firms named will buy at par and int., the bonds of holders who do not desire to avail themselves of the above privilege of extension.

Vice-President David Bosman announces: "The extended bonds will mature Sept. 1 1939 (with interest at 5% per ann., payable M. & S.), subject to prior redemption at option of company at 110% and int.; both principal and interest to be payable at office of Erie RR. Co. in N. Y. City in U. S. gold coin of the present standard of weight and fineness, the present lien of the mortgage to remain unimpaired."—V. 108, p. 2023.

**Georgia Coast & Piedm. RR.—Sale Cannot be Confirmed**

The property, which was up for sale as a "going concern" at \$300,000 at Brunswick, Ga., on July 2, was bid in at that price by Gordon & Freedman, a salvage firm of New York, provided they could scrap the road. This offer was contrary to the order of sale and the sale has not been confirmed and cannot be confirmed.—V. 109, p. 172.

**Grand Trunk Ry. of Canada.—New Debenture Stock**

**Negotiations With Canadian Government.**—At the meeting of proprietors held in London on June 30 it was voted to adopt "the Grand Trunk Act 1919 and also a resolution authorizing the directors to issue the Perpetual 4% Consolidated debenture stock under the powers conferred by the Act." Mr. Alfred W. Smithers, Chairman of the company, who presided, said in substance:

The bill increases the company's borrowing powers by the creation of £2,500,000 4% debenture stock. As the Government had not yet made made any proposal beyond their original offer it was necessary for the company to carry on its business in the meantime and the powers given under the Act will enable us to carry out necessary financing.

The company is in its present position from circumstances entirely beyond the control of the directors—namely, the enormous increased expenses arising from high wages and increased cost of material, and not being allowed sufficient increase of rates to meet the increased expenditure. In one way or another the Governments of Canada, America and Great Britain had had to assist the railways under the present exceptional conditions, and the only railway of large size left to its own resources is the Grand Trunk, the oldest railway in Canada, which has rendered 55 years of service, and received practically no assistance from the Government in all that long period, and which had rendered splendid service to the country during the war. In 1918 the gross traffic amounted to £12,655,000, or an increase of £3,522,000 on that of 1917, but we distributed 4973,000 less, or in other words, we only covered our fixed charges, and the shareholders received nothing. Similar conditions prevailed in 1917. Thus, for two years, when the company was carrying immense traffic and performing splendid service to Canada, the shareholders received nothing. Had they been treated as the British Government treated the British railways, the shareholders would have received 4973,000 in each of the years 1917 and 1918, instead of nothing.

In January 1918, the Government asked the board to name the amount it would recommend to the shareholders to take for the property as an annual payment beyond the fixed charges. This was done, but the Government did not accept the offer, and made a counter-offer in March 1918. Ever since that time we have been negotiating and the directors have continually reduced their terms in order to come to a friendly agreement. The Government, however, have not altered their terms, and it is impossible, on their terms, to come to a friendly agreement, as their acceptance would mean the confiscation of a considerable portion of the shareholders' property.

The difference now between us, although vital to the attainment of a friendly settlement, is a comparatively small thing for Canada. The board were not asking for any consideration for future value, nor for consideration for any stock only represented by paper. They were only asking for fair consideration for money actually put into the undertaking. A little over 4% interest was the inducement to the investor to put his money into the concern, and such a low rate certainly showed the faith of the British investor in the stability and future of Canada.

In the terms the directors have proposed they took no account of the future, and they could only carry those terms by asking the proprietors to make some sacrifice in order to arrive at a friendly settlement.—V. 108, p. 2629.

**Illinois Traction Co.—Sub. Co. Fare Increased.**—

The Quincy (Ill.) Ry., included in the Illinois Traction system, has been authorized by the Illinois P. S. Commission to increase rates in Quincy. The rates authorized until Dec. 31 1919, are: for single continuous passage between any two points, cash fare 7c.; four tickets 25c.; school children's tickets—good between school hours—forty-ticket book \$1.—V. 108, p. 2428.

**International Railway, Buffalo.—Rate Decision.**—

The "New York Law Journal" on July 23 published a full resume of the decision handed down on July 15 by the New York Court of Appeals. This decision, as written by Judge Cardozo, holds in effect that where, as in the case of this company (or rather its constituent companies at the time of their merger in 1892 by terms of Milburn contract), an agreement has been made between a city and a street railway corporation doing away with transfers and fixing the fares to be charged by the company, and further providing that "nothing in this contract contained shall be construed to prevent the Legislature from regulating the fares" of the company, the fares as established by the agreement may be changed and may be increased by

The Public Service Commission if found inadequate. The power reserved in the agreement to regulate includes the power to increase, and such regulation by the Legislature may be exercised directly or through a commission.

An editorial in the "Law Journal" on July 24 said: Two points should be noted in connection with the opinion: (1) The court carefully limits its decision to the facts and conditions before it. All other questions are expressly left open; (2) The court emphasizes the express provision contained in the Milburn Agreement to the effect that "nothing in this contract contained shall be construed to prevent the Legislature from regulating the fares of said companies, or either of them."

In the light thereof, it is obvious that amendment of the contract—either directly by the State Legislature, or indirectly, through its agency, the Public Service Commission—would be proper and lawful and, in truth, in aid of the intention of the parties and in nowise in derogation of their intention.

There is, however, the following dictum in the opinion: "There are times when the police power modifies a contract in spite of the intention of those who have contracted." (Italics ours).

Since such was not the situation in the case before the court, as it took elaborate pains to point out, the dictum is significant.

Professor Burgess, a recognized authority on constitutional law, used to say that the police power of the States is the Dark Continent of our jurisprudence. It is for precisely this reason that we have ventured to direct attention to the court's remarks.

See "Street Railway Decision" in V. 109, p. 271, and Rapid Transit in New York City below.

Officials of the company were to apply to the P. S. Commission on July 22 for increased fares on lines within Buffalo.—V. 109, p. 173, 72

Jackson (Miss.) Light & Traction Co.—To Rehabilitate.

A dispatch from Jackson, Miss., July 17 states that attorneys representing the recent purchasers of the company's property have applied to the Municipal Commission for renewal of the company's franchise, which was declared forfeited prior to the proceedings in bankruptcy. At present the electric lighting plant, the gas plant and the street railway are being operated under a temporary understanding, but the purchasers assert that in order to pay the debt due and to provide for rehabilitating the property it is essential to obtain legal franchises and to establish a scale of rates for service so as to induce further investment of capital.—V. 109, p. 173.

Kansas City Railways.—City Director—Wage Increase.

The Court of Appeals at Kansas City, Mo., has announced the reappointment of W. T. Comper as a city director of the company. His present term expires in August.

The company has granted a wage increase, retroactive to July 1. In announcing the increase, President Kealy said that it was granted because of the hoped-for favorable action by the P. S. Commission with reference to increased fares and would not be possible without such increased fares. Under the new scale the minimum wage for extra men is \$85 per month, against the old scale of \$75.—V. 109, p. 270, 173.

Kentucky & Tennessee Ry.—Co-operative Contract.

See Pelham & Havana RR. below.—V. 81 p. 1100.

Lancaster Co. Ry. & Lt. Co.—Fare Increase Upheld.

The Superior Court at Philadelphia in a decision by Judge Williams on July 17 upheld the order of the P. S. Commission in raising the trolley fares in Lancaster, Pa., from 5 to 6c.

In the decision Judge Williams says: "The appellant Poltz contends the rate should be 5 cents in Lancaster and 6 cents outside of the city, because the evidence discloses no division of costs, expenses, deterioration, etc., upon which the Commission could determine whether the 5c fare was insufficient in the city of Lancaster. If the Commission had adopted this attitude it would have placed itself in the position of discriminating against the rural districts, violating the direction of the act that no discriminatory rate as to locality shall be permitted. To sustain such action on the part of the Commission there should clearly appear facts to justify the discrimination."—V. 109, p. 602.

Live Oak & Perry Gulf RR.—Co-operative Contract.

See Pelham & Havana RR. below.—V. 104, p. 2425.

Michigan RR.—Fares.

Effective July 8, the company charged a straight 6-cent fare for a single ride in the city of Lansing, Mich., in accordance with the ordinance passed by the City Council.—V. 108, p. 2022.

Minn. St. Paul & Saulte Ste. Marie Ry.—Contract.

Director General of Railroads Hines on July 25 signed the Federal operating contract with this company, fixing the annual compensation at \$10,547,428.—V. 108, p. 2523.

Municipal Service Co.—To Pay Off Notes.

We are advised that the 2-Year Coupon notes maturing Aug. 1 1919 will be paid at maturity at the Pennsylvania Company for Insurances on Lives & Granting Annuities, Phila.—V. 108, p. 171.

New Orleans Railway & Light Co.—Note Extension.

In reply to an inquiry regarding the \$4,000,000 one-year 7% notes which fell due June 1 1919, the "Chronicle" is informed that "a good many have been extended for one year at 7%."—V. 109, p. 173.

New York Ontario & Western Ry.—Dividend.

The directors on July 22 declared a dividend of 1% on the Common stock, payable Aug. 20 1919 to stockholders of record at noon Aug. 2 1919, contrasting as follows:

Per cent	'05	'06-'11	'12	'13	'14-'15	'16	1917	1918	1919
	4 1/2	2	3	2	None	None	None	None	None
	The N. Y. N. H. & H. R.R. owns \$29,160,000 of the Common stock. Compare annual report, V. 108, p. 1603.								

New York Railways Co.—Transfer Charge, &c.

See "Rapid Transit in N. Y. City" below.—V. 109, p. 270, 173.

Northern Ohio Traction & Light Co.—Offering of Bonds.

Coffin & Burr, Boston, recommend for investment at 80 and interest to yield 6.15%, this company's (closed) First Consolidated Mortgage 4% gold bonds of 1903. Due Jan. 1 1933. A circular shows:

Denom. \$1,000 (ct). Int. payable J & J in New York City or Cleveland. The Citizens' Savings and Trust Co., Cleveland, Trustee. The Company agrees to pay the normal Federal income tax not exceeding 2% which it may lawfully pay at the source.

	1918	1919
Stock Capitalization as Officially Reported July 1 1919		
Common stock (paying 7% dividends)	\$9,100,000	
Preferred stock (paying 6% cumulative dividends)	5,459,200	
Junior Lien bonds (incl. \$718,500 owned by company)	*10,074,500	
First Consolidated (closed) mortgage bonds (this issue)	3,220,000	
Underlying divisional (closed) mortgage bonds	3,329,000	
Earnings as Officially Reported—Years ended May 31		
Gross earnings	\$6,683,266	\$7,917,504
Net after taxes	2,014,337	2,145,158
Annual Int. on divs. bonds and this issue, (not incl. \$5,826,000 bonds deposited as security for liens)		305,210
Annual interest on \$10,074,500 Junior liens		551,125
Balance surplus		1,288,823
Net earnings nearly 7 times annual interest charges on divisional bonds and this issue.—Compare V. 108, p. 2433, 2528.		

Norwood (Mass.) Canton & Sharon St. Ry.—City Plan.

The town of Sharon, Mass. will shortly begin to operate the property of the company recently sold to the Dominion Iron & Wrecking Co., of Canada for wreckage purposes. The town will proceed upon authority of an act (war measure) passed by the Legislature of 1918, which allows municipalities to finance the operation of electric railways by the assessment of a tax of not over \$1 per \$1,000 valuation.

It is planned to sell stock to the citizens at \$50 a share, an allowance of 6% interest being accorded as a part of the regular operating cost

of the road. A stock company composed of citizens was formed recently with the following officers: Pres., Vernon S. Hawkins, of the Sharon Board of Selectmen; Clerk, Postmaster Joseph L. McGrath; Treasurer, S. G. Spear; Directors, Frederick A. Prince and C. V. Reynolds. The road barely escaped being junked, the town coming to the rescue just in time to prevent dismantling. "Elec. Railway Journal."—V. 105, p. 1898.

Omaha & Council Bluffs St. Ry.—Fare Decision.

The Nebraska State Supreme Court on July 16 directed the State Railway Commission to grant the company increased rates, recommending a 6-cent rate, pending further investigation of the company's books to determine the present earning capacity and permanent rate. The company applied for a 7-cent rate in July, 1918, but the commission rejected this application last Nov. and the company appealed. The Court decision further held that the company, on the showing already made, is entitled to increased earnings to insure it against insolvency.—V. 108, p. 1061.

Pacific Gas & Electric Co. of Cal.—Stock Listed.

The Governing Committee of the New York Stock Exchange recommends to add to the list \$33,996,400 Common stock, making the total amount authorized to be listed \$34,004,100.—V. 109, p. 271, 173.

Pascagoula (Miss.) St. Ry. & Power Co.—Ordered Sold.

Press despatches from Baloxi, Miss., on July 17, state that the U. S. Court has ordered the sale of the Company's property and has appointed George P. Money commissioner to conduct the sale.—V. 108, p. 1512.

Pelham & Havana RR.—Co-operative Contract Signed.

The Railroad Administration has executed co-operative short line contracts with the Pelham & Havana RR., the Delaware Valley Ry., the Kentucky & Tennessee Ry., the Augusta RR., the Rapid RR., the Live Oak, Perry & Gulf RR., the Tuskegee RR. and the California Southern RR. For Standard Contract for Short Line railroads see v. 108, p. 235.

Philadelphia Rapid Transit.—Official Statement.

In reply to the many rumors as to the Company's intention in the matter of increased fares, President Mitten to-day stated that no application to the Public Service Commission had been made nor was contemplated in the near future.

President Mitten states that it will, of course, be necessary to secure greater revenue to meet the constantly increasing cost of wages and material, and in order that intelligent action may be taken when the emergency here arises, a careful record is being made of the results secured from the various experiments conducted in other cities. Compare V. 109, p. 271.

Pittsburgh (Pa.) Rys.—Subway Bond Issue Voted.

The voters of Pittsburgh on July 8 authorized a \$6,000,000 bond issue for the construction of a downtown subway loop.—(V. 108, p. 2330). The question submitted to the voters did not specify particulars of construction, except that the tube is to be located in the two downtown wards and be built to specifications to be drawn up by the Mayor and Council by ordinance.—V. 108, p. 2630.

Puget Sound Trac., Lt. & Pow. Co.—Final Decision.

A mandate from the U. S. Supreme Court at Seattle ordering a dismissal entry in the appeal taken by the company in the ticket case was received by officers of the Federal District Court on July 17. This marked the final disposition of all matters in litigation between the company and the city of Seattle at the time the street car lines were taken over by the city.

The case grew out of an attempt by the city to compel the company by ordinance to sell tickets to its patrons. Resisting the effort, the company sought an injunction against enforcement of the ordinance, and also asked \$70,000 damages for losses alleged to have been suffered while the ordinance was in force and tickets sold under its requirements. The Federal District Court granted the injunction, but refused the claim for damages, and the company appealed to the Supreme Court.—V. 108, p. 2630.

Rapid RR. Detroit.—Co-operative Contract.

See Pelham & Havana RR. above.

Rapid Transit in N. Y. City.—Transfer Charge, &c.

P. S. Commissioner Lewis Nixon on July 18 signed an order allowing the Brooklyn Rapid Transit Co. to charge 2 cents for transfers on practically all of its surface car lines in Brooklyn. Of 1,008 free transfer points on the entire system, only about 30 points are exempted from the order, besides a few points where feeder lines transfer to the trunk lines.

Commissioner Nixon at the same time authorized the New York Railways Co. to charge 2 cents for transfers at 99 of the 113 transfer points on its system. Both orders go into effect on Aug. 1, and will be operative for the B. R. T. until July 30 1920, and for the New York Railways Co. until July 7 1920, unless the Commission extends the time at some future date.

Both systems had asked for a 3-cent transfer charge. Job E. Hedges, receiver for enforcement of the order, on July 21 accepted the order of the P. S. Commission permitting the company, beginning Aug. 1, to put into effect a charge of 2 cents for transfers issued at all points on its lines not covered by municipal franchises.

Receiver Hedges of the New York Railways Co., testifying before the Federal Electric Railway Commission at Washington, on July 22, said that during the six months ended March 3 1919 the company earned in operating income over expenses and taxes only \$20,265. During that period the company also failed to pay its rentals and the interest on a small underlying mortgage on roads actually owned by it by more than \$54,000. He said that on a valuation of \$50,000,000 the company paid during six months less than 1% net including fixed charges, such as mortgage, interest and rentals on these lines or depreciation.

Corporation Counsel Burr on July 24 made application to Commissioner Nixon for hearings on the Commissioner's order granting the New York Railways and the Brooklyn surface lines the right to charge 2 cents for transfers.

Court Rules P. S. Commission May Increase Rates.

See under "Street Railway Decision" in V. 109, p. 271, and International Ry., Buffalo, above.—V. 109, p. 174.

Rhode Island Co.—Strike of Employees.

Street car service throughout the entire system came to a standstill on July 19 (Monday) when the employees went on strike on a demand for an eight-hour day and an increase in wages from a maximum of 45 cents an hour to 75 cents an hour. The men have since receded to a maximum of 60 cents an hour, retroactive to July 1. The receivers agreed to grant 53 cents and have refused any further conferences with the car men.

In refusing to accept the offer of the car men, the receivers point to the fact that the wage increase now demanded by the strikers would add \$1,000,000 to the annual operating expenses and that no fare increase which would be acceptable to the public would produce the necessary revenue. The receivers also have refused to arbitrate on the ground that they could not delegate the right to fix wages to any arbitration board because the right was vested in them alone by the court.—V. 108, p. 974.

Richmond & Ashland Ry.—Organized.

This company was incorporated in April 1919 in Virginia and has taken over the property of the Richmond & Chesapeake Bay Ry. (V. 107, p. 1005) and is actively rehabilitating the line. The first 8 miles of the road between Richmond and Greenwood are now in operation and by the end of July the complete line is expected to be rehabilitated and operating to Ashland.

The temporary organization consists of Jonathan Bryan, Pres., and O. J. Sands, Treas., Richmond, and J. A. Baird, Petersburg, Va., General Man.

Richmond & Ches. Bay Ry.—Successor Company.

See Richmond & Ashland Ry. above.—V. 107, p. 1005.

Roanoke River Ry.—To be Sold.

J. H. Bridges, receiver and Commissioner, pursuant to an order entered in the U. S. District Court at Raleigh, N. C., will sell the company's property at public auction, July 26, at the Henderson, N. C. Court House. V. 108, p. 2330.

Sandusky Norwalk & Mansfield Electric Ry.—Plan.

A press dispatch says: "Minority bondholders of the company at a meeting held at North Fairfield approved a plan of reorganization submitted by the majority bondholders. Under this agreement, the \$757,262 bonds of the company will be retired in favor of a \$400,000 stock issue. The plan calls for an assessment of 10% of the face value of the bonds held to give the company \$75,000 to pay urgent debts and for working capital. The majority bondholders agree to pay \$40,000 of the \$75,000 assessment.—V. 109, p. 174.

**Tuskegee RR.—Co-operative Contract Signed.**—See Felham & Havana RR. above.

**United Railways & Electric Co., Baltimore.—Officers.** C. D. Emmons, formerly Gen. Mgr. of the Boston Elev. Ry., has been elected President of this company to succeed Thomas A. Cross now Chairman of the board.—V. 108, p. 2630, 2434.

**United Traction & Electric Co., Providence.—Strike.** See Rhode Island Co. above.—V. 108, p. 2630.

**Virginia Railway & Power Co.—Earnings.**—

June 30 Years—	1918-19.	1917-18.	1916-17.
Gross earnings	\$8,429,283	\$7,457,530	\$6,044,495
Operating expenses	5,393,533	4,100,492	2,941,293
Net earnings	\$3,035,750	\$3,357,037	\$3,103,202
Other income	154,771	115,865	98,391
Total income	\$3,190,521	\$3,472,902	\$3,201,593
Taxes, licenses, int., sinking fund, &c	2,104,700	3,173,451	3,204,243
Net earnings	\$1,085,821	\$299,451	def. \$2,650

—V. 109, p. 73.

**Wabash Chester & Western RR.—Co-Operative Contract.** Short line contracts have been signed by this company and the Willamette Valley & Coast RR., by the Railroad Administration.

**Waverly Sayre & Athens Trac. Co.—7c. Fare Granted.** The Pennsylvania P. S. Commission, in an opinion by Chairman W. D. B. Alney, on July 20 authorized the company to charge a 7-cent fare, holding that public service companies are entitled to sufficient revenue to permit them to furnish transportation to the public. The company had filed notice of a 6-cent fare in April 1918 and in Oct. 1918 advanced the fare to 7 cents. The complaints against the increases alleged they were unreasonable. The financial statement of the company showed increased costs of operating and no dividends paid on the stock. No valuation was deemed necessary by the Commission in reaching its decision.

**Willamette Valley & Coast RR.—Co-Operative Contract.** See Wabash Chester & Western RR. above.

## INDUSTRIAL AND MISCELLANEOUS.

**Aetna Explosives Co., Inc.—Stock.**—The stockholders will vote at the office, 165 Broadway, New York, on July 30 1919, on reducing the stated capital of the corporation from \$18,100,000 to \$8,650,000, as required to carry out the reorganization plan. This plan calls for the retirement of the pref. stock, but leaves the Common shares (of no par value) as heretofore (V. 108, p. 2243).—V. 109, p. 272.

**Allis-Chalmers Mfg.—Earnings.—3 & 6 Mos. to June 30.**

Month of—	Sales Billed		Net Profit	
	1919.	1918.	1919.	1918.
January	\$2,755,437	\$1,899,972	x\$330,842	\$360,071
February	2,802,945	1,990,863	x338,348	418,171
March	3,044,510	2,098,993	x326,835	617,398
Total three months	\$8,602,892	\$6,589,828	\$996,025	\$1,396,239
April	\$2,573,530	\$3,075,800	x\$306,929	\$628,585
May	2,674,469	3,108,066	x\$19,028	631,163
June	2,456,026	3,054,213	x\$300,988	623,708
Second quarter	\$7,734,025	\$9,238,079	\$926,945	\$1,883,756
Total six months	\$16,336,917	\$15,827,907	\$1,922,970	\$3,279,995

x Net profit after deducting all expenses, including reserve for Federal taxes. Unfilled orders on hand June 30 1919, \$14,756,198; against \$28,962,097 as of June 30 1918.—V. 108, p. 2331.

**American Brass Co.—Usual Extra Dividend.**—An extra dividend of 1½% is announced, payable with the usual quarterly 1½%, Aug. 15 to holders of record July 31. The extra dividend is unchanged.—V. 108, p. 1722.

**American Can Co.—Construction.**—The "Iron Age" says: "This company has awarded contract to the Turner Construction Co., 244 Madison Ave., for its proposed three-story and basement, reinforced-concrete plant, 220 x 242 ft., at Portland, Me. A three-story concrete office building, 40 x 112 ft., will also be erected. The new works are estimated to cost \$600,000, instead of \$300,000, as previously announced.—V. 108, p. 2435.

**American Ice Co.—New Director.**—Joseph W. Harriman, President of the Harriman National Bank, has been elected a director of this company.—V. 108, p. 271.

**American Malt & Grain Co.—Stock Listed.**—The Governing Committee of the New York Stock Exchange has authorized the listing of 55,000 shares of capital stock without nominal or par value. Said stock is all issued and outstanding in the hands of the public. For the period from Aug. 31 1918 to Feb. 9 1919 the gross income as reported to the Exchange was \$1,957,289; net, \$1,222,963; profit and loss surplus, \$1,768,965.—V. 109, p. 272.

**American Rolling Mill Co., Middletown, O.—Stk. Inc.**—This company has arranged to increase its capital stock by issuing \$5,700,000 of 7% cumulative debenture preferred stock, for which common stockholders will have the right to subscribe at par. The "Iron Age" states: "This additional capital is to be used in the erection of eight sheet mills and one jobbing mill at the East Side works at Middletown. During the war the company built four open-hearth furnaces to supply the demand for billets and shell steel forgings, and its present sheet mill capacity will not absorb all of this steel. The company's sheet mills have been operated at full capacity ever since the armistice was signed.—V. 107, p. 2378.

**American Ship & Commerce Corp.—Stock Oversubscribed.**—Details of Amalgamation—Directors Elected.—Chandler & Co., N. Y., this week offer for subscription at \$40 per share 300,000 shares capital stock, no par value. The company was incorporated in Delaware on July 18 1919 to take over the control of the Cramp Ship & Engine Building Co. and Kerr Navigation Corporation. The bankers state: Company.—Incorporated under the laws of Delaware and proposes to acquire without change of present operating management: (a) At least a majority of the outstanding stock of Wm. Cramp Sons Ship & Engine Building Co., or voting trust certificates therefor; (b) 70,000 shares of the no par capital stock "B" (out of the 105,000 "B" shares) of the new Kerr Navigation Corp. (40,000 shares capital stock "A" will also be outstanding), and directly or through subsidiary or associated companies to engage in import and export business and allied industries. The American Ship & Commerce Corp., in addition to the above holdings will have a substantial cash balance in its treasury available for its corporate purposes.

**Capitalization (No Bonds, Notes or Preferred Stock).**

	Shares.
Capital stock (no par value) authorized	1,500,000
To be presently issued, not less than	300,000
Reserved for exchange for 60,980 shares (par \$100) (all the outstanding stock) of Wm. Cramp & Sons Ship & Engine Building Co. (or voting trust cts. therefor), or other corporate purposes	304,900
Balance, issuable for treasury purposes	895,100

**Wm. Cramp & Sons Ship & Engine Building Co.**—One of the most modern and completely equipped plants capable of building all classes of ships, and during the war received contracts from the Navy Department for 55 ships, including scout cruisers and destroyers. We are informed that sufficient contracts are in hand to keep the plant working full capacity until 1921. The balance sheet as of Dec. 31 1918 (V. 108, p. 1932) shows current

assets of \$10,383,332, as against current and accrued liabilities of \$6,499,526, and \$4,473,444 outstanding bonds and mortgages; in addition, plant account of \$16,788,735, making total net assets of \$233 per share. Net earnings of the past 4 years and 8 months to Dec. 31 1918, after all taxes, depreciation and all other charges, have been at the average annual rate of 23% on the Common stock, and for the 8 months ended Dec. 31 1918 (V. 108, p. 1932) were at the annual rate of 26.70%, and for 1919 are at the rate of better than 30%.

**Kerr Navigation Corp.**—Owns 50,000 tons d. w. capacity of ocean steamships operated in international trade. It is proposed, under a contract already entered into, that the above steamships and all the good-will of the Kerr Navigation Corp. shall be acquired by a new navigation company of whose capital stock 70,000 shares class "B" (a controlling interest) shall, upon completion of the present financing, be owned by the American Ship & Commerce Corp., being part of a capitalization to be outstanding consisting of 40,000 shares class "A" stock (non-voting) and 105,000 shares class "B" stock, with full voting rights; and that \$7,000,000 in cash shall have been provided for the treasury of the new navigation company for purposes of expansion and development. The new navigation company will have no bonds or notes outstanding.

Earnings of the old Kerr Navigation Corp. from these 50,000 tons shipping in 1918, according to report made for the company by David Elder & Co., chartered accountants, were: Gross freights, \$11,839,603; net, after reserve for Federal taxes, \$5,465,984. Of these earnings the company charged \$4,400,512 in reduction of cost of steamers. Net earnings for the year 1919 are estimated at about \$3,000,000 before taxes, without regard to earning power of new capital.

**Directors.**—The following have been elected directors: Joseph W. Harriman, President of the Harriman National Bank; John L. Ogden of F. B. Keen & Co., N. Y.; Parbury W. Herrick, banker, Cleveland, O.; J. Leonard Republic, President American Vanadium Co.; G. M. Dall, Vice-President of Chase National Bank; P. M. Chandler of Chandler & Co., and H. F. Kerr, President of Kerr Steamship Co., N. Y.

Chandler Bros. & Co., N. Y. and Phila., in a circular

on the Cramp Co., report (V. 108, p. 1932):

For the full year 1919 it is expected that close to 25 vessels will be actually delivered as compared with 18 for the previous year. During the year 1918 the output was practically three times as great as that for 1917. The company in the whole year 1918 turned out turbine machinery aggregating 573,000 h. p. For the entire year of 1919 it is expecting to turn out close to 750,000 h. p. in the way of steam turbines, reciprocating engines and similar power plants. The company manufactures a great quantity of turbines for hydro-electric plants.

Since the first of the year the company has retired \$1,300,000 of its \$4,473,444 bonded debt out of earnings and from the sale of unused real estate.

Since April 30 1915 working capital has made a remarkable advance (from \$1,418,009 to \$3,973,805 on Dec. 31 1918), and net income has increased approximately 300%, the balance after depreciation available for fixed charges being \$956,797 for the year ended April 15 1915 and \$2,687,020 for the calendar year 1918.

It is understood the present contract work of the company is sufficient to keep the plant working at full capacity until 1921.—V. 109, p. 272.

**American Telephone & Telegraph Co.—President Wilson Signs Bill for Return of Telephone and Telegraph Lines.** See under "Current Events" in last week's "Chronicle," page 234.—V. 109, p. 272.

**American Window Glass Co.—Status.**—See American Window Glass Machine Co. below.—V. 108, p. 2024.

**American Window Glass Machine Co.—President.**—William N. Monro, General Manager of the American Window Glass Co. has been made president of the holding company, also of the subsidiary companies, including the American Window Glass Co. He succeeds the late T. H. Given.

A. E. Braun was chosen Vice-President of the same concerns. R. S. Wilson was elected Secretary and Treasurer of the Machine Company, J. G. Young was elected Secretary and Treasurer of the Window Glass Machine Co. Mr. Braun succeeds Mr. Given on the board of American Window Glass and George C. Moore succeeds Mr. Given as a director of American Window Glass Machine Co. and Window Glass Machine Co.

**Status—Outlook.**—A. B. Turner, investment securities, 79 Milk St., Boston, in a circular recommending the common shares, says in substance:

**Organization.**—Incorporated in 1903 in New Jersey. Capital stock authorized, preferred, \$7,000,000; Common, \$13,000,000. Issued: Preferred, \$6,998,994; Common, \$12,997,994.

Manufacturing plants located at Jeanette, Monongahela City, Arnold, Kane, New Castle and Belle Vernon, Pa., and Hartford City, Ind.

Dividends paid on the common stock in the year 1918, 15% for year beginning May 1 1919 to date, one dividend of 7% in Liberty bonds.

Owens the exclusive rights in the United States to patents on window glass machines, which rights are leased on a royalty basis to the American Window Glass Co. of Pennsylvania. With the use of these machines window glass can be manufactured more cheaply, it is understood, than through any known process. Also owns practically all of the common stock \$12,999,100 out of \$13,000,000, the outstanding pref. stock Aug. 30 1918 being \$4,000,000 and bonds \$1,084,000—Ed.] of the American Window Glass Co., which is the largest manufacturer of window glass in the United States.

The American Window Glass Machine Co., after paying all expenses, taxes, preferred dividends and 15% upon its common shares on April 30 1919 had in effect an accumulated surplus of \$1,918,116. [This includes (a) the surplus for the year 1918-19 \$532,219 (b) the previous surplus \$16,125 (c) the balance of accrued royalty \$1,369,772 due from the American Window Glass Co. being the remainder of the \$1,997,728 royalty accrued from date of license May 7 1903 to April 11 1919 after deducting \$11,627,954 paid therein to April 30 1919, accumulations having been discharged as follows: Year 1915-16, \$2,144,496; 1916-17, \$5,572,739; 1917-18, \$1,978,278; 1918-19, \$3,932,481, as against the sum of \$1,880,383, accrued in that year. Compare V. 106, p. 2626.—Ed.]

The royalties now being earned should greatly exceed those earned in 1918 for the reason that the production of the American Window Glass Co. was curtailed by the Government in 1918 which greatly lessened the production, the royalties being computed on the number of boxes of glass made. Furthermore, the American Window Glass Co. is now in a position to pay dividends upon its common stock which is almost entirely held by the American Window Glass Machine Co.

It was stated at the annual meeting that the export business, which in the past has been very small is to-day assuming very large proportions and that there are only two glass factories in operation in Belgium, which was, at one time, the largest glass producing country in the world, and that these two factories are operating under a handicap of a 100% raise in the wages of their employees, that the large number of factories previously operating have been destroyed and the machinery taken away, and it will be a very long time before Belgium can again be in a position to supply glass of any kind to any extent.

**Earnings of the American Window Glass Co. Years ending June 30, from the Manufacture of Window Glass.**

	1914	1915	1916	1917	1918
Total income	\$1,898,140	\$2,167,587	\$3,517,731	\$5,011,768	\$5,875,952
Earned on Com. (after charges)	11.01%	13.03%	23.52%	34.06%	40.90%

I am told that the 1919 statement will show a correspondingly satisfactory increase.

The figures given above are taken before the royalty deductions—(See V. 107, p. 1668), but as both royalties and earnings on the common shares belong through common stock ownership to the American Window Glass Machine Co., and as the common stocks of both companies are practically identical, the percentage earned is practically all for the benefit of the common stock of the latter company.

The net quick assets of the American Window Glass Co., on Aug. 31 1918—(V. 107, p. 1668) were approximately seven to one.

The American Window Glass Co., is now in a position to pay dividends on the common shares. I understand this policy has already been decided upon, largely increasing the amount available for dividends of the American Window Glass Machine Co.

The patents of this company have been tested in the courts, and pronounced valid in every particular. Through the decision by the courts this company is entitled to back royalties from certain companies which have been using these machines illegally. I understand that auditors

have already been appointed by the courts to ascertain the amounts due, which will materially increase, while the amount of back royalties should be very large. [A press report on July 18 announced that the U. S. District Court had placed the Consolidated Machine Co. and other companies under heavy bonds to cease infringement of the patents.—Ed.]—V. 108, p. 2626.

**American Writing Paper Co.—Vice-Presidents.**—John T. Wolohan and Raymond R. Campbell have been made Vice-Presidents.—V. 109, p. 175.

**Armour & Co.—Federal Trade Commission on Impending Domination of Packers—Packers' Reply, &c.**—See under "Current Events" in last week's "Chronicle," page 229 et seq.—V. 108, p. 2435.

**Arundel Sand & Gravel Co., Baltimore, Md.—Merger.** The stockholders voted July 22 to authorize:

- (1) That this company acquire all of the capital stock of the following companies, or at least a controlling interest therein, and thus bring about in effect a consolidation of those companies with this company, to wit: Baltimore Transportation Co., Patasco Ballast Co., Frank A. Furst Realty Co., Arundel Shipbuilding Co., Maryland Dredging & Contracting Co., D. L. Taylor Co.
- (2) To guarantee the outstanding bonds, viz.: (a) Maryland Dredging & Contracting Co. outstanding authorized bonded debt, \$750,000, of which \$224,800 purchased for sinking fund and \$5,300 canceled; (b) Arundel Shipbuilding Co., authorized \$300,000, of which \$262,500 now outstanding.
- (3) Increase of the capital stock from \$1,000,000 Preferred, par \$100 per share, and \$2,500,000 Common, par value \$50 per share, to a total of \$7,000,000, of which \$1,000,000 shall be Preferred stock and \$6,000,000 Common stock.
- (4) Reincorporate under the laws of Maryland, if deemed desirable (on account of local taxation matters), with either (a) an authorized capital stock of \$7,000,000, of which \$1,000,000 shall be Preferred stock and 120,000 shares of \$50 each shall be Common stock; or (b) with \$1,000,000 Preferred stock, par value \$100, and 120,000 shares of Common stock without any nominal or par value.

**Digest of Letter from President Frank A. Furst, Baltimore, July 11 '19.** The purpose is in effect to consolidate with your company the seven corporations with the management of which I for some years have been personally connected, viz.: (1) Maryland Dredging & Contracting Co., well-known as its successful operator for 18 years, during all of which time I have served as its President; a company successful in the highest degree and with business running into many millions of dollars. (2) D. L. Taylor Co., the next in size, is at present building the dry docks at League Island Navy Yard, Philadelphia, and holding large construction contracts with the Pennsylvania RR., besides owning a valuable plant and therefore in a position to anticipate very substantial profits to grow out of the construction business in which it is already actively engaged.

(3) Patasco Ballast Co., owning valuable sand and gravel deposits, fully equipped for economical and profitable operation. (4) Frank A. Furst Realty Co., owning probably the most valuable undeveloped real estate on the water front in Baltimore Harbor, a part of which contains sand and gravel deposits that can be removed and sold, at the same time deepening the channel to the land and increasing its value for factory sites. (5) Arundel Shipbuilding Co., owning and successfully operating a small but fully equipped shipbuilding and ship repair plant of much value to the proposed combination. (6) Baltimore Transportation Co., owning tugboats many of which have in the past been rented and used by your company and the Maryland Dredging & Contracting Co.

The plan thus contemplates taking over six money-making corporations engaged in enterprises of a nature generally similar to the business of your company. The contracting, dredging and sand and gravel business dovetail and fit into one another.

No new money is required to bring about this consolidation. The payments for all of the stock thus to be acquired will be in Common stock, and all of the companies to be consolidated have on hand sufficient working capital. The resulting economies in operating should in a short time enable your company to pay 8% on the Common stock. The men with these enterprises will be retained and I expect personally to continue both my financial interest and a close touch upon their development. [Joseph J. Hock is Vice-Pres. and Gen. Mgr., and W. Bladen Lowndes, Sec'y and Treas.]—Compare V. 103, p. 2430; V. 108, p. 482.

**Austin, Nichols & Co., N. Y.—Acquires Grocery Packing Business of Wilson & Co., Inc., and Its Allied Companies.** Harry Balfé, Pres., gave out the following statement July 19:

Austin Nichols & Co. have arranged to acquire all the grocery packing business of Wilson & Co., the Chicago packers, and its allied companies including the entire business of the Fame Canning Co., which operates a number of important vegetable canning plants in the Middle West, and also the controlling interest owned by Wilson & Co. in the Wilson Fisheries Co., which operates large and important salmon packing and fish industries on the Pacific Coast and in Alaska.

Mr. Balfé further states that this purchase will be financed through the sale of stock, and that the purchase of such stock had been underwritten by a syndicate headed by the Guaranty Trust Co., Chase Securities Corp., Messrs. Hallgarten & Co. and Messrs. William Salomon & Co.

Mr. Balfé is also credited with saying: (a) That the acquisition of the packing business of Wilson & Co., which he had arranged for, were lines which he had for some time been seeking and that his company had no idea of purchasing similar lines of business from any other packers; (b) that his company had no thought of entering the retail business, and that the business had been exclusively that of wholesalers and that it intended to continue only in such business; (c) that the purchase was on a cash basis, but that a request that certain stockholders of Wilson & Co. be given the right to subscribe for a portion of the Common stock had been acceded to and that it was expected that the bankers would offer to the Common stockholders of Wilson & Co. as well as to stockholders of Austin Nichols & Co., the right to subscribe for new Common stock to be issued. See also under Wilson & Co., Inc., below.—V. 101, p. 1015.

**Autocar Company, Ardmore, Pa.—New Stock, &c.**—The stockholders on July 22 voted to increase the capital stock from \$2,000,000 to \$10,000,000. The directors thereupon authorized the immediate sale of \$1,000,000 of the new stock to stockholders of record July 22 and any unsold balance of same to other employees. This additional cash capital is to finance the constantly increasing volume of business. The company was established in 1897 and for the last ten years has manufactured the Autocar motor truck exclusively. There is no change, it is announced, in officers or directors, and "no foundation whatever for the rumor that the company is to be a party to a consolidation with other important motor truck interests."—V. 109, p. 75.

**Automatic Electric Co., Chicago.—Sale of Stock to New Company—New Debentures.**—Four of the directors of this company, manufacturer of automatic telephone outfits, unite in signing a circular dated at Chicago, June 23, saying in sub.:

New Company, International Telephone Sales and Engineering Corporation.—The undersigned have arranged what in their opinion is a most advantageous deal, and recommend that all other stockholders participate with them therein, sending their stock to First Trust & Savings Bank, Chicago, on or before July 12 1919.

Theodore Gary, of Kansas City, and his associates, have organized the International Telephone Sales & Engineering Corporation, of which Mr. Gary will be Chairman of the Board, A. F. Adams, Pres., and H. L. Gary, Vice-Pres. & Treas. Mr. Gary is Chairman and Mr. Adams President of the Kansas City Home Telephone Co.

Mr. Adams will become the President of the Automatic Electric Co., and Joseph Harris Chairman of the Board. The new corporation will immediately take over the sales organization of the Automatic Electric Co., and execute all future contracts for equipment. They have already secured a large contract running for five years, which will yield large profits, and we are convinced will promptly meet all obligations under this plan. Since the Automatic Co. was unable to show satisfactory earnings, this deal is clearly advantageous.

The agreement provides for an immediate increase in the factory equipment to enable to double the present output, and ample finances will be provided for the business.

**Terms of Exchange.**—Each deposited share of [the \$5,250,000 capital stock, par \$100] the Automatic Co. will receive \$125 (less commission) in 6% debentures payable serially within five years from Jan. 1 1920, embracing: (a) \$100 Series A (first lien); (b) \$25 Series B (second lien). Mr. Gary and his associates agree to purchase forthwith at par for cash all of the Second Lien B Debentures issued for each share of stock delivered.

There will be deducted from the cash payment to be made \$1 per share to cover counsel fees and cash outlays in connection with the transaction.

**Summary of Net Amount to the Stockholders for Each Share Deposited.**—Cash for Series B Debentures \$24.00; Series A 6% due Jan. 1 1923, \$12.50; Series A 6% (due Jan. 1 1921, \$12.50); Deben. due Jan. 1 1924, \$12.50; Debentures (due Jan. 1 1922, \$12.50) tires, due Jan. 1 1925, \$45.00

The int. on debentures will be payable J. & J., beginning Jan. 1 1920.

**Debentures of New Company—Stock to Be Pledged as Security.**—On or before Jan. 1 1925 the entire issue of debentures will have been taken up and paid for in full at par with interest at 6%. The new corporation will have the privilege at any time of calling Series A Debentures at par and int.

The Series B Debentures will aggregate a little over \$1,250,000, when all of the Automatic stock is delivered. Their immediate purchase by Mr. Gary and his associates is a further assurance that all of the provisions for the retiring of Series A Debentures will be complied with.

A percentage of the debentures is to be paid off each year, beginning Jan. 1 1921, as described above.

All of the stock of the Automatic Co. purchased by the new corporation, will be deposited with the First Trust & Savings Bank of Chicago, as trustee under a trust agreement, as collateral to secure, first, the Series A Debentures, and after their payment, Series B Debentures. No debentures of either Series A or Series B class can be issued in excess of the amounts required to pay for the stock of the Automatic Co.

**Commission.**—The contract provides for a 3% commission to Frank H. Woods of Lincoln, Neb., to be paid in debentures due Jan. 1 1925, amounting to \$5 on each share of stock delivered, which amount will be deducted from the debentures delivered for stock deposited.

The trust agreement was drawn by our counsel, Wollman & Wollman, 20 Broad Street, New York City.

Mr. Woods will also take a financial interest in the International Telephone Sales & Engineering Corp., and become a member of its board.

**Directors.**—In the reorganized board of directors of the Automatic Electric Co., three of the former directors, Joseph Harris, F. H. Woods and J. B. Russell, will remain, and they or their nominees will act as directors until all Series A debentures have been paid.

For further details address F. H. Woods, care of the Automatic Electric Co., 1001 West Van Buren St., Chicago, Ill.

[Signed—Joseph Harris, George W. Fairchild, Frank H. Woods and J. B. Russell.]—V. 108, p. 785.

**Bay State Fishing Co.—Findings Against Alleged Boston Fish Combination.**—

See under "Current Events" in last week's "Chronicle," page 229. The Boston "Post" says that the company is considering an offer made by an English firm to purchase its entire fleet.—V. 107, p. 304.

**Bethlehem Steel Corporation.—No Extra Dividend.**—The directors on July 24 declared the usual quarterly dividends of 1 1/4% on the "A" and "B" common stocks, payable Oct. 1 to stockholders of record Sept. 15. No extra dividend was declared. Three months ago 3/4% extra was declared, and six months ago 1 1/4% extra was ordered paid.

Previous to that time the common stocks were on a regular 2 1/2% quarterly basis. After the meeting the following was issued:

It was deemed expedient to make no extra distribution to stockholders at this time, feeling it wise to conserve the Corporation's resources against the somewhat uncertain future. Although the steel business is showing a satisfactory growth in volume, it was recognized that with the continued high cost of production and present level of prices, that resultant profits would not justify any extra dividends.

The Corporation's shipbuilding plants are still producing at full capacity principally on work taken during the war period.

The steel plants as a whole are operating at about 60% capacity in some important lines at full capacity, but the small volume of orders from the railroads, who are normally the largest single purchaser, makes for an unbalanced order book.

The Corporation is continuing its policy of modernizing its plants and extending into new fields. To date this year, it has spent \$12,000,000 and has authorized, financed and in course of execution further plant extensions at a cost of \$20,000,000.

When completed this expenditure, in the main, will provide additional structural capacity at the Bethlehem plant, additional merchant plant and tin plate output and a new sheet plant at the Maryland plant, extension of dry dock and repair facilities at our various shipyards and the modernizing and extension of the American Iron & Steel plant at Lebanon.

Material progress has been made in converting the purely wartime plants into various commercial pursuits closely allied to the different lines of our present business.—V. 109, p. 175.

**Brighton Mills (Cotton and Special Fabrics), Passaic, N. J.—Dividend.**—

The board on June 18 1919 declared the regular quarterly dividend of 1 1/4% on the preferred stock, and the regular quarterly dividend of 2%, plus an extra 2% dividend on the common stock, issued and outstanding, payable June 30 1919 to stockholders of record June 23 1919. Checks in payment of the dividends were mailed to stockholders on June 30 1919.

Pres. & Treas., William L. Lyall; Sec., Thomas M. Gardner; Supt., Timothy J. Kelly; Asst. Treas., Henry V. R. Scheel.

**British Mexican Petroleum Co.—Organized.**—

Cable advice received from London this week announces the incorporation of this company in England on July 15 with a paid-up initial capital of £2,000,000, one-half of which has been subscribed by important British interests and the other half by the Pan-American company.

The company will start out by marketing Mexican Petroleum oil and gasoline in the Eastern Hemisphere and will own a fleet of tankers and tank farms at important shipping ports for the bunkering of ships with fuel oil. The company will also erect refineries to handle crude oil from the Mexican Petroleum Company. The contract between the British Mexican Petroleum Co. and the Mexican Petroleum Co. runs for a minimum period of 20 years and requires an annual purchase from the Mexican Petroleum Co. of several million barrels of oil and gasoline.

**Directors.**—The organizers and directors are Lord Pirrie, William Weir, Sir Thomas Roydon, Sir Peter McClelland, Sir James T. Currie, J. R. Morton, E. L. Doherty, H. G. Wylie, E. L. Doherty, Jr., J. M. Danziger, Elisha Walker, L. P. Sheldon, Sir Alexander McGuire and W. A. White will act as alternates for the American directors residing outside Great Britain.

**Brunswick-Balke-Collender Co.—Sales.**—

	1919.	1918.	Increase.
Sales for 6 months ending June 30.	\$10,061,375	\$5,327,136	\$4,734,239

—V. 108, p. 2526, 483.

**Burns Bros., Inc.—Application to List.**—

Application has been made to the New York Stock Exchange to list \$192,600 additional common stock, bringing the total amount up to \$7,897,900.—V. 109, p. 175.

**Butte & Superior Mining Co.—Accounting Ordered, &c.**—

In accordance with the decision of Justice Clark of the U. S. Supreme Court, rendered June 2 (V. 108, p. 2530) in the case of the Minerals Separation Co., the attorneys of the latter company entered the decree in the lower Court at Helena, Mont., on July 19. Judge Bourquin also ordered an accounting covering whatever damages Minerals Separation may have suffered from the Mining Company's use of its flotation process, and the Mining Company was ordered to file a statement of its earnings and profits from this so-called oil flotation on or before Oct. 29 next. Neither the measure of damages nor the amount to be paid was passed upon by the Court.

The Minerals Separation North American Corp. in relation to the judgment of the U. S. Supreme Court says: "The judgment specifically confirms the validity of patent in terms of precise language and meaning of claims 1, 2, 3, 12, amended claims 9, 10, 11 also validated. It declares

the claims must control a definition of rights and limitations in all cases where conflict arises in evidence of statements of counsel.

Canada Steamship Lines.—Director.—

Sir Henry Pellatt has been elected to the board.—V. 108, p. 2435.

Canadian Woollens, Ltd.—Offering of Pref. Stock.—

Hanson Bros., Montreal, Ferguson & Ormsby and Canada Bond Corp., Toronto, are offering at 100 per share, with 25% bonus in ordinary shares, \$1,750,000 7% cumulative redeemable sinking fund Preferred shares.

Redeemable in full at par July 1 1941, or in full or in part at any prior date, after July 1 1922, either by drawings at 110 or in the open market at a price not in excess of 110.

Company.—Incorp. in Canada and owns and operates the Auburn Woollen Co., Ltd., of Peterboro (estab. 1818), the Standard Woollen Mills Co., of Toronto, Ltd. (estab. 1884), and Bonner-Worth Co., Ltd., Peterboro (estab. 1911).

Capitalization.—7% Cum. Stake, Pd. Pref. shares (par \$100).....\$1,750,000 \$1,750,000

Earnings.—Combined earnings of the three companies for the past 5 1/2 years (Jan. 1 1914 to June 30 1919, incl.) after depreciation, have averaged \$330,822, or over 2 1/2 times the amount of div. on the Preferred shares, or over twice the amount of divs. on the Pref. shares and the sinking fund, or over 9% on the Ordinary shares after providing for both div. on the Preferred shares and the sinking fund.

The average annual combined sales for the past 5 years have been \$2,766,999. At present they are at the rate of \$4,500,000 per annum.

Statement of Assets & Liabilities as Certified to by Price, Waterhouse & Co. Assets.—Land, buildings, plant and equipment at the depreciated value, as certified by the Canadian Appraisal Co., Ltd., as at June 1919, \$1,244,996; inventories, \$1,036,958; accounts receivable, \$442,173; cash and Victory bonds (incl. cash received from the proceeds of Pref. stock issued), \$184,059; other assets, \$28,352; total, \$2,936,538.

Liabilities.—City of Peterboro mortgage, without int., on Bonner-Worth properties, \$6,000; bank loans and overdrafts, \$12,028; advances other than bank loans, \$143,939; accounts payable and accrued liabilities, \$135,468; approximate provision for Govt. taxes to Dec. 31 1918, \$320,847; total, \$618,283. Total net assets, \$2,318,255.

Directors.—J. Bonner, Paris, General Manager Penmans, Ltd.; A. O. Dawson, Montreal, Vice-Pres. & Managing Director Canadian Cottons Ltd.; J. B. Ferguson, Toronto, of Ferguson & Ormsby; W. K. George, Toronto, director Albitri Power & Paper Co., Ltd.; G. D. Perry, Toronto, Pres. & Gen. Mgr. Toronto Carpet Mfg. Co., Ltd.; G. D. Perry, Toronto, Gen. Mgr. Great North-Western Telgr. Co., Vice-Pres. Barrymore Cloth Co., Ltd.; F. R. Sweeney, Toronto, Pres. Zimmerman-Relliance, Ltd., knit goods manufacturers.

Central Leather Co.—Earnings.—

Results for Quarter and Six Months Ending June 30.

Table with 5 columns: 1919-Quar, 1918, 1919-6 Mos, 1918. Rows include Total income, General exp., loss, &c., Income from invest., Int. on bonds & debens., Net income, Prof. divs. pay. July 1., Common dividends.

Balance surplus \$3,160,352 \$1,043,489 \$4,194,277 \$1,105,944 —V. 108, p. 1722, 881.

Chesapeake Steamship Co.—Federal Contract Signed.—

Director General Hines has signed the Federal operating contract with this company, fixing the annual compensation at \$102,048.—V. 107, p. 504.

Citizens Gas Co. of Indianapolis.—Offering of Stock.—

Union Trust Co., Indianapolis, are offering \$486,000 10% Cumulative Capital Stock (par \$25) at \$35 75 per share (or 143) at which price, the divs. being 10%, the stock yields 7%.

Dated July 1 1919. Semi-annual dividends payable Sept. 28 and Mar. 28. A circular shows:

Purpose of Issue.—To meet in part the recent very great increases in the company's investment in plant and working capital.

Gas Rates.—The company was the originator of and supplies the people of Indianapolis with gas at 60 cents per 1,000 cu. ft. Such a price could not be maintained if it were not for the fact that the company is a large operator of by-product coke ovens. The gross income from the sale of gas amounts to rather less than 25% of the total income of the company.

Government Settlement.—The settlement of the company's war claims against the U. S. Govt. has been adjusted and the company has received \$519,456, paid June 18 1919. Under the contract thus settled the receipts from the Government would have been applicable to earnings during the years 1919 and 1920, and the amount received from the Government will therefore be allocated to these two years, thus affording a considerable offset to the shrinkage in the company's business due to the sudden termination of the war.

Capitalization Prior to This Financing.—Authorized, Issued. First and Refunding Mortgage 5% bonds.....\$10,000,000 \$2,462,000

General Mortgage 7% bonds (V. 107, p. 294).....1,500,000 1,400,000

Capital stock.....2,000,000 1,500,000

\*The full authorized capital stock will stand as issued with the delivery of stock sold on May 29.

Voting Trust.—The capital stock is held in perpetual trust by a board of self-perpetuating trustees who vote all of the stock and elect the directors. The original issue of \$1,000,000 of capital stock was sold on popular subscription and was taken by about 3,500 individual subscribers.

Trustees and Officers.—The voting trustees are Judge Thomas L. Sullivan (Pres.), Thomas H. Spann (V.-Pres.), Lucius B. Swift, Henry Kahn and G. A. Schull. The directors are John R. Welch (Pres.), A. F. Potts (V.-Pres.), J. D. Forrest (Sec. & Gen. Mgr.), G. A. Eroymsom (Treas.), H. W. Bennett, J. H. Hooker, H. H. Hornbrook, Robert Lieber and Franklin Vonnegut.

Income Account Year Ending December 31 1918. Gross Op. Earns. Net Int. Tax. Total Earnings, Net Earnings. Net Profits.

\$5,291,186 \$738,105 \$590,363 \$507,427 \$356,275

Balance Sheet Dec. 31 1918.

Table with 2 columns: Assets, Liabilities. Rows include Property account, Inventories, Accounts receivable, Prepaid accounts, Cash, Liberty bonds, Stock Milburn By-Products Coal Co., Accts. subject to amortiz., Sinking fund assets, Miscell., &c., accounts.

Total (each side).....\$7,820,559 Compare offering of Gen. M. 7s in V. 107, p. 294.—V. 108, p. 2125.

Cleveland Electric Illuminating Co.—Rate Decision.—

The Ohio State Supreme Court on July 9 held that the 10-cent rate per kw.h. for electric current allowed by the P. U. Commission is unreasonable and illegal because excessive. The judgment of the Utilities Commission fixing the 10-cent rate was reversed and the case remanded to the Utilities body. The decision is in effect an order by the Court to the Commission to fix a lower rate for electric current consumers of Cleveland.

Present rates in Cleveland vary from 10 cents to 3 cents per kw.h., according to the amount of current used. In 1914 city council passed an ordinance fixing 3 cents per kw.h. as the maximum. The company appealed to the P. U. Commission, and through 5 years the company fought out, during which time a 10-cent maximum has been in force. Last November the Commission, after having made an appraisal of the company's property and fixed a valuation, established a flat rate of 10 cents, and held it did not have jurisdiction to fix a schedule of rates.—V. 108, p. 171.

Cleveland Erieau Steamship Co.—Offering of Bonds.—

Worthington, Bellows & Co., Cleveland, are offering at par and int. \$150,000 First Mortgage 7% Serial Marine bonds. A circular shows:

Dated July 15 1919, due \$25,000 each Jan. 1921 to 1926. Denom. \$1,000. Int. payable J. & J. at Guardian Savings & Trust Co., Trustee. Redeemable in inverse numerical order at 103 and int. Company covenants to pay Federal income tax up to 4%.

The company, incorporated in Delaware, has contracted to acquire and operate the steamer "Theodore Roosevelt." Its capitalization is as follows: Bonds (this issue), \$150,000; Preferred stock, \$125,000; Common stock (no par), 3,000 shares. Those bonds are secured on the ss. "Theodore Roosevelt," a steel passenger vessel, built for excursion traffic, appraised at \$304,000.

Colorado Yule Marble Co.—Foreclosure Decree Signed.—

A final decree of foreclosure was signed on July 10 by Judge C. J. Morley of the U. S. District Court at Denver after he had accepted the final report of J. F. Manning, receiver. Under the decree a sheriff's sale of the property will take place Sept. 10 1919 in Gunnison County, Colo.—V. 108, p. 272.

Columbia Gas & Electric Co.—Earnings.—

Consolidated Earnings for June and Six Months Ended June 30 1919.

Table with 4 columns: June, Increase, 6 Mos., Increase. Rows include Gross earnings, Oper. expenses & taxes, Net oper. earnings, Other income, Total net earnings, Lease rentals, Fixed charges, Surplus.

—V. 108, p. 1384.

Computing-Tabulating-Recording Co.—Earnings.—

Table with 4 columns: Quarter Ending, Year Ending. Rows include Net earnings of sub. cos., Int. on outstanding bds., Net earnings.

x After deducting for maintenance and depreciation of plants and equipment, reserve for doubtful accounts, proportion of unacquired shares, and expenses of C-T-R-Co., but not any appropriation for excess profits tax and other unusual taxes.—V. 108, p. 1157.

Six months ending June 30 — 1919 1918 1917. Earnings of subs. after main., deprec., etc. \$1,145,775 \$1,099,677 \$872,029

Interest on bonds.....185,551 171,930 172,411

Net earnings.....\$959,191 \$927,747 \$699,585

These figures do not include any appropriation for excess profit tax or other unusual taxes.—V. 108, p. 1157.

Congoleum Co., Inc.—Offering of Preferred Stock.—

A. B. Leach & Co., N. Y., &c., are offering at 95 and div. by advertisement on another page \$2,000,000 7% Cumulative First Preferred (a. & d.) stock, par \$100.

Dividends payable quarterly Mar. 1, &c. Redeemable as a whole or in part on any div. date on 30 days' notice at 107 and divs. Company will set aside each year, beginning Dec. 1 1921, at least \$50,000 out of surplus profits after First Preferred stock divs. for redemption of this stock at not exceeding 107 and divs.

Data from Letter of Pres. Frank B. Foster, Dated Phila., July 17 1919.

Company.—Organized in New York and has succeeded to all the property and assets of the Congoleum Co. of Pa., heretofore owned and operated by the Barrett Co., which, through ownership of all the \$1,000,000 8% Second Preferred stock, retains a very substantial interest in the business.

Manufactures printed floor coverings protected by patents in the United States and principal manufacturing countries of the world. It is the original felt-base floor-covering, which is water-proof, sanitary and durable and is made in patterns adaptable for the household and for offices of every description. The business of the company has increased rapidly and its yardage to-day is probably larger than that of any other printed floor-covering manufacturer in this country. The manufacturing plant is located at Marcus Hook, near Philadelphia, and consists of 28 brick and steel buildings of substantial construction, supplied with the most modern equipment. Property includes 26 acres of land situated directly on the Pennsylvania RR., affording ample space for further enlargements.

Capitalization.—Authorized, Outstanding. First Mortgage 7% Serial gold notes (V. 109, p. 274) \$1,000,000 \$1,000,000

7% Cumulative First Preferred stock.....2,000,000 2,000,000

8% Second Preferred stock.....1,000,000 1,000,000

Common stock (no par value).....30,000 shs. 30,000 shs.

Assets.—Based upon the balance sheet as of April 30 1919, but including the First Mortgage 7% Serial gold notes, and applying the proceeds thereof to reduce current liabilities, the net assets were as follows: Real estate, buildings, equipment, &c., less accrued depreciation (as recently appraised by independent appraisers).....\$2,091,301

Patents, trade-marks and good-will.....1,003,600

Prepaid insurance, &c.....63,274

Excess of current assets over current and accrued liabilities, including \$260,000 reserve for 1918 Federal taxes ("net current assets").....2,087,094

Total.....\$5,241,538

First Mortgage Secured notes.....1,000,000

Excess of assets over liabilities.....\$4,241,538

This indicates that, after making provision for the First Mortgage 7% Serial gold notes, net assets are equal to \$212 for each share of First Preferred stock issued, and even with the item of patents, trade-marks and good-will eliminated, there would still be \$162 of net tangible assets for each share of First Preferred stock.

Protection.—Sales in yards for the last 6 years have shown a 500% inc. Provisions.—(a) In the event of default in payment of 4 consecutive quarterly dividends, or in any of the sinking fund provisions, has exclusive voting power until such default has been remedied. (b) Without the approval of holders of 2-3 of the First Preferred stock outstanding, no additional mortgage or lien shall be placed on the company's property (except purchase money mortgages or new properties acquired subject to mortgage lien). (c) No stock shall be created having preference over this issue.

Notes Sold.—The \$1,000,000 First Mtge. 7% Serial Gold Notes, dated July 1 1919, and offered by Halsay, Stuart & Co., as noted in last week's "Chronicle," have all been sold.

—V. 109, p. 374.



Coniagas Mines, Ltd.—Dividend.—
The directors have declared a quarterly dividend of 2 1/2%, payable Aug. 1; books closed July 21 and reopen Aug. 1.—V. 108, p. 272.

Continental Guaranty Co., N. Y.—Officers.—
Secretary H. M. Benson has been made Vice-President, D. R. Bills, Secretary, and H. A. Rudkin of McClure, Jones & Reed, a director. The quarterly dividend of 2% is payable Aug. 1 on stock of record July 28.—V. 108, p. 1612.

Cramp (Wm.) & Sons Ship & Engine Building Co.—
See American Ship & Commerce Corp. above.—V. 109, p. 274.

Cuba Cane Sugar Corporation.—Mr. Evans Resigns.—
Henry Evans, July 23, resigned from the board. It was Mr. Evans who objected to the plan suggested some months ago as to the making of a bond issue and at his request General Goethals was sent to examine the property.

General Goethals' report has been referred to a committee of directors and it is possible may be printed. The "Boston News Bureau" of June 23 contained a long statement regarding the General's report.—V. 109, p. 274.

Davol Mills, Fall River.—Dividend.—
A quarterly dividend of 5% has been declared on the \$500,000 capital stock, payable Oct. 1, contrasting as follows:

Table with 5 columns: Year, Jan, April, July, Total. Rows for 1919 and 1918.

Davis Mills, Fall River, Mass.—Dividend.—
A quarterly dividend of 5% has been declared on the \$1,875,000 stock, payable Sept. 20 to holders of record Sept. 6, and comparing as follows:

Table with 5 columns: Year, March, June, Sept, Total. Rows for 1919 and 1918.

Dayton (O.) Power & Light Co.—Stock Listed.—
The Governing Committee of the New York Stock Exchange has authorized the listing of \$232,000 6% Cumulative Preferred stock, making the total amount authorized to be listed \$2,730,000.—V. 109, p. 274.

Dominion Textile Co., Ltd., Montreal.—New Bonds.—
The shareholders will vote Aug. 26 authorizing the creation of a bond issue amounting to \$15,000,000.

The "Financial Post" of Toronto for July 19 says:
This issue will take care of the bond payment of \$1,500,000 to Canadian Cottons and \$875,000 cash for their Mount Royal mill, which the company recently took over from them at the end of a ten year rental. Then there will be amounts issued to refund bond issues running into the year 1925 and \$6,000,000 for the new St. Lambert mill. The requirements then are:

Table listing various financial items: Bonds to Canadian Cottons (\$875,000), Maturings, Dominion Cotton Mills 6% (July 2 1921), etc.

It is not intended to expend the whole of this last item of \$8,000,000 immediately, but it is the portion to be provided for by bond issues out of a total amount, which will run, it is understood, to \$10,000,000, mainly for this mill, that the company expects to spend for extensions and improvements in the next few years. [It is suggested that an issue of new stock may be made part of the financing, but not for a year or two.—Ed. "Chron."]

The new mill at St. Lambert will be the largest textile mill in Canada. It is probable that it will be built to a capacity of 10,000 looms, which is about the total present capacity of the Dominion Textile Co., in units of 2,500 looms each.

The bonds will be First Mortgage & Refunding bonds and will mature in 30 years and bear 6% interest. It is understood that arrangements have already been made for their underwriting by two prominent bond houses of Montreal. It is expected that the issue will be announced about Sept. 1 at a price very close to par.

The output this past year was over \$23,000,000.—V. 108, p. 2332.

Famous Players-Lasky Corporation.—Officer.—
Arthur H. Lockett of Bonbright & Co. has been elected a director.—V. 109, p. 176.

Firestone Tire & Rubber Co., Akron, O.—Further Data.—
In connection with the offering of this company's 6% Cum. Pref. stock by Cleveland Trust Co., Borton & Borton and Staay & Braun, in V. 108, p. 2531, a circular further shows:

Company.—Organized in Ohio. Its chief products are pneumatic rubber tires and tubes, solid truck tires, carriage tires, tire accessories, steel rims and rubber boots and shoes. Manufacturing plants are located in Akron, the company owning, in fact, approximately 200 acres of real estate, available for factory purposes, and its present plants contain approximately 50 acres of floor space.

Main plant is modern in construction, is thoroughly equipped for the manufacture of rubber goods. Plant No. 2, recently erected and used during the war for the manufacture of balloons for the Government, is of pressed brick and concrete, having 9.5 acres of floor space, has a capacity of 13,000 tires and 16,000 tubes daily. Has 62 branches, located in the important business centres of the country. Its export business is done through 4 established branches, 1 in Buenos Aires, 1 in London, 1 in Paris and 1 in Singapore. The balance of the foreign sales are handled through well-established agencies in all parts of the world. No. of employees about 14,000.

Sales & Profits Fiscal Years Ended July 31 1910 to 1915 & Oct. 31 1917 & 1918.
Table with 6 columns: Year, Sales, Prof. after deprec.

Sales for the 6 months' period of present fiscal year show a substantial increase over the same period of last year.

Capital Increase.—
Press dispatches from Akron, O., on July 21 state that the stockholders were asked to vote on that date on increasing the capital from \$15,000,000 to \$75,000,000, of which 2-3ds is Preferred and 1-3d Common. Preferred amounting to \$10,000,000, it is stated, will be sold at once to enlarge the plant.—V. 108, p. 2531.

General Chemical Co., New York.—Earnings.—
Results for the Three Months and Also Six Months ending June 30, 1919—3 Mos.—1918. 1919—6 Mos.—1918.

Balance, surplus, \$109,810 \$699,788 \$863,416 \$2,145,452
Note.—The surplus shown on the books of the company at the time of its last report to stockholders has been reduced by \$1,383,679, for plant amortization.—V. 109, p. 275.

General Electric Co., N. Y.—Acquires Trumbull Interest.
The company has given out the following statement: "The General Electric Co. has acquired an interest in the Trumbull Electric Manufacturing Co. of Plainville, Conn. The present management of the Trumbull Company still retains a financial interest in the company and will continue in active charge of its manufacturing and selling policy. The Trumbull Company has an enviable reputation, national in its scope, as a large manufacturer of knife switches and safety-first iron-box enclosed switches, as well as a general line of miscellaneous supplies."—V. 109, p. 275.

General Cigar Co., Inc.—Stock Listed—Earnings.—
The Governing Committee of the New York Stock Exchange has authorized the listing of temporary certificates for \$4,620,800 7% Cumulative Convertible Sinking Fund Debenture Preferred stock, making total amount authorized to be listed \$4,620,800 7% Cum. Conv. Sink. Pd. Pref. stock and \$22,724,800 Common stock.

Results for Five Months Ended May 31 1919 (Filed with N. Y. Stock Exchange).
Table with 2 columns: Item, Amount. Rows for Gross earnings, net earnings, Dividends, Balance for five months, Total profit and loss, surplus, etc.

General Motors Corp.—Stock Listed—Earnings.—
The New York Stock Exchange has authorized the listing on and after Aug. 1 of \$30,000,000 additional 6% Cumulative Debenture stock, making the total amount authorized to be listed \$80,740,800.

Consolidated Income Account for 3 Months ended Mar. 31 1919 (Filed with New York Stock Exchange).
Table with 2 columns: Item, Amount. Rows for Net profits, after expenses, depreciation, &c.; Provision for Federal taxes, &c.; Balance; General Motors' proportion; Preferred and debenture dividends; Dividends (one quarterly dividend on Common stock) 3%; Balance, surplus, for quarter; Total profit and loss, surplus, etc.

Gimbel Brothers, N. Y.—Purchase of Building.—
The company on July 21 completed negotiations for purchase of site on Broadway, between 32d and 33d streets, where store is located, from Greeley Square Realty Co. (V. 100, p. 144; V. 108, p. 273). Property is assessed for taxation at \$6,630,000.—V. 108, p. 1130.

(B. F.) Goodrich Co., Akron, Ohio.—Dividend—Earnings.—
The company as of July 23 informs the "Chronicle" as follows: The directors at quarterly meeting to-day declared quarterly dividend \$1.75 per share on preferred stock payable Oct. 1 to stockholders of record at close of business Sept. 19, also the usual quarterly dividend \$1 per share on common stock payable Nov. 15 to stockholders of record at close of business Nov. 5.

Net profits for first six months of 1919 after making full provisions for maintenance charges depreciation doubtful accounts and all known outstanding liabilities but before providing for income taxes are approximately \$7,700,000. Net profits for the corresponding period of 1918 after providing for Federal taxes, aggregated, \$7,150,000.—V. 108, p. 2437.

(H. W.) Gossard & Co.—Offering of Preferred Stock.—
Ames, Emerich & Co. and F. B. Hitchcock & Co., Chicago, are offering at 98 and div., yielding over 7 1/2%, by advertisement on another page, \$1,000,000 7% Cumulative Preferred (a. & d.) stock, par \$100. The company is one of the largest manufacturers of corsets and brassieres in the world. Its business was established in 1897 and its products enjoy an international market.

Divs. payable quarterly Feb. 1, &c. Redeemable on 60 days' notice on or before Aug. 1 1924 at 105 and div. and thereafter at 110 and div. Further information another week.

This company was incorporated in Illinois on July 22 with a capital of \$8,500,000, divided into 10,000 shares of Preferred (par \$100) and 75,000 shares of common (no par). The incorporators are H. W. Gossard, President; R. C. Stren, Secretary, and F. A. Fletcher.

The stockholders of the N. Y. company voted July 7 (1) to change the number of shares of the Com. stock from 25,000 shares, no par value, to 75,000 shares without par value, by reducing the stated capital from \$30 to \$10 for each share, and authorized the issuance of 3 shares of said Common stock upon which \$10 per share is paid in, for one share of the Common stock now outstanding, upon which \$30 per share is paid in. (2) Authorized the transfer of the entire business, property, property rights, &c., to a corporation to be organized under the laws of Illinois under the name of the H. W. Gossard Co., with an authorized capital stock consisting of 10,000 shares of 7% Cumulative Preferred stock, par \$100 each, and 75,000 shares of Common stock, without par value, in consideration of the payment to this company of a sum sufficient to pay for the redemption of the Preferred stock outstanding on Aug. 1 1919 and the assumption by the new company of all the debts, liabilities and obligations of this company, and the issuance to the holders of the 75,000 shares of the Common capital stock of this company of a like amount of the shares of the Common capital stock of the new company, upon surrender of the shares of the Common capital stock of this company.

The entire outstanding Preferred stock has been called for redemption on Aug. 1.—V. 108, p. 1063.

Great Atlantic & Pacific Tea Co., Inc.—Sales.—
Table with 4 columns: Item, 1919, 1918, Increase. Rows for For 5 months ending June 30, Or 2 1/2%—V. 108, p. 1393.

Greeley Square Realty Co., N. Y.—Building Sold.—
See Gimbel Brothers Co. above.—V. 108, p. 273.

Guanajuato Power & Electric Co.—Coupons, &c.—
On July 1 an overdue coupon was paid on the bonds of each of the three associated companies, Curtis & Hine, General Managers, Colorado Springs, Colo., in circular of June 2 1919 announcing this payment say in substance: Your companies' cash balance has accumulated to a point where they can make payment of another coupon and still leave a sufficient cash reserve for emergencies. The directors have accordingly decided to pay the earliest maturing of the overdue coupons of the bond issue of each of the companies on July 1 1919, with interest thereon at 6%, viz.: (a) Guanajuato coupons due Apr. 1 1917, \$34.05 in all on each \$1,000 bond, at U. S. Mtge. & Trust Co.; (b) Michoacan Power Co. coupons due Jan. 1 1917 and Central Mexico Light & Power Co. coupons due Jan. 1 1917, \$34.50 in all on each \$1,000 bonds, at the Old Colony Trust Co. at Boston. Matured bonds of Michoacan Power Co. have no coupons attached, and it is necessary to send them to the trustee as evidence of ownership.

Additional coupons will be paid off as rapidly as funds can be accumulated above the reserve held to meet emergencies.

Results for Calendar Years, Including All Three Companies.
Table with 3 columns: Item, 1918, 1917. Rows for Gross earnings, Operation and maintenance, Reserve for depreciation, Extraordinary expense, Taxes, Bond, &c., interest, Other income, Surplus for the year.

Guffey-Gillespie Oil Co.—Stock Sold.—F. S. Smithers & Co., Moore, Leonard & Lynch, New York, announce by advertisement on another page the sale of 200,000 shares Common stock without par value. For further details see V. 108, p. 83, 174; V. 109, p. 275.

Gulf States Steel Co.—Net Operating Income.—
Table with 5 columns: Year, May, April, March, Feb, Jan. Rows for 1919, 1918. The deficit in June, contrasting with the net income of the previous months, is attributed to curtailed operations occasioned by the adjustment period.—V. 108, p. 2333, 1824.

**Haddam Improvement Co., Cleveland.—Offering of Bonds.**—Worthington, Bellows & Co., Cleveland, are offering at par and int. to yield 7% \$500,000 First Mortgage Leasehold 7% gold bonds. A circular shows:

Dated May 1 1919. Denom. \$1,000, \$500 and \$100 (c\*). Due serially May 1 1922 to 1929, incl. Int. payable M. & N. at Guardian Savings & Trust Co., Cleveland, trustee, without deduction for any Federal income taxes deductible at the source up to 2%. Redeemable on any int. date in inverse numerical order at 101 and int.

Bonds are secured by an absolute first mortgage on the 99-year leasehold estate of the company and on the buildings thereon valued at more than \$1,200,000.

**Hamilton (O.) Otto Coke Co.—To Sell Plant.**

At a meeting of creditors of the company July 15 at the office of referee in bankruptcy, H. Haines, Hamilton, O., the trustees, Roy S. Bruner, E. G. Ruder and Carl F. Arntsen, were ordered to sell the entire plant at public auction, on the premises, Sept. 17.

**International Petroleum Co., Ltd.—Officer.**

Victor Ross has been elected a director and Vice-President to succeed the late W. J. Hanna. Mr. Ross also has been elected a director of the Imperial Oil Co., Ltd., succeeding the late W. W. Oswald.—V. 108, 2128, 485.

**International Telephone Sales & Engineering Corp.**

See Automatic Electric Co. above.

**Kennecott Copper Corp.—Production (in Pounds).**

1919—June—1918.	Increase	1919—6 Mos.—1918.	Increase.
5,596,000	4,044,000	1,552,000	33,650,000
			30,872,000
			2,778,000

—V. 108, p. 2532, 2245.

**Kerr Navigation Corp.—Controlling Interest Acquired**

See American Ship & Commerce Corporation above.

**Keystone Tire & Rubber Co.—Stock Listed—Earnings.**

The Governing Committee of the New York Stock Exchange has authorized the listing of \$660,750 Common stock, making total amount authorized to be listed \$2,659,650.

*Earnings for Five Months Ended May 31 1919 (Filed with N. Y. Stock Exch'ge).*

Sales, \$4,953,974; total net income	\$740,041
Federal taxes and expenses	246,041
Dividends, including one quarterly cash dividend of 3% and a stock dividend of 15%, paid May 20	310,240

Balance, surplus, for five months \$813,160  
Profit and loss surplus May 31 1919 was \$698,468.—V. 109, p. 177, 76.

**Kilbourne & Jacobs Mfg. Co.—Obituary.**

Col. James Kilbourne, President of this company, died July 7 1919.—V. 104, p. 867.

**Knoxville Gas Co.—Bonds Called.**

Five (\$5,000) First Mtge. 5% gold bonds, Nos. 22, 103, 286, 466, 488, due Oct. 1 1933, have been called for payment on Oct. 1 at 103% and int. at the U. S. Mtge. & Trust Co.—V. 107, p. 1007.

**Land & Apartment Hotel Building.—Offering of Bonds.**—Fort Dearborn Trust & Savings Bank, Chicago, are offering at par, to net 6%, \$700,000 First Mortgage 6% gold bonds, dated June 4 1919, due serially 1921 to 1929.

Redeemable on any int. date after one year at 102 and int. Denominations of \$100, \$500 and \$1,000 (c\*). Int. payable J. & J. at Fort Dearborn Trust & Savings Bank, trustee, Chicago. Secured by the land and apartment hotel building known as "The Plaisance," located at southwest corner of Stony Island Ave. and the Midway Plaisance, opposite Jackson Park, Chicago.

**Laurel Lake Mills, Fall River.—Dividend.**

A quarterly dividend of 4% has been declared on the \$600,000 stock (par \$100), payable Aug. 1 to holders of record July 15, contrasting as follows:

	Feb.	May.	Aug.	Nov.	Total.
1919	3%	2%	4%	5%	7%
1918	2%	5%	5%	5%	17%

—V. 105, p. 1713.

**Lyman Mills.—Dividend.**

An extra dividend of 3% is announced, payable with the usual semi-annual dividend of 3%, Aug. 1 to holders of record July 23.—V. 108, p. 385.

**Mackay Companies.—President Wilson Signs Bill for Return of Telephone and Telegraph Lines to Owners—Commercial Cable Co. Injunction Dismissed.**

See under "Current Events" in last week's "Chronicle," p. 234.

On July 17 1919 Judge Learned Hand in the Federal District Court made an order setting aside the action of the Commercial Cable Co. asking for an injunction against Albert S. Bursleson and Newcomb Carlton. As a result of the U. S. Supreme Court mandate dated July 7 1919 the Court found that because Postmaster-General Bursleson's turning back the property involved in the litigation to Clarence H. Mackay, Pres. of the Postal Telegraph & Commercial Cable Co., the controversy had become a moot question and therefore no longer a subject appropriate for judicial action.—V. 108, p. 2532.

**Mark Manufacturing Co.—Notes Called.**

The entire issue of Three-Year 6% notes, dated June 1 1917, have been called for payment on Oct. 1 1919 at 101 and int. at Centinental & Commercial Trust & Savings Bank, Chicago.—V. 107, p. 1750.

**Mexican Eagle Oil Co.—Operations, &c.**

See Shell Transport & Trading Co. below.—V. 108, p. 2129.

**Mexican International Corporation.—Organized.**

See under "Current Events" in last week's "Chronicle," p. 221.

**Mexican Petrol'm Co., Ltd., of Del.—British Co. Organ.**

See British Mexican Petroleum Co. above.—V. 108, p. 2334.

**Minerals Separation—North American Corp.**

See Butte & Superior Mining Co. above.—V. 108, p. 2532.

**Montana Power Co.—Earnings.**

*Results for Three and Six Months ending June 30.*

	1919—3 Mos.—1918.	1919—6 Mos.—1918.
Earnings	\$1,698,366	\$1,838,165
Oper. expenses and taxes	761,598	544,987
Net earnings	\$1,083,267	\$1,293,178
Interest and bond disc't.	449,786	419,663
Surplus	\$633,481	\$873,515
Including Federal income and war taxes.		\$1,422,717
		\$1,848,994

**Montreal Light, Heat & Power Co.—Consol. Div.**

This company has declared a quarterly dividend of 1 1/4% on its \$63,965,800 capital stock, payable Aug. 15 to stock of record Aug. 1. The quarterly dividends have previously been at the rate of 4% yearly, since they were begun in Nov. 1916, following the organization of the company in that year to take over the control of the Montreal Light, Heat & Power Co. and Cedar Rapids Power Co.—V. 106, p. 2449.

**Morris & Co.—Federal Trade Commission on Impending Domination of Packers—Packers' Reply, &c.**

See under "Current Events" in last week's "Chronicle," p. 229, et seq.—V. 108, p. 2334.

**Mullins Body Corporation.—Incorporated.**

This company filed articles of incorporation at Albany, N. Y., on July 25.—V. 109, p. 178.

**New York & East River Ferry Co.—Foreclosure.**

The Columbia Trust Co., N. Y., as trustee, filed suit in the N. Y. Supreme Court July 24 against the company to foreclose a mortgage for \$750,000 on leasehold property at the foot of East 92d St., Manhattan. The company ceased operating the ferry between Manhattan and L. I. City in Dec. 1918. A suit by the city to compel the company to continue operating the ferry was dismissed.—V. 108, p. 385, 82.

**New York Title & Mortgage Co.—Officer.**

Morgan J. O'Brien, Jr., son of Judge O'Brien, has been elected a member of the board of directors.—V. 108, p. 2532.

**Northern Illinois Cereal Co., Lockport, Ill.—Offering of Bonds.**—P. W. Chapman & Co., N. Y., &c., and Fort Dearborn Trust & Savings Bank, Chicago, are offering at 100 and int., yielding 7% \$250,000 (closed) First Mtge. 7s. Dated July 1 1919, due July 1 1924 (see advertising pages).

Interest payable J. & J. at the office of the Fort Dearborn Trust & Savings Bank, Chicago, trustee. Redeemable at par plus 1/2 of 1% for each complete and fractional year intervening between the date of call and July 1 1924. Denom. \$100, \$500, \$1,000 (c\*). The company agrees to pay interest without deduction for any normal Federal income which it may lawfully pay at the source, for an amount not exceeding 2%. Sinking fund of 3 1/4% of net earnings each Jan. 1, after bond int. and Federal taxes, to be applied to the purchase and cancellation of the bonds at the call price.

Capitalization—	Authorized.	Outstand'g.
Preferred stock	\$250,000	\$179,310
Common stock	750,000	724,825
First Mortgage bonds (this issue)	250,000	250,000

**Data from Letter of Vice-Pres. Geo. D. Ladd, Dated Chicago, July 19**

Company.—Incorp. under the laws of Illinois; has been engaged in the manufacture of rolled oats and various grain products for almost 10 years. The major portion of our business is the production of rolled oats. Property is located in the City of Lockport, Ill.; its real estate is owned in fee, on which are situated 2 factories, capacity 1,400 barrels of rolled oats per day. The capacity of the plants has been increased 4 times within the last 5 years.

Physical properties appraised on Feb. 5 1919, which, together with the depreciated value of improvements made since that date, equal \$707,562. Current assets as of June 1 1919, after giving effect to this financing, were \$358,142; total present day value, \$1,065,703; or more than 4 times this bond issue (without valuing good-will, trade names or patents).

**Balance Sheet as of June 1 1919, After Giving Effect to Present Financing.**

Assets	Liabilities
Land, bldgs., mach'y, &c. \$707,562	Preferred stock \$179,310
Good-will, patents, &c. 263,151	Common stock 724,825
Cash 64,256	Mortgage bonds 250,000
Liberty Loan bonds 25,600	Acc'ts payable, drafts, &c. 41,870
Notes & acc'ts receivable 113,683	Reserve for Fed'l, &c., taxes 61,080
Inventories 154,604	Surplus 113,785
Deferred charges 41,996	
Total (each side)	\$1,370,851

The average net profit for the 9 full years of operation has amounted to \$41,000 per year, and auditor's figures show average annual net profit for the past two years, after depreciation and Federal taxes, of \$84,000, or more than 4 1/4 times the annual interest requirements.

A new manufacturing unit just completed and in operation has doubled the capacity of the plants and as a result estimated net earnings for the present calendar year will exceed \$150,000.

Cal. Years	1915.	1916.	1917.	1918.	1919 (est.)
Gross sales	\$964,068	\$941,470	\$2,165,003	\$3,619,911	\$4,750,000

**Ontario Steel Products Co.—Dividends.**

This company has declared a regular quarterly dividend of 1 1/2% on the preferred stock and a dividend of 1 1/4% on account of back dividends.—V. 108, p. 1941.

**Pan-Amer. Petrol'm & Transport Co.—British Co. Organ.**

See British Mexican Petroleum Co. above.—V. 108, p. 2335.

**Parish & Bingham Corp.—Stock Sold.**—Hornblower & Weeks, N. Y., &c., announce that the subscription books on their offering of 60,000 shares of this company's stock has been closed. The subscription price was \$35 a share and the issue was largely subscribed. The bankers state:

Capitalization.—Authorized and to be presently issued, Common stock (no par value), 150,000 shares.

History.—The company to be organized under the laws of New York, will succeed to the business and assets of the Parish & Bingham Co. of Ohio, incorp. in 1911 and originally as a partnership established in 1894. The plant located at Cleveland consists of 11 buildings of steel and brick construction with 275,000 sq. ft. of manufacturing space and covers 18 acres.

The company is the largest manufacturers of pleasure car and truck frames, brake drums, running boards, torque arms, stop hangers and engine rails in the world, include the following manufacturers among their customers: Ford, Auburn, Cadillac, Anderson, Chandler, Elgin, Hudson, Cleveland, Haynes, Bessemer, Peerless, Seaton, Gary, Essex, Brockway, Clyde, &c.

Years	Net Sales, after all tax.	Years	Net Sales, after all tax.
1912	\$342,337	1916	\$3,541,870
1913	1,036,778	1917	5,309,750
1914	1,189,173	1918	5,826,557
1915	1,772,908	1919	585,849

In the 4 years 1915 to 1918, incl., net earnings applicable to divs. averaged \$746,203 p. a., equivalent to \$1.97 per share.

**Balance Sheet as of Dec. 31 1918 Certified by Ernst & Ernst with the new Financing.**

Assets	Liabilities
Land, bldgs., &c. \$1,456,392	Capital stock (150,000 shares of no par value declared under N. Y. State laws at \$5 per sh.) \$750,000
Cash 662,868	Reserves 594,445
U. S. bonds 254,533	Surplus 2,971,919
Accounts receivable 440,559	Total (each side) \$4,316,364
Inventories 1,260,480	
U. S. Gov't. claim 119,220	
Other assets 122,294	

On this basis the stock has net tangible assets of \$24.81 per share with \$17.45 a share in net current assets.

The permanent assets carried on the books at \$1,544,105 have sound value of \$1,972,607 as certified by the Manufacturers Appraisal Co.

**Pressed Steel Car Co.—Director.**

A. E. Braun, President Farmers Deposit Nat. Bank of Pittsburg, Pa., has been elected a director to succeed the late T. N. Given.—V. 108, p. 874, 788.

**Punta Alegre Sugar Co.—Stock Listed—Earnings.**

The Boston Stock Exchange has added to the list 25,800 additions. Common shares (par \$50), making the total number of shares now on the list 103,202. The Governing Committee of the New York Stock Exchange has authorized the listing of \$1,290,000 Common stock, making the total amount authorized to be listed \$8,854,350.

**Partly Estimated Profits for 11 Months to April 30 1919 [Before Providing for Depreciation and Federal Taxes].**

	P. Alegre.	Trinidad.	Florida.	Total.
Sugar and molasses produced	\$3,237,851	\$1,601,975	\$3,955,356	\$8,795,183
Gross income	\$931,045	\$350,595	\$1,474,075	\$2,755,715
Deduct interest	88,365	40,883	85,631	214,779
Bal., before deprec., &c.	\$842,679	\$309,622	\$1,388,444	\$2,541,447

**Quaker Oats Co., Chicago.—Preferred Stock Offered.**—Lee, Higginson & Co., N. Y., &c., Merchants' Loan & Trust Co. and Illinois Trust & Savings Bank, Chicago, are offering at 99 and div. \$7,200,000 6% Cumulative Preferred

(a. & d.) stock (par \$100). Divs. quarterly, Feb. 1, &c. The company has no funded debt and no mortgage on real estate or plant (other than purchase money obligations) can be created without assent of majority of both Preferred and Common stockholders (see advertising pages).

Capitalization after Present Financing—
Preferred stock, 6% cumulative \$25,000,000
Common stock 25,000,000
Authorized \$50,000,000
Outstanding \$18,000,000

Organization and Business.—Incorp. Sept. 21 1901 in New Jersey and later succeeded the American Cereal Co. In 1911 purchased the Great Western Cereal Co.'s plants at Fort Dodge, Ia., and Joliet, Ill. Owns all the stock of Quaker Oats, Ltd., London, distributing agent for Great Britain. Is the largest manufacturer in the world of oatmeal, rolled oats, cornmeals, hominy, barley and similar food products, and of commercial mixed feeds for horses, mules, cattle, dairy cows, &c.; also a very large flour milling business. Owns the sole rights to the manufacture of puffed cereals and is the maker of "Puffed Rice," "Puffed Wheat," and "Corn Puffs." Also makes the new patented product known as "Two-Minute Oat Food." Recently began the manufacture of macaroni and spaghetti. Products are manufactured from nearly every cereal grown and marketed throughout the world under widely advertised brands, chiefly the well-known "Quaker," "Schumacher" and "Mother's" trade names. Sales are made almost exclusively to wholesalers.

Purpose of Issue.—The proceeds of this \$7,200,000 Preferred stock and \$750,000 new Common stock will be used to reduce floating debt incurred in part for plant account.

Since 1906 the company has expended in capital investments \$12,000,000 without creating any mortgage debt and with the sale of only \$2,000,000 Preferred stock. Gross sales have greatly expanded, requiring heavy increases in working capital and making it advisable to retain for operating purposes as large a portion as possible of earnings.

Dividends.—Regular dividends of 6% per annum have been paid on the Preferred stock since organization. Dividends on the Common stock have been paid as follows:

Year—
1906 (last quar.)— 1 1/2%
1907-09— 6%
1910— 7 1/2%
1911— 9 1/2%

Gross Surplus Available for Preferred Dividends
Cal. Year after Taxes, Depreciation, Dividends, Com. Dis.
1909— \$1,637,105 \$162,028 \$1,375,077 \$524,205 \$493,272
1910— 2,429,051 213,656 2,215,395 540,000 1,175,395
1911— 3,724,223 293,511 3,430,712 540,000 2,140,730
1917— \*5,211,752 384,848 4,826,904 563,500 3,397,604
1918— \*4,052,265 549,677 3,502,589 632,202 1,632,887

\* After deducting Federal taxes.
During the 10-year period 1909-18 the average annual net earnings available for divs. were over 4 1/2 times the div. requirements on the Preferred stock then outstanding. Net earnings, 1918 (compare annual report in V. 108, p. 971), after depreciation, but before deducting Federal taxes, were \$6,407,760, or nearly 6 times div. requirements on the entire present Pref. stock, including this issue. After deducting Federal taxes, net available for dividends, 1918, was \$5,502,589, and for the last 5 years has averaged \$5,509,188, or more than 4 1/2 times this requirement. These figures make no allowance for saving in interest charges on debt to be retired.

During the 10-year period 1909-18 \$13,301,467 was carried to surplus. This amount, put back into the business out of earnings, exceeds the total of \$12,419,411 paid to stockholders in Preferred and Common divs. during this period. From organization to Dec. 31 1918 \$15,349,909 was thus re-invested in the business out of earnings, equal to more than 85% of the entire Preferred stock outstanding, including this issue.

Assets.—Eliminating all valuation for trade marks, trade rights, patents and good-will, and applying the proceeds of subsequent and present financing to reduce floating debt, net tangible assets applicable to the \$18,000,000 Preferred stock, based upon the balance sheet as of Dec. 31 1918 (V. 108, p. 971), are in excess of \$31,000,000. This is after deducting all prior liabilities and reserves of every character.

Properties.—Owns and operates plants for the production of cereal food products at Akron, O.; Cedar Rapids, Ia.; Fort Dodge, Ia.; Battle Creek, Mich.; Tecumseh, Mich.; Peterborough, Ont.; London, Ont.; Neepawa, Man.; Saskatoon, Sask.; and until the outbreak of the war, Hamburg, Germany. Some of these plants also produce commercial mixed feed. Plants for the production of feed alone are operated at Morris, Ill., and Richmond, Va. Flour mills are owned and operated at Akron, Ohio; Cedar Rapids, Ia.; Peterborough, Ont., and Saskatoon, Sask. Macaroni and spaghetti are manufactured at Tecumseh, Mich. In addition, owns and operates 59 country elevators, situated at various points through the grain producing States and Western Canada; a veneer boxboard plant at Foxworth, Miss.; and a strawboard plant at Pekin, Ill. The Cedar Rapids mill is the largest, a general cereal food plant in the world; the Akron and Peterborough mills are the second and third largest. The company has 49 sales offices in the United States and Canada. Compare V. 109, p. 277, 78.

Roxana Petroleum Co.—Property, Operations, &c.—
See Shell Transport & Trading Co. below.—V. 104, p. 957.

Royal Dutch Co.—Annual Report.—Joseph Walker & Sons, in anticipation of their customary fall analysis, summarize the company's report for 1918 in part as follows:

Net Profit.—The company's net profit was \$29,020,000, against \$17,838,000 in 1917; dividend paid, 40% on \$68,766,000, against 48% on \$34,383,000.

Cash.—Cash on hand Dec. 31, \$26,135,000, against \$14,547,000 in 1917. The cash on hand of the Bataafsche has increased by \$17,600,000 and the liquid assets of that company from \$54,000,000 to \$73,000,000.

Share Holdings.—The Bataafsche increased its capital by 50% and the Royal Dutch received 60% of this increase, namely, \$16,884,000 stock. The Bataafsche paid on its increased capital a dividend of 43% against 30 5/8% in 1917.

The Shell Transport & Trading Co. (which see below) issued a bonus of shares of which the Royal Dutch received 2362,799 (it holds now a total of 4967,464 Shell shares which stand on the books below 100%, while the actual quotation in London has risen to above 1,000%).

Capitalization.—The Common stock authorized was increased during 1919 from \$48,240,000 to \$80,400,000, and the issue from 34,383,000 to 68,766,000. Reserve and surplus amount now to 690%, equal to \$91 1/4 per share.

Fleet.—On Dec. 31 1918 263,746 tons, as against 255,965 in July 1914. General.—The Chairman states that the great reduction in the production of coal, which it is estimated will amount to over 100,000,000 tons in 1919, has caused an enormous demand for liquid fuel, and there is little possibility of a reduction in oil prices.

In view of this situation the Royal Dutch Shell group has purchased control of the Mexican Eagle Oil Co., the greatest producer and second largest refiner in Mexico. Plants are nearing completion for increasing the refining capacity of this company as well as the Royal Dutch's other Mexican company, La Corona. Also the plants for the increase in refining capacity in India and the Far East generally, held up in consequence of the war, are being purchased and great progress has already been made since the armistice.

The production and refining in Rumania has recommenced and a certain amount of product has already been obtained. Russia remains considerably disturbed, but produced some 1,250,000 bbls. The production and refining in Egypt has made considerable strides.

The Russian properties are standing now on the books of the company as a liability of \$80,000. (In the last two years \$24,000,000 has been written off on account of Russian holdings which actually stood as an asset in the neighborhood of \$23,000,000 only).

Capital Stock.—The company's common capital has just been increased by \$68,340,000, out of which the shareholders have received the right to subscribe at par (about \$13 per American share) to one share for every four held. This subscription right is worth about \$20 per share and added to the dividend of about \$5 1/4 paid this year, there has been received on Royal Dutch shares \$25 7/8 per share this year.

Joseph Walker & Sons further say: "An indication of what peace means to this company may be found in the fact that in May the company exported from Mexico alone 1,700,000 bbls. of oil and was prevented from shipping more only by the lack of steamers."

Final Dividend for Year 1918 Payable Aug. 8.—
The Equitable Trust Co. of New York has received cable advice from Holland that the final dividend over the year 1918 was paid by the Royal

Dutch Co. in Holland, and that this dividend will be distributed on Aug. 8 to the holders of "New York" and "American" shares of record July 7. The dividend will be at the rate of \$3.0935 per "New York" and "American" share. The necessary income tax ownership certificates must be filed with the Trust Co. by the shareholders before this dividend will be paid to them.

Allied Company—Acquisitions, Operations, etc.—
See Shell Transport & Trading Co. below.—V. 108, p. 2636.
Shaver Lake Lumber Co.—Guaranteed Bonds.—
See Southern California Edison Co. below.—V. 109, p. 278.

Shell Transport & Trading Co.—Ordinary Shares Offered—Annual Report.—Kuhn, Loeb & Co., New York, on July 24 offered for subscription 277,000 American shares at \$69, each American share being equal to two English Ordinary shares of £1 par value. The entire amount was quickly far oversubscribed. This issue, it is stated, is part of 375,000 American shares representing 750,000 shares of the common stock, par £1, acquired in London by a London syndicate, including Kuhn, Loeb & Co., Joseph Walker & Sons (see Royal Dutch Co. below) and others.

In April 1919 the authorized issue of Ordinary stock was increased from £12,000,000 (about £5,000,000 outstanding) to £20,000,000, and in June £4,000,000 of the new stock was offered for subscription as below stated.

Data From Letter of Chairman Marcus Samuel, July 1919.
Organization.—Incorporated in London, England, in 1897 to take over the business of M. Samuel & Co. in London and some other important oil houses. Its business embraced the wholesale trade and transportation of petroleum products and their distribution. It owned a large number of tank steamers and 40 large and more than 300 small tank installations, including can factories, &c., in all parts of the world, with a total capacity of about 400,000 tons. The company also produced oil itself on the island of Borneo, through the medium of the Nederlandsch-Indische Industrie en Handel Maatschappij, owning the whole share capital, originally Fl. 2,000,000, since increased to Fl. 20,000,000.

Amalgamation With Royal Dutch Co., &c.—In 1902 the company, in conjunction with the Royal Dutch Co. and the de Rothschild (Paris) group organized the Asiatic Petroleum Co. to provide for the distribution of the products of the three associated groups. Early in 1908 the company amalgamated its interests with those of the "Royal Dutch." The combined assets of both were turned over to two new companies, the "Bataafsche Petroleum Co." and the "Anglo-Saxon Petroleum Co." The "Bataafsche" does the producing, the "Anglo-Saxon" the transportation and the distribution business. The "Shell" holds 40% of these two concerns, the "Royal Dutch" 60%. (V. 107, p. 1381; V. 108, p. 2636; V. 103, p. 2243.)

From this time the combined interests rapidly expanded their international field. They successfully acquired exclusive or controlling interests in important oil fields in Rumania, Russia, Egypt, Sarawak, the United States (Oklahoma and California), Venezuela and Mexico—and long contracts for most products of oil fields controlled by other interests. In Russia the interests of the combination have been amalgamated with those of the de Rothschild (Paris) group.

American Interests.—The combination owns a predominating interest in "Roxana Petroleum Co. of Oklahoma," and "Shell Co. of California." The "Roxana Petroleum Co." has an issued capital of \$5,000,000 and owns fields in the well-known oil districts of Cushing, Healdton and Bartlesville. In 1917 a pipe line from Healdton to Cushing (134 miles) became operative and 1,638,470 barrels were pumped through it. In 1918 a refinery situated at Wood River, Ill. (near East St. Louis), with a daily capacity of 12,000 barrels, was completed and about the same time a 10-in. pipe line between Cushing and this refinery, with a capacity of 24,000 barrels a day, was completed and put into operation. Its storage facilities for crude oil, &c., amount to 2,232,000 barrels, and its production in 1917 amounted to 3,530,000 barrels.

The Shell Company of California has an issued capital of \$33,535,575 and it owns at Martinez, on the Pacific Coast near San Francisco, a refinery capable of handling 24,000 barrels a day and storage facilities at Martinez and on the fields for 4,525,000 barrels; also an 8-in. pipe line 172 miles long from the field to the refinery, with a capacity of 25,000 barrels a day. The total production of the "Shell" Company of California amounted in 1917 to 6,357,000 barrels and in 1918 to 6,789,800 barrels. In Mexico the storage facilities in steel tanks amount to 1,550,000 barrels; in earthen tanks, if required, a further 1,643,000 barrels. The combination further completed in September 1918 a refinery at Curacao (Dutch West Indies), in the proximity of the Panama Canal, with a capacity of 10,000 barrels daily, and is also occupied in establishing large storage facilities there.

Purchase of Mexican Eagle Oil Co.—In 1919 the company purchased from S. Pearson & Sons the control of the "Mexican Eagle Oil Co., Ltd." of Mexico City, which was a company incorporated in Mexico in August 1908 and acquired from S. Pearson & Son, Ltd., five concessions to search for oil on the national and vacant lands belonging to the Federal Government of Mexico, and the governments of the States of Vera Cruz, San Luis Potosi, Tamaulipas, Tabasco and Chiapas, situated north and west of a straight line drawn from the city of Vera Cruz to Puerto Angel on the Pacific Coast.

In 1912 said company acquired the remainder of the oil properties and interests in Mexico of S. Pearson & Son, Ltd., including its oil leases for varying periods on over 500,000 acres, wells and a refinery at Minatitlan, for \$24,000,000 (Mexican), which was satisfied by the issue of \$20,000,000 (Mexican) fully paid ordinary shares at a premium of 20%, the capital being at the same time increased to a corresponding extent. It also owns leasehold properties of over 300 sq. miles, mainly situated between the Tampico and Tuxpam Rivers, as well as freehold property in Mexico City, numerous installations throughout the republic, including 100,000 shares of £5 each (£1 paid) in the Eagle Oil Transport Co., Ltd.

The Eagle Company's production in 1918 amounted to 17,390,827 barrels, and it is at present exporting oil from Mexico at the rate of approximately 1,000,000 barrels a month. Its pipe lines aggregate 180 miles, and have a capacity of 60,000 barrels a day. Its storage tanks can hold 3,000,000 barrels of oil. Its refinery at Minatitlan has a capacity of 12,500 barrels a day and that at Tampico of 15,000 barrels a day. The authorized capital is now \$60,000,000 (Mexican) in shares to bearer of \$10 (Mexican), \$8,500,000 being in 8% participating preference shares and \$51,500,000 in Ordinary, and all the Preference and \$46,255,190 of the Ordinary have been subscribed and paid up, including \$20,000,000 Ordinary shares issued fully paid in 1912 in payment for additional properties acquired, as stated above.

Vessels.—The "Shell" and "Royal Dutch" companies control through their subsidiary companies a fleet of about 750,000 tons, built and building, always kept up to a high standard of efficiency in every respect. All tonnage lost through enemy action by the "Anglo-Saxon Petroleum Co., Ltd.," which attends to the transportation and distribution business, has been replaced.

Total Production.—The production of the company and its affiliated companies in 1918 was about 4,000,000 tons, exclusive of Russia. In 1917 the total production was 5,115,957, of which 1,530,971 was Russian.

Capital.—The original capital of the "Shell" Transport & Trading Co. amounted to £1,800,000.

Present "Shell" Capital (No Funded Debt or Fixed Charges).
Ordinary shares, par £1 (listed on Lond. Stk. Ex.) £12,025,910 £20,000,000
5% Cumulative Preference shares, par £10. . . . . £2,000,000 £3,000,000
The Preference shares have no voting power unless their dividend is affected or in arrears.

Dividends Record for the Last Ten Years.
1908. 1909. 1910. 1911. 1912. 1913 to 1918.
20% 22 1/2% 22 1/2% 20% 30% 35% yearly

The company pays its dividends free of the British income tax, a preliminary dividend every year in January, and its final dividend—dependent upon earnings—in July thereafter.

Valuable Subscription Rights—Amount and Price of New Stock Offered holders.
1900. 1907. 1909. 1912. 1913. 1917. 1919.
No. shares—200,000 300,000 200,000 508,773 367,964 915,717 4,051,495
Price. . . . . £2 1/2 £1 1/2 £2 1/2 £3 1/4 £3 1/4 £1 £1

In 1918 the company distributed a stock bonus of 60% by issuing to shareholders 3,014,921 shares gratuitously, applying in payment thereof £3,014,921 of the company's surplus of £4,000,000. Holders of shares of the Shell Company of record on June 17 1919 were offered the right to subscribe at par (£1) for one new share for every two held.

**Surplus, &c.**—The undistributed balance available on profit and loss account stood, as of Dec. 31 1918, at £1,136,877, subject to excess profit duty. Many of the assets, however, stand in the books at only a fraction of their real value, its interest in various petroleum concerns, either controlled or allied, being carried in its balance sheet for £11,013,819 and producing a net income in 1918 of £2,771,903. The company also has over £2,900,000 in cash, National War bonds, British War Loans and other securities of first-class character.

Moreover, the Bataafsche and the Anglo-Saxon Petroleum Co. in their turn also have established considerable reserves. The Bataafsche Petroleum Co., in view of the uncertainty of conditions in Russia, has established a special reserve of Fl. 59,000,000 for losses on its Russian interests, losses on exchange, &c. As the Russian interests stood in its books at Fl. 56,805,000, the whole amount of these investments is thus covered. The same company has further an insurance fund of Fl. 49,000,000 and a depreciation fund of Fl. 92,995,750.

**Outlook**—In spite of all the handicaps resulting from the conditions prevailing since August 1914, the company's business as a whole has made good progress, and the directors have every confidence that the future prosperity and the progress of the company will give shareholders the same satisfaction as in the past.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DEC. 31 1918.			
Int. on inv., loans, &c.	£121,700	Previous surplus	£1,239,032
Divs. from sundry cos., &c.	2,771,903		
		<b>Total</b>	£4,091,977
General, &c., expenses	£2,893,603	Preferred dividend	£100,000
Depreciation on invest's	416,365	Reserve account	41,172
Expenses on new issue	1,425	Ordinary dividend	£2,813,927
Stamp duties	8,368		
	14,500		
<b>Balance</b>	£2,852,945	<b>Balance, surplus</b>	£1,136,878

x 35%, viz.: 10% paid Jan. 16 1919 and 25% paid July 5 1919.

BALANCE SHEET DEC. 31 1918.			
<b>Assets</b>	<b>Liabilities</b>		
Property account	£11,019,820	Preference shares issued	£2,000,000
Debtors and other acc'ts	153,026	Ordinary sh's issued, 1917	4,997,561
Divs. in sundry cos. acc'r'd	1,387,525	Ordinary sh's issued, 1918	3,042,230
Investments	2,764,023	Reserve account	1,000,000
Asiatic Petroleum Co.		Exchange adjust. acc't	60,000
Ltd. (ruble account)	73,128	Sundry cred. on cur. acc't	86,770
Fixed deposits	100,000	Dividends unclaimed	373,498
Cash	37,441	Prof. div. accrued	25,000
		Profit and loss account	£3,950,804
<b>Total</b>	£15,535,863	<b>Total</b>	£15,535,863

x Reduced to £1,136,877 (subject to excess profits duty) by following further deductions included in foregoing income account, viz.: Dividend on Ordinary shares, interim div. paid in Jan. 1919, £803,979; final div. on Ordinary shares, payable in July 1919, £2,009,948.

y Include British trustee securities, £52,017; other British securities, £17,748; foreign government and municipal stocks, £29,951; colonial government, railway and municipal stocks, £269,415; foreign treasury bills, £22,800; 5% War Loan, £129,1947, £937,500; and National War bonds, £1,435,500.—V. 109, p. 278.

**Sloss-Sheffield Steel & Iron Co.—Notes sold.**—Lehman Brothers and Goldman, Sachs & Co., N. Y., have sold at 97½ and int., to yield about 6.30%, \$5,000,000 10-year 6% Sinking Fund gold notes, to be dated Aug. 1 1919, due Aug. 1 1929. (See advertising pages.)

Int. payable F. & A. 1 in N. Y. City, without deduction of any tax or governmental charge (except succession, inheritance and income taxes). Demons. (est. 10%) Redeemable on 60 days' notice at 105 and int. on any int. date. Annual sinking fund of \$300,000 beginning Aug. 1 1920 to be applied to the retirement of these notes at 105. Central Union Trust Co., N. Y., Trustee. So long as any of the notes are outstanding the company will not mortgage any of its real or personal property (except it may give purchase money mortgages).

**Data from Letter of Pres. J. W. McQueen, Birmingham, July 15 1919.**

**Business**—The Sloss Furnace Co. first produced Sloss iron. This company was organized in 1882 and was consolidated with two other companies in 1887 as the Sloss Iron & Steel Co. In Aug. 1899 the latter company was consolidated with several other companies into the present company, acquiring thereby 3 furnaces and 60,000 acres of well-selected mineral lands, also additional coal and ore mining properties. At present owns 6 modern blast furnaces, daily capacity of 1,500 tons foundry or basic pig iron; also a new stack and cast shed with complete equipment for handling ore; 11 well-developed coal mines on 4 of the best-known seams of coal in Alabama, daily capacity of 6,500 to 7,000 tons; 5 red ore mines, daily capacity of 3,000 tons hard and soft red ore; 5 ore-washer plants with complete equipment, including 15 steam shovels, 20 dinky locomotives, with narrow-gauged track mining cars, where it produces 1,500 tons of brown hematite ore daily; 1 dolomite quarry, fully equipped, with capacity of 700 tons of stone daily.

Plants are well equipped and located in the Birmingham and Sheffield districts of Alabama, being in position to operate steadily at fair cost compared with conditions in that district. The company produces practically everything it needs and thus controls its mixtures, making a uniform grade of product, which has been well established in the trade for over 35 years. The well-known Sloss iron, in combination with the harder irons of the North, enables the making of softer castings. This has brought a continued patronage for our iron from customers located in practically every State in the Union. Our iron goes into Canada and Mexico and has been exported to a number of foreign countries, the company selling as high as 100,000 tons a year for export, to Liverpool, Manchester, Glasgow, Rotterdam, Trieste, Genoa, &c., where our brands are well known.

**Present Operation**—Due to the abnormal conditions confronting all concerns in our line of activity, we have, for the first 6 months of this year, been running at only one-third capacity; in spite of this fact, net earnings, after taxes and depreciation, are approximately twice the interest charges for the entire year on the proposed issue of notes. Conditions in our line are now much better, and we are now starting to operate at one-half capacity.

**Capitalization**—Upon the completion of the present financing:

1st M. fs (due Feb. 1920) \$2,000,000 7% preferred stock	£6,700,000	Oustan's 6% notes (this issue) 6,000,000	Common stock	10,000,000
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x To be retired by \$2,000,000 proceeds of these notes, which will be deposited in escrow with the trustee.

**Purpose of Issue**—From the proceeds of these notes \$2,060,000 will be deposited in escrow with the Central Union Trust Co. for the payment at maturity on Feb. 1 1920 of the First Mortgage bonds. The balance will be used for completing the erection of our by-product coke ovens, for building a central power station, for electrifying our coal mines, and for other general improvements.

We last year paid off \$2,000,000 of bonds at maturity, and we shall pay off, at maturity, the total issue of \$2,000,000 of bonds, due Feb. 1 1920, and we are spending \$6,000,000 on our by-products coke ovens, including a portion of the central power station, \$1,500,000 for the electrification of our coal and ore mines, and \$1,000,000 additional for the acquisition of additional ore properties and for other improvements. Of the above total expenditure of \$12,500,000, we shall have incurred only \$6,000,000 in funded debt which is represented by this note issue.

**Assets**—The total net tangible assets on Dec. 31 1918 amounted to \$22,927,543, of which \$4,024,813 was represented by net quick assets.

**Earnings**—The net profits for the 3 years ended Dec. 31 1918, after provision for all reserves and taxes, were \$6,115,119, an average of \$2,038,373. For the year ended Dec. 31 1918 the net profits, after making provision for estimated Federal income tax of \$1,000,000, were \$1,972,072. (Compare annual report, V. 108, p. 2121)—V. 109, p. 179.

**Southern California Edison Co.—Bond Guaranty.**—The California RR. Commission has granted authority to the company to guarantee \$1,150,000 5% Serial bonds to be issued by the Shaver Lake Lumber Co. Compare V. 109, p. 278.

**Standard Milling Co.—Extra Dividend.**—An extra dividend of 2% is announced on the Common stock, payable with the usual quarterly dividends of 2% on the Common and of 1½%

on the Preferred stock on Aug. 30 to holders of record Aug. 20.—V. 107, p. 1477.

**Standard Oil Co. (New Jersey).—To Authorize \$100,000,000 7% Cumulative Preferred Stock**—\$98,338,300 (100%) Underwritten and Offered to Common Stockholders at Par.—It was announced late yesterday that the company was preparing to make an issue of \$100,000,000 Pref. stock in order to provide "for the vigorous prosecution of the development campaign which the company planned during the war and launched immediately the armistice was declared."

The shareholders will vote Aug. 15 on increasing the total authorized stock from \$100,000,000 (all common and \$98,338,300 long outstanding) to \$200,000,000. The new issue of \$100,000,000 will be 7% cumulative non-voting preferred, with preference both as to assets and quarterly dividends, and subject to call on any dividend date after three years at 115 and divs. at the option of the company.

The company will offer \$98,338,300 of such preferred stock to stockholders of record Aug. 15 1919 ratably for subscription by them at par, \$100 a share, in cash, and this amount has been underwritten by J. P. Morgan & Co. for a compensation equal to 1% of the par amount of the stock so offered.

The shareholders may subscribe for the new stock at the Guaranty Trust Co., 140 Broadway, N. Y., on or before Sept. 15. Subscriptions will be payable at said trust company either (a) in full on Sept. 15 or (b) in four equal installments on or before Sept. 15, Oct. 15, Nov. 15 & Dec. 15 1919.

European stockholders may, if they desire, make payment in the equivalent of New York funds to the Guaranty Trust Co. of N. Y. at its office at 32 Lombard St., London E. C., England, or at its office at 5 Lower Grosvenor Place, London S. W., England, or at its office at Rue des Italiens 1 and 3, Paris, France, or at its office at 158 Rue Royale, Brussels, Belgium.

The board will have authority to dispose of the remaining \$1,661,700 Preferred stock at not less than par at such time or times and in such amounts as it shall deem proper.

**Earnings and Balance Sheet.**—Accompanying the announcement of the new stock issue is a circular which reports:

**Official Statement by Chairman A. C. Bedford, New York, July 24.**

**Assets Shown at Cost Less Depreciation.**—While the plants and equipment of the company appear in the balance sheet at cost, less depreciation, and without regard to good will or to the very considerable enhancement of values created over a period of years, it will be seen that there exist \$562,000,000 of assets in excess of all obligations behind the proposed issue of \$100,000,000 of Preferred stock.

**No Increase in Stock Since 1911.**—Since the distribution of 1911 under the order of the Supreme Court of the United States, there has been no increase in the capital stock of the company. The company has no bonded indebtedness nor is there any mortgage on any of its properties or the properties of any of its subsidiaries.

**Extent and Nature of Business.**—The Standard Oil Co. (N. J.) through its own organization and through a number of domestic and foreign subsidiary corporations has, since its inception, established a substantial business in the production, refining, transportation, distribution and sale of petroleum, both at home and abroad, and has developed a considerable interest in enterprises engaged in producing and distributing natural gas. In addition to a steadily expanding domestic trade, the company through its foreign subsidiaries has established direct relations with many thousands of customers for petroleum products throughout Europe and Central and South America. Its position in the petroleum trade of these countries, built up by years of service and the constant construction and improvement of distributing and sales equipment, would be difficult to duplicate.

**Financial Policy—Reasons for This Issue.**—The policy of the company has been to finance its growth from current earnings, but in view of conditions now existing and having regard to the present necessity of the diversion of a considerable proportion of these earnings to Excess Profit and other war taxes, your directors feel that it is advisable to increase the capital employed in its business by the amount of the proposed issue of Pref. stock.

It is the intention to utilize this new capital in the financing of the further development of the company's equipment and reserves, which plans are already under way. These include measures for insuring the continuity of a substantial proportion of this company's future supply of crude oil, as well as maintaining a cash reserve against contingencies, the active prosecution of the company's program of enlarging its refining facilities, the expansion of its transportation systems and the extension of its distributing plants.

**Earnings and Dividends Years 1912-18 Inclusive, Income and War Taxes Deducted—Year on which Calculated.**

Year	Earnings bef. deduct. Federal taxes	Earnings after deduct. Federal taxes	Dividends Paid
1912	\$35,397,717	\$289,830	\$35,107,887
1913	46,168,955	477,086	45,691,869
1914	31,798,850	341,215	31,457,634
1915	61,396,923	619,679	60,777,243
1916	72,426,692	1,634,633	70,792,059
1917	105,785,859	25,019,917	80,765,942
1918	101,614,144	44,330,350	57,283,795

\* Under "dividends paid" for 1913 there is included the distribution of \$40 per share made from repayments by former subsidiaries of cash which had previously been advanced by this company.

x 1918 taxes subject to adjustment.—V. 108, p. 1279.

**Note.**—Attention is called to the fact, that with the exception of the special distribution in 1913 of \$40 per share made from repayments by former subsidiaries of cash which had previously been advanced by the parent company, the dividends paid during the years 1912 to 1918 inclusive, have been uniform, the surplus earnings having been reinvested and employed in the business.—Ed.

**Consol. General Bal. Sheet Dec. 31 1918 (Standard Oil Co. (N. J.) & Sub. Cos.)**

<b>Assets</b> —Total value plant, stable & float'g equip., less depr.	\$249,827,932
Stocks in other companies	23,009,050
Government bonds and other investment securities	893,452,370
Inventories of merchandise	160,505,280
Accounts receivable	151,320,086
Cash	13,201,852
<b>Total assets</b>	\$601,316,969
Less accounts payable	\$116,816,715
Marine insurance reserves	11,957,228
	128,773,943
<b>Net value</b>	\$562,543,026
<b>Nominal Liabilities</b> —Capital stock	\$98,338,300
Reserve for annuities	492,316
Surplus, including reserve for working capital	463,712,410
<b>Total</b>	\$562,543,026

**Note.**—While it has been known that the assets of the parent of all the Standard Oil organizations have been steadily multiplying through the re-investment annually of surplus earnings, the capital has remained at a more or less nominal and arbitrary figure of \$98,338,300, at which it was left when the Supreme Court issued its dissolution decree. During the life of the company there has been no further capitalization of assets, but "their growth and present value is generally understood to be fairly accurately measured by the price of \$740, which is the present market for the shares."

The last published balance sheet appeared at the time of the Government suit and was obtained from the court records by the "Chronicle" and was first published by it (see V. 85, p. 790) and later by other journals. It showed net assets as of Dec. 31 1906, including the 33 companies afterward distributed, of \$359,400,193.—Ed.—V. 107, p. 1279, 1065.

Steel & Tube Co. of America.—Capital Increase.—

The company has filed notice with the Secretary of State of Delaware increasing its capital stock from \$25,000,000 to \$26,750,000. See Mark Manufacturing Co. above.—V. 109, p. 180.

Studebaker Corporation.—Earnings.—

An exchange journal says that for the half-year ended June 30 the company produced about 17,000 cars and earned more than \$4,200,000 net before taxes.—V. 108, p. 2347.

Sweets Company of America.—Officer.—

George L. Storm has been elected Chairman and Benjamin Block, of Block, Maloney & Co., has been elected a director of the company.—V. 109, p. 278, 180.

Swift & Co.—Federal Trade Commission on Impending Domination of Packers.—Packers' Reply, &c.—

See under "Current Events" in last week's "Chronicle," page 229 et seq.—V. 108, p. 2130.

Thayer-McNeil Co., Boston.—Offering of Pref. Stock.—

Chandler Hovey & Co., Boston, are offering at 100 and div. \$125,000 7% Cumulative Preferred (a. & d.) stock. A circular shows:

Redeemable in whole or in part on any day, date at 105 upon 30 days' notice. Divs. payable J. & J. 1. A sinking fund has been created into which will be paid 20% of the annual surplus earnings; the proceeds to be used to retire the Preferred stock at not exceeding 105. The company agrees to retire a minimum of \$10,000 Preferred stock each year.

Capitalization.—Preferred stock authorized, \$175,000; issued, \$160,000; Common stock authorized and issued, \$100,000. No funded debt.

Earnings.—Year ended Mar. 1 1919, net earnings after Federal taxes and interest, \$44,945; average net earnings for past 6 years, \$44,054; Preferred stock dividend, \$11,200; balance, surplus, \$32,854.

The company was incorporated in Massachusetts in 1913 as successor to the partnership of Thayer, McNeil & Hodskins, established in 1881. The concern has been in successful operation for 38 years as a retailer of high-grade shoes in New England. Business consists of retailing high-grade men's and women's shoes, accessories, furnishings and hosiery.

Balance Sheet.—The balance sheet as of June 1 1919, adjusted to show the new issue of Preferred stock, follows: Current assets, \$391,305; capital assets, \$1,418; building improvements, \$27,725; miscellaneous, \$5,722.

Liabilities: Current liabilities, \$87,661; reserves, \$27,012; Preferred stock, \$160,000; Common stock, \$100,000; surplus, \$57,426; total (each side), \$432,099.

Purpose of Issue.—To provide funds to retire floating debt and furnish additional working capital.

(J. V.) Thompson Coal Properties.—Sales Approved.—

The unsecured creditors committee of the J. V. Thompson estate has approved the sale of property to the Piedmont Coal Co. for a sum aggregating about \$18,000,000. Compare V. 108, p. 2533.

Tobacco Products Corporation.—Dividend in Cash.—

The usual quarterly dividend of 1 1/4% has been declared on the Common stock, payable Aug. 15 in cash to stockholders of record Aug. 1. Since April 1918 the company has been paying this dividend in scrip.

Officer Resigns.—

George L. Storm has resigned as Vice-President of the Corporation and as an officer of its subsidiaries to devote his time to a new securities company in which he is interested. He will remain as a director of Tobacco Products and the Foreign Trade Corporation.—V. 108, p. 2336.

Transue & Williams.—Earnings.—

A press report states for the six months ended with June the company earned just under \$100,000 after taxes equal to \$4 per share.—V. 108, p. 487.

United Cigar Stores Co. of America.—Earnings.—

Consol. Income Account for Three Months ended March 31 1919, Filed with New York Stock Exchange.

Table with 2 columns: Description and Amount. Includes Gross sales and rentals, operating income, Federal taxes and depreciation, Quarterly dividends, and Balance, deficit.

Partly estimated profit and loss surp. March 31 1919, \$4,917,234.—See United Retail Stores Corp. below.—V. 109, p. 279.

United Gas Improvement Co.—Quarterly Statement.—

The quarterly statement of this company for the three months ended June 30 shows sales amounting to \$3,109,164.—V. 109, p. 279.

United Retail Stores Corp.—Stock Listed.—

The Governing Committee of the New York Stock Exchange has authorized the listing of (a) 130,712 shares of Common stock, class "A", without nominal or par value, with authority (b) to add 412,498 shares on official notice of issuance in exchange for outstanding shares of Common stock of United Cigar Stores Co. of America in the ratio of 2 shares of United Retail Stores Corporation Common stock, class "A", for 1 share of United Retail Stores Co. of America; also (c) 50,000 shares of said Common stock, class "A", on official notice of issuance and payment in full, making total amount to be listed 593,240 shares Common stock, class "A".—V. 109, p. 279, 79.

Waltham Watch Co.—To Pay Off Notes.—

The company informs us that the \$500,000 4 1/2% Coupon Notes due Aug. 1 will be paid off on that date at State Street Trust Co., Boston.—V. 108, p. 2534.

Welch Grape Juice Co.—Offering of Pref. Stock.—

McClure, Jones & Reed and Hemphill, Noyes & Co., New York, are offering at 97 1/2 and div., to yield about 7.15%, \$900,000 7% Cumulative Sinking Fund Preferred (a. & d.) stock. The following, in addition to that given last week, is from a letter of President C. E. Welch, dated Westfield, N. Y., July 12 1919: (see also advertising pages)

Company.—Established in 1869 and has been for many years the largest manufacturer of grape juice in the United States, which was its only product until 1918, when we started the manufacture of "Grapelade." Owns and operates a large plant at Westfield, N. Y., another at North East, Pa., and a manufacturing plant in the Michigan grape belt at Lawton. Also owns the entire capital stock of the Welch Co., Ltd., of Canada.

Provisions.—(a) No mortgage, bonds or notes may be issued maturing later than one year without the consent of 75% of the Preferred stock (b) In case of default of 6 months' divs., or payment of sinking fund, has equal voting power with the Common stock, and in case of default for 6 successive quarterly divs., or two successive annual sinking fund payments, has sole voting power. (c) As long as any of the Preferred stock shall be outstanding, the company shall at all times maintain net current assets to an amount at least equal to the amount of the Preferred stock outstanding.

Capitalization (after present financing)—Authorized, Outstanding, 7% Cumulative Preferred stock \$1,500,000 \$900,000, Common stock (no par value) 50,000 shs. 50,000 shs.

Condensed Bal. Sheet as of Apr. 30 1919. After Giving Effect to New Financing. Assets: Real est., plant, &c. (less res.) \$904,993, Cash 220,855, Acc'ts & bills rec. (less res.) 293,169, Gov't. &c., marketable secs. 213,367, Inventories (less reserve) 952,103, Welch Co. of Can., Ltd. 394,700, Deferred items \$2,000. Liabilities: Preferred stock \$900,000, Common (no par value) 1,928,299, Accounts payable 81,919, Reserve for taxes 50,000, Reserve for insurance 978.

Not quick assets exceeded \$150 per share of Preferred stock and total assets, after depreciation, exceeded \$280 per share of Preferred stock.—V. 109, p. 279.

Wellman-Seaver-Morgan Co., Cleveland, Ohio.—New Pref. Stock—Earnings, &c.—

Borton & Borton., Cleveland,

and C. E. Denison & Co., Boston and Cleveland, are offering at par and int. 7% Cumulative Preferred stock (pref. a. & d.). Par \$100. Dividends Q.-J. The bankers report in substance:

Capitalization (No Bonds or Mortgage)—Authorized, Issued. Preferred stock 7% callable after Jan. 1 1920 at \$110 and dividends \$3,000,000 \$2,500,000, Common stock 6,000,000 2,540,000.

Business.—For many years well known manufacturers and builders of hoisting engines, hydraulic turbines, mining and other heavy machinery, owning exclusive control of numerous machinery and other patents. Operates extensive plants in Cleveland and Akron. Has recently taken an order from the Hydro-Electric Commission of Ontario for two turbines of 52,500 h. p. each (the largest in the world). During the last two years has developed new manufacturing lines, including hydraulic tire presses, a full line of rubber machinery, rubber molds and other important products.

Earnings for Cal. Years.—1915, 1916, 1917, 1918. Gross business \$1,038,945, \$2,491,518, \$4,687,929, \$7,559,488. Net profits after deprec., but before Federal taxes \$570,500, \$543,083.

Under the new management during the past two years the company has shown vigorous growth in production and net profits. Without the working capital provided by this issue of Pref. stock in 1918 earned over 4 1/2 times the dividend requirements of this issue.

Unfilled orders on hand Jan. 1 1919 amounted to \$4,670,995. Net earnings for the first four months of this year compare favorably with the corresponding period of last year and the orders in hand and under negotiation give assurance of a satisfactory volume of business and profits for the current year.

Preferences.—The stock is preferred over the Common stock as to assets and dividends. No notes or other obligations can be issued running more than one year, nor can there be created any mortgage or other lien, nor any stock in addition to that now authorized, having priority or parity with this issue of Preferred stock without the assent in writing of the holders of 75% of this stock then outstanding. No Preferred stock beyond the total of \$2,500,000 of the present authorized issue shall be issued unless the company has regularly paid the Preferred stock dividends and has annually retired the amount of Preferred stock stipulated to be retired, nor unless the total current assets over and above all indebtedness shall be equal to at least 120% of the Preferred stock outstanding, plus the additional Preferred stock proposed. Net current assets must never be less than 112 1/2% of the total amount outstanding.

Within two years after the date of the signing of peace between the United States and the Central Powers, and in each year thereafter for 20 successive years, or until the entire issue of Preferred stock is redeemed, 5% of the largest amount of such Preferred stock outstanding at any time shall be redeemed and canceled at 110% of par and divs. if not purchasable for that price.

The company shall have the right to redeem all or any part of the Preferred stock at 110% of the par value thereof plus the accrued and unpaid dividends on any dividend date after Jan. 1 1920. [The old issue of \$700,000 Preferred stock it is understood was called and paid off at 105 on or about Jan. 1 1919.—EJ.]

Condensed Balance Sheet of Dec. 31 1918 (Compare V. 81, p. 1485). Cash \$353,258, U. S. Liberty bonds 82,472, Notes receivable 1,598,168, Accounts receivable 1,070,028, Inventory 671,571, Uncompleted contracts—cost to date 2,526,800, Other assets 94,294, Land, bldgs. and mach. y. 2,904,697, Patents & good-will 283,384, Deferred 35,390. Notes payable \$1,926,555, Accounts payable 728,350, Accrued 19,653, Advances on contracts 1,265,760, Reserves 585,700, Preferred stock 2,500,000, Common stock 2,540,000, Surplus 1,944,947. Total each side \$9,710,065.

Ernst & Ernst report: "It is our opinion, based upon our audit and information obtained by us, that the current assets, aggregating \$9,392,298, are conservatively stated, the inventory having been priced at cost or market, whichever was lower, and an adequate allowance made to cover obsolescence. Land is included in our balance sheet at \$824,130, representing the value as appraised by independent appraisers as of May 1 1917, plus subsequent additions. Other permanent assets, aggregating \$2,170,567, are included at the depreciated book value at Dec. 31 1918, after deducting from the value of machines and equipment allowance made by the management to cover the excess of the cost of additions made during the war period and specially installed equipment over the estimated value to the company at the date of our report."

Officers and Directors.—Edwin S. Church, Pres. and Gen. Mgr.; S. H. Pitkin, First Vice-Pres.; George Burrell, 2d Vice-Pres.; W. H. Cuywell, Sec. & Treas.; F. A. Seiberling, F. B. Richards, T. E. Borton, Francis Seiberling, S. T. Wellman, E. H. Whitlock. (Compare V. 96, p. 1225; V. 91, p. 285; V. 84, p. 808.)—V. 108, p. 85; V. 81, p. 1440; V. 76, p. 1305.

Western Union Telegraph Co.—President Wilson Signs Bill for Return of Telephone and Telegraph Lines to Owners.—

See under "Current Events" in last week's "Chronicle," p. 234.—V. 108, p. 2534.

Wilson & Co., Inc.—Federal Trade Commission on Impending Domination of Packers.—Packers' Reply, &c.—

See under "Current Events" in last week's "Chronicle," p. 229 et seq.

Sale of Grocery Packing Business and Its Allied Companies.—

In connection with the above statements under Austin Nichols & Co., Thomas E. Wilson, President of Wilson & Co., Inc., issued a statement to stockholders, in which he said:

"It having been deemed advisable and of benefit to the stockholders, Wilson & Co. have consented to dispose of their grocery packing business and interests in vegetable and fish canning packing factories to Austin, Nichols & Co., a N. Y. corporation, on a cash basis.

As a stockholder of Wilson & Co., you are additionally benefited by the privilege of subscribing for 4 shares of Austin, Nichols & Co. stock at \$25 per share for every 10 shares of Wilson & Co. Common stock which you may own."

Mr. Wilson is also quoted as saying: "Wilson & Co. have disposed of their grocery manufacturing plants upon a cash basis, and are not interested, directly or indirectly, in Austin, Nichols & Co. This action was taken in good faith to eliminate grocery lines from our packing business."—V. 108, p. 2638.

Yarmouth Light & Power Co., Ltd., Nova Scotia.—

Further Data.—In connection with the offering at 98 and int. of \$100,000 5-Year 7% gold notes by Earnest E. Smith & Co., Boston, in V. 109, p. 80, a circular further shows:

Table with 3 columns: Description, Authorized, Outstanding. Includes Dated April 1 1919, due April 1 1924, Int. payable A. & O. at Metropolitan Trust Co., Boston, trustees. Capitalization: First (closed) Mortgage 5% gold bonds \$250,000 \$240,000, Five-year 7% gold notes (this issue) 100,000 100,000, Capital stock 250,000 250,000. Earnings Year ending May 31—1917, 1918, 1919. Gross income \$11,114, \$45,111, \$50,011. Operating expense 16,213, 18,125, 16,966. Bond interest 11,117, 12,500, 12,417. Surplus 13,784, 14,486, 20,628.

Company (incorp. June 24 1912 in Nova Scotia) serves, without competition, Yarmouth, N. S., and adjacent territory (population about 22,000), with its entire system of electric light and power, and also operates the street railway, having furnished without interruption part of the service for more than 31 year. The physical property is valued at over \$600,000. The company's power is generated from its own hydro-electric station, with a steam plant as a reserve. It has recently purchased water rights and storage reservoirs, running approximately 9 1/2 miles long and 1 mile wide, impounding 2,500,000 cu. ft. of water. Proceeds of these notes will be used to develop additional water power. The company has operated entirely on water power for the past 3 years.

The franchises are perpetual, including rights for doing business in Yarmouth County and adjoining counties.—V. 109, p. 80.

For other Investment News, see page 386.

Reports and Documents.

NORTHERN PACIFIC RAILWAY COMPANY

TWENTY-SECOND ANNUAL REPORT—FOR THE FISCAL YEAR ENDING DEC. 31 1918.

Office of the  
NORTHERN PACIFIC RAILWAY COMPANY,  
New York, N. Y.

March 31 1919.

To the Stockholders of the Northern Pacific Railway Company:

The following, being the Twenty-second Annual Report, shows the result of the operation of your property for the fiscal year ending December 31 1918, to both the Company and the United States Railroad Administration; the Railroad having been operated by the United States during the entire period.

CORPORATE INCOME ACCOUNT.

(The result to the United States of the operation of the property is shown below under "Federal Income Account.")

	1917.	1918.	Increase (+) or Decrease (-).
	\$	\$	\$
<i>Non-Operating Income—</i>			
Compensation under contract with United States Government		30,089,691 88	+30,089,691 88
Net income—See Federal Income account below	31,379,565 39		-31,379,565 39
Income from lease of road	288,435 03	288,452 86	+17 83
Miscellaneous rent income	266,025 12	503,680 60	+237,655 48
Miscellaneous non-operating physical property	40,473 27	45,714 54	+5,241 27
Separately operated properties			
—Profit	34,465 82		-34,465 82
Dividend income	9,730,787 00	4,923,488 97	-4,807,298 03
Income from funded securities	287,761 51	954,258 04	+666,496 53
Income from unfunded securities and accounts	773,955 05	296,418 58	-477,536 47
Income from sinking and other reserve funds	79,984 03	123,671 48	+43,687 45
Miscellaneous income	46,479 45	3,903 02	-42,576 43
Revenues prior to Jan. 1 1918		993,026 59	+993,026 59
Gross income	42,927,931 67	38,222,307 16	-4,705,624 51
<i>Deductions from Gross Income</i>			
Railway tax accruals (War taxes)	888,425 44	1,657,365 16	+768,939 72
Rent for leased road	51,331 86	51,331 86	
Miscellaneous rents	11,865 58	10,499 58	-1,366 00
Miscellaneous tax accruals	92 71	98 00	+5 29
Interest on funded debt	12,253,145 63	12,153,441 54	-99,704 09
Interest on unfunded debt	21,236 58	90,116 03	+68,879 45
General corporate expenses		130,970 28	+130,970 28
Miscellaneous income charges	199,148 28	258,181 72	+59,033 44
Depreciation of equipment		2,203,695 72	+2,203,695 72
Expenses prior to Jan. 1 1918		1,537,272 82	+1,537,272 82
Total deductions from gross income	13,425,246 08	18,092,972 71	+4,667,726 63
Net income	29,502,685 59	20,129,334 45	-9,373,351 14
<i>Disposition of Net Income—</i>			
Dividend appropriation of income	17,360,000 00	17,360,000 00	
Income balance for year—transferred to profit and loss	12,142,685 59	2,769,334 45	-9,373,351 14

Information shown on pages 7 to 13, inclusive [pamphlet report], as to details of operation, maintenance, &c., has been furnished by Federal Manager.

FEDERAL INCOME ACCOUNT.

(For comparative purposes the transactions of the Company for 1917 are also shown.)

	1917.	1918.	Increase (+) or Decrease (-).
	\$	\$	\$
<i>Operating Income—</i>			
Railway operating revenues	88,225,726 21	102,908,259 47	+14,682,533 26
Railway operating expenses	53,297,861 21	71,516,302 13	+18,218,440 92
Net operating revenue	34,927,865 00	31,391,957 34	-3,535,907 66
Railway tax accruals	6,022,302 75	6,499,718 10	+477,415 35
Uncollectible railway revenues	9,137 59	5,610 48	-3,527 11
Total operating income	28,896,424 66	24,886,628 76	-4,009,795 90
<i>Non-Operating Income—</i>			
Hire of freight cars—credit balance	871,675 46	1,688,617 37	+816,941 91
Rent from locomotives and cars	365,565 45	385,768 30	+20,202 85
Joint facility rent income	1,996,895 65	2,060,197 53	+63,301 88
Separately operated properties—Profit		19,133 65	+19,133 65
Income from unfunded securities and accounts		101,501 76	+101,501 76
Miscellaneous income		490 53	+490 53
Expenses Northern Pacific Railway Company prior to January 1 1918		*1,536,343 57	+1,536,343 57
Total non-operating income	3,234,136 56	5,792,052 71	+2,557,916 15
Gross income	32,130,561 22	30,678,681 47	-1,451,879 75
<i>Deductions from Gross Income</i>			
Rent for locomotives and cars	153,399 06	73,984 12	-79,414 94
Joint facility rents	597,596 77	737,854 68	+140,257 91
Miscellaneous rents		22 00	+22 00
Interest on unfunded debt		13,044 26	+13,044 26
Revenues Northern Pacific Railway Company prior to January 1 1918		*992,513 41	+992,513 41
Total deductions from gross income	750,995 83	1,817,418 47	+1,066,422 64
Net income	31,379,565 39	28,861,263 00	-2,518,302 39
Compensation under contract with Northern Pacific Railway Company		30,089,691 88	
Net Federal deficit		1,228,428 88	

\* These items represent payments made and received by Federal Administration account of transactions prior to Federal control and therefore belong to the company to whom they have been debited and credited.

MILEAGE OPERATED.

Changes have taken place in the mileage operated as follows:

	Miles.
There were added:	
January 1 1918, Spokane Branch, Washington, reinstated	18.13
January 6 1918, Branches in British Columbia, leased	59.54
January 11 1918, Cowiche Branch, Washington, constructed	6.67
August 15 1918, Flathead Valley Branch, Montana, constructed	32.93
December 31 1918, Sundry minor changes and corrections	1.57
Total additions	118.84
Deductions:	
March 1 1918, Miller Branch, Minnesota, removed	4.42
August 16 1918, Branches in British Columbia, operation temporarily discontinued	59.54
August 19 1918, Fort Sherman Branch, Washington, operation temporarily discontinued	13.61
December 1 1918, Boulder Branch, Montana, transferred to Spur tracks	2.47
December 1 1918, Tumwater Branch, Washington, transferred to Spur tracks	3.90
December 1 1918, G. N. Ry. Helena to Hyndman, Montana, operation of a portion temporarily discontinued	2.65
Net additions	86.59
Mileage operated December 31 1917	6,534.03
Mileage operated December 31 1918	6,566.28
Average mileage operated during the year	6,599.10

REVENUE TRAIN MILEAGE.

Revenue passenger train miles during the year were 9,610,883, a decrease of 219,284 miles compared with the previous year.

Revenue freight and mixed train miles during the year were 13,008,728, a decrease of 294,977 miles.

Revenue special train miles during the year were 8,848, a decrease of 1,435 miles.

All revenue train miles during the year were 22,628,459, a decrease of 515,696 train miles.

EARNINGS.

FREIGHT BUSINESS.

Freight revenue was \$78,534,343 88, an increase of \$13,275,349 12, or 20.34 per cent, compared with the previous year.

9,589,272,892 tons of revenue freight were moved one mile, an increase of 776,597,729 tons one mile, or 8.81 per cent more than the previous year.

The average earnings per ton mile increased from .00741 to .00819.

The revenue train load increased from 662.42 to 737.14 tons. The total train load, including company freight, increased from 751.96 to 824.86 tons.

The number of miles run by revenue freight trains was 12,317,195, a decrease of 239,706, or 1.91 per cent.

PASSENGER BUSINESS.

Passenger revenue was \$17,146,143 99, an increase of \$1,499,365 73, or 9.58 per cent, compared with the previous year.

Mail revenue was \$974,771 15, a decrease of \$63,727 19, or 6.14 per cent.

Express revenue was \$1,742,904 09, an increase of \$155,636 69, or 9.81 per cent.

Sleeping car, parlor and chair car, excess baggage and miscellaneous passenger revenue was \$555,951 82, a decrease of \$45,701 85, or 7.60 per cent.

Total revenue from persons and property carried on passenger trains was \$20,419,771 05, an increase of \$1,545,573 38, or 8.19 per cent compared with the previous year.

The number of passengers carried was 7,813,395, a decrease of 968,556 from the previous year, and the number of passengers carried one mile was 672,985,168, an increase of 12,271,998, or 1.86 per cent.

The number of miles run by revenue passenger trains was 9,610,883, a decrease of 219,284, or 2.23 per cent.

The average rate per passenger per mile was .02548, against .02368 last year.

EARNINGS AND EXPENSES PER MILE OPERATED.

	1917.	1918.
Operating revenues per mile	\$13,526 37	\$15,594 28
*Operating expenses per mile (includes \$130,970 28 Corporate Expenses in 1918)	8,171 39	10,857 13
Net operating revenue per mile	5,354 98	4,737 15
*Taxes per mile (includes \$1,657,365 16 Corporate War Taxes in 1918)	1,059 52	1,236 01

RATIOS.

	1917.	1918.
Operating expenses to operating revenue	60.41%	69.62%
Taxes to operating revenue	7.83%	7.93%

\* The corporate expenditures for expenses and taxes are included in order to make proper comparisons between the two years, 1917 and 1918, and for the same reason are also included in the ratios.

OPERATING EXPENSES.

(Detailed statement of operating expenses appears on pages 32 and 33.) [Pamphlet Report.]

CONDUCTING TRANSPORTATION.

The charges for transportation expenses were \$37,501,-967 36, an increase of \$8,970,554 37, or 31.44 per cent, as against an increase in total operating revenue of 16.64 per cent.

MAINTENANCE OF EQUIPMENT.

The charges for maintenance of equipment were \$16,716,-958 13, an increase of \$5,471,837 79, or 48.66 per cent.

Locomotives.

Total number of locomotives on active list December 31 1917, the date of the last annual report.....	1,361
Additions:	
Engines purchased.....	40
Engines remodeled.....	2
	42
	1,403
Deductions:	
Engines sold during the year, from active list.....	2
Engines converted.....	2
	4
Total locomotives on active list December 31 1918.....	1,399
In addition to the engines on active list there were:	
Withdrawn from service and on hand December 31 1917.....	56
Less—Sold and dismantled during year.....	6
Leaving on hand engines withdrawn from service which may be sold.....	50

Passenger Equipment.

On December 31 1918 the Company owned 1,065 passenger train cars, a decrease of 8 cars, destroyed, transferred to other classes or sold during the year.

Of the 1,065 cars owned, 762 were not due in shops for two months or more.

No additional passenger equipment is under contract for construction or is building at company shops.

Freight Equipment.

Comparative number and capacity of freight cars.

	—Dec. 31 1917—		—Dec. 31 1918—		—Inc. or Dec.—	
	Number.	Capacity.	Number.	Capacity.	Number.	Capacity.
Box.....	25,654	981,930	26,895	1,031,620	+1,241	+49,690
Furniture and Automobile.....	827	32,325	1,056	41,655	+229	+9,330
Refrigerator.....	4,354	141,145	4,440	144,375	+86	+3,230
Stock.....	2,361	54,970	2,327	54,210	-34	-760
Flat.....	8,144	290,185	7,959	283,845	-185	-6,349
Oil.....	62	2,560	62	2,560		
Coal.....	5,130	252,545	5,448	268,705	+318	+16,160
Ballast and Ore.....	1,548	69,660	1,514	68,360	-34	-1,300
Total.....	48,080	1,825,320	49,701	1,895,330	+1,621	+70,010
Percentage.....					+3.37	+3.84
Average capacity per car.....		38.0		38.1		

Of the total number of freight cars on the road on December 31 1918, 2,013, or 4.05%, were in need of repairs costing \$5 00 or more per car.

1,000 40-ton steel centre sill box cars were authorized for construction at company shops, of which 466 are completed.

MAINTENANCE OF WAY AND STRUCTURES.

The charges for Maintenance of Way and Structures were \$14,226,882 64, an increase of \$3,444,704 41, or 31.95 per cent.

GENERAL.

FEDERAL CONTROL.

In the last annual report you were advised that the President of the United States, by proclamation dated December 26 1917, took possession and control of the operating property of the Company as of December 28 1917 (but effective for accounting purposes at midnight, December 31 1917).

In his proclamation, the President directed that the possession, control, operation and utilization of the transportation systems of the country, thereby by him undertaken, should be exercised by and through a Director-General of Railroads, and Hon. Wm. G. McAdoo, Secretary of the Treasury, was named for that important position. He served until January 11 1919, when he was succeeded by Mr. Walker D. Hines.

The President's proclamation, which was followed by an Act of Congress, approved March 21 1918, provided:

"The Director shall, as soon as may be after having assumed such possession and control, enter upon negotiations with the several companies looking to agreements for just and reasonable compensation for the possession, use, and control of their respective properties on the basis of an annual guaranteed compensation above accruing depreciation and the maintenance of their properties equivalent, as nearly as may be, to the average of the net operating income thereof for the three-year period ending June 30 1917, the results of such negotiations to be reported to me for such action as may be appropriate and lawful."

CONTRACT WITH THE GOVERNMENT.

The Directors believing it to be to the interest of the stockholders to enter into such an agreement, at a meeting held on September 11 1918, authorized and directed the calling of a special meeting of stockholders, which was held on October 25 1918, and at which the Directors were authorized, by unanimous vote, to enter into a contract as provided in the Federal Control Act.

In accordance with this authority, a contract dated December 10 1918 was executed between the Director-General of Railroads and the Northern Pacific Railway Company,

Big Fork & International Falls Railway Company (34.01 miles in northeastern Minnesota) and the Gilmore & Pittsburgh Railroad Company, Ltd. (119.64 miles in Montana and Idaho).

The contract is the standard form agreed to after many months of negotiations, and embodies the greatest measure of security and protection to the stockholders which the officers of the principal railroads of the country were able to secure.

In the contract, the three years' period referred to as the basis for computing compensation, is designated as the "test period," and the compensation as "standard return."

The annual "just compensation," or "standard return" provided by the contract for the use of the properties named, is \$30,130,068 81, being the amount certified by the Interstate Commerce Commission as their average net operating income during the "test period," of which \$40,376 93 is for The Gilmore & Pittsburgh Railroad Company, Ltd.

The Federal Control Act also provides that if the compensation, as measured by the returns during the test period, was

"...plainly inequitable as a fair measure of just compensation, then the President may make with the carrier such agreement for such amount as just compensation as under the circumstances of the particular case he shall find just."

The officers of your Company presented to the Director-General and his staff, claims for additional compensation because of unusual expenditures for additions and betterments, and for new equipment in the six months ending December 31 1917, to the end that your Company could meet fully the requirements of the Government during the war period; and also because of the construction of several branch lines which were not placed in operation until after January 1 1918. Your officers felt that your Company was justly entitled to additional compensation of approximately \$487,000 00 per annum. Arguments both written and oral, were presented, but the claims were not allowed.

ORGANIZATION UNDER FEDERAL CONTROL.

Up to August 1 1918 the Director-General of Railroads operated the Companies' properties through a Regional Director, Mr. R. H. Aishton (formerly President of the Chicago & North Western Railway Company) and the President of the Company and his staff. Beginning August 1st, he has operated the property through the Regional Director and a Federal Manager and staff, and the officers of the Company have had no power to direct the maintenance and operation. Many of the officers of the Company having accepted appointments from the Director-General, a revision of the corporate organization became necessary. Mr. J. M. Hannaford, President, who accepted appointment as Federal Manager, was succeeded by Mr. Howard Elliott, Chairman of the Executive Committee, and a corporate organization was completed by the election of the officers as listed in the first page of this [pamphlet] report. It is the duty of this organization to supervise the affairs and property of the Company and to see that all provisions of the contract are carried out. The officers of the Company and the Federal Manager and his staff have been and are co-operating cordially and effectively in an effort to maintain your property in good condition, to safeguard its future, and to carry out the letter and spirit of the contract.

MAINTENANCE UNDER FEDERAL CONTROL.

The contract provides for the maintenance of your property, as follows:

"During the period of Federal control, the Director-General shall, annually, as nearly as practicable, expend and charge to railway operating expenses, either in payments for labor and material or by payments into funds, such sums for the maintenance, repair, renewal, retirement, and depreciation of the property described in paragraph (a) of Section 2 hereof as may be requisite in order that such property may be returned to the Companies at the end of Federal control in substantially as good repair and in substantially as complete equipment as it was on January 1 1918: Provided, however, That the annual expenditure and charges for such purpose during the period of Federal control on such property and the fair distribution thereof over the same, or the payment into funds of an amount equal in the aggregate (subject to the adjustments provided in paragraph (c) and to the provisions of paragraph (e) of this section) to the average annual expenditure and charges for such purposes included under the accounting rules of the Commission in railway operating expenses during the test period, less the cost of fire insurance included therein, shall be taken as a full compliance with the foregoing covenant."

At the time the property passed under Federal control it was in excellent physical condition. The Federal Manager and his staff made every effort to keep the property up to the previous high standard, but war conditions beyond their control prevented the laying of as much new rail and new ties as during the test period. For example:

		Annual Average of Test Period.	Year 1918.
New rails laid.....	Miles.....	195.31	143.18
Cross Ties—treated.....	Number.....	1,244,468	434,911
Cross Ties—untreated.....	Number.....	1,225,958	1,727,363
Total Ties.....		2,470,426	2,162,274

The necessities of war required that freight cars be used in any part of the United States, and a very large proportion of the freight cars of the country were absent from the owning

roads the entire year. Scarcity of men and material retarded their maintenance and your freight equipment is not in as good condition as during the test period. The question of adequate maintenance of your road and equipment is now under discussion with the officers of the United States Railroad Administration, and the Company is protected by the contract.

#### FINANCIAL RESULTS OF OPERATION TO COMPANY.

The results to the Company of the operation of the property under the first year of Federal control are set forth in the Corporate Income Account and other statements forming a part of this report. They show a decrease in the net income of 1918, as compared with 1917, of \$9,373,351 14, which is accounted for as follows:

<b>Decreases—</b>		
Extra dividend C. B. & Q. RR. Co. in 1917— (no corresponding dividend in 1918).....	\$5,385,635 00	
Less N. P. Express Co. dividend in 1918—(no corresponding dividend in 1917).....	578,336 97	
Balance Expenses over Revenue prior to January 1 1918, paid in 1918.....	4,807,298 03	
Increase in war taxes under new Income Tax Law.....	544,246 23	
Decrease in net income under Federal Control in 1918 as compared with net income under Company operation in 1917.....	768,930 72	
Miscellaneous items.....	2,686,784 61	
	829,554 70	
Total decreases.....	\$9,636,823 29	
Increase in interest collected.....	263,472 15	
Net decrease.....	\$9,373,351 14	

On page 28 [pamphlet report] is shown the account between the United States and the Company as of date December 31 1918. This shows a balance due the Company by the Government of \$10,473,293 33, but this does not include the value of material and supplies turned over to the Director-General, \$10,719,847 01, which must be returned at the end of Federal control. Since December 31 1918 a payment of \$5,000,000 was made by the Government on January 28 1919. Up to March 31 there is due one-quarter of the just compensation for 1919, approximately \$7,532,517 20, less any amounts paid by the Director-General for Additions and Betterments, probably not more than \$1,200,000, making the amount due the Company by the Government on April 1 approximately \$11,800,000. The failure of Congress to pass the appropriation bill of \$750,000,000 to provide the United States Railroad Administration with funds with which to pay its obligations, creates an embarrassing situation. Your officers are co-operating with the Director-General in trying to find ways and means to protect the finances of the Company until such time as the Congress shall act.

#### FINANCIAL RESULTS OF OPERATION TO UNITED STATES.

The Federal Income Account shows that the net income to the Administration was \$28,861,263 00, which is \$1,228,428 88 less than the just compensation, and this represents the loss to the Administration from its operation of your property during the year.

Your Company in 1917, during nine months of which the country was at war, earned net income, figured on the same basis as the Federal income account for 1918, \$31,379,565 39, or \$1,289,873 51 more than the just compensation, and \$2,518,302 39 more than the property earned in 1918. During 1918 higher prices were paid for material, and wages were increased very materially. A comparison of payrolls in January 1917 and 1919 shows the cumulative effect of the wage increases granted since the war began, and the comparative expenditure for material and fuel.

January 1917 payroll.....	\$2,346,820 50
January 1919 payroll.....	4,156,011 39
Increase.....	\$1,809,190 89
77.09%	

January 1917, material and fuel.....	\$2,482,002 93
January 1919, material and fuel.....	3,445,628 78
Increase.....	\$963,625 85
38.82%	

The Director-General in order to meet the heavy increases in costs, in June 1918, made increases in rates for transportation of both freight and passengers. The result is shown in an increase in the average freight rate per mile for the second six months of 1918 to .904 cents, as compared with .757 cents for the same period in 1917. The average rate for moving a passenger one mile was increased from 2.323 cents to 2.669 cents. But if the present high costs of carrying on the business are to continue, if good service is to be given to the public and progressive improvements made to the property, rates will have to be increased again. For example:

Increase in revenue per train mile, 1918 over 1917.....	19.73%
Increase in expenses per train mile, 1918 over 1917.....	37.39%
Decrease in net revenue per train mile.....	9.29%

This in the face of an increase in revenue tons per train mile from 662.42 in 1917 to 737.14 in 1918, or 11.28%.

#### VALUATION WORK.

The Bureau of Valuation of the Inter-State Commerce Commission continued the work of valuing your property. Much of the work in the field has been completed, and it is expected that all field work will be finished this year. There will then remain the assembling and checking of the field data and the important work of pricing the various items. It looks now as if the tentative valuation return on the entire property will be submitted by the Government to the Company towards the latter part of 1920.

The number of Company employees engaged in this work at the present time is ninety-one (91) and the total expendi-

tures for the Company's portion of the work up to December 31 1918 was \$732,019 92.

#### LIBERTY LOANS.

Of the several loans prior to the Fourth Loan, your Company subscribed for and purchased a total of \$11,318,000 par value of bonds, which have all been converted into 4½% bonds.

Of the Fourth Liberty Loan, subscription was made to \$5,000,000 to pay for which, however, the Company was obliged to borrow, giving its 90-day notes, at 4½%. Up to December 31 there had been paid on account of these subscriptions \$100,000, leaving due \$4,900,000, which is shown in the balance sheet under the heading "Bills Payable." Since January 1 the notes have been reduced to \$4,400,000.

#### EMPLOYEES IN WAR SERVICE.

During the war 3,644 officers and employees, more than 10% of all employees, enlisted in war service, of which 487 up to April 1st have returned to service.

#### STOCKHOLDERS.

On December 31 1917 there were approximately 25,300 stockholders, which number had increased on December 31 1918 to approximately 27,000 stockholders, an increase during the year of 1,700. This makes an average holding of about 92 shares for each stockholder.

#### LAND DEPARTMENT.

The statements covering Land Department operations for the year 1918, below [and page 44 of pamphlet report] show that the acreage disposed of during the year was quite small, the smallest since 1912. There are two explanations for this: first, the unsold area of the land grant has been reduced by sales to less than five million acres; second, of the unsold area there are approximately three million acres located within the limits of National Forests, all containing more or less timber. It is estimated that at the end of the year 1918 the area of unsold land that can be classified as tillable was approximately 750,000 acres. Under these circumstances, it will be readily seen that a falling off in sales was to be expected. In addition, however, crop conditions have not been favorable for the past two seasons in Montana, where the bulk of the unsold tillable land is situated. The indications are quite favorable for good crops in the season of 1919, and if the expectations are realized a decided increase in sales may be expected and the balance of the tillable lands disposed of within a short time.

#### SUBSIDIARY COMPANIES.

A separate contract was made between the Government and the Minnesota & International Railway Company (178.30 miles in northeastern Minnesota), 70% of the capital stock of which is owned by the Northern Pacific, for \$202,455 24, just compensation. On page 46 of this [pamphlet] report is a statement showing the net income of the Minnesota & International Railway Company in 1918, while it was under Federal control, as compared with 1917, when it was being operated by the Company.

The Spokane Portland & Seattle Railway Company, one-half of the capital stock of which is owned by the Northern Pacific, together with its subsidiaries, the Oregon Trunk and Oregon Electric, having a total mileage of 867.90, were taken over under Federal control, but no contract has yet been entered into. On page 45 of this [pamphlet] report is a statement showing the net income of these companies for the year 1918 while under Federal control, as compared with the net income in the year 1917.

#### REMEDIAL LEGISLATION.

The question of the best method of owning, managing and operating the railroads of the United States is now before the public. The Senate Committee on Inter-State and Foreign Commerce had prolonged hearings on the subject in January, February and March of this year. It is expected that the investigation of this important subject will continue when the new Congress convenes. It is earnestly hoped that new laws will be enacted during the coming session that will permit the return of your property by the Government under a protective system of regulation that will permit good service to the public, good wages and living conditions for employees, expansion of the property to meet the requirements of a growing country, and pay to the owners of securities the returns which they have been receiving during the past ten years and to which their courage and foresight in creating the property entitles them. Your aid in bringing about this result will help to safeguard your property.

#### GENERAL.

The year 1918 was a very difficult one in many respects because of the conditions resulting from the war and Federal control.

The Directors desire to express their appreciation of the excellent service rendered by the officers and employees of the United States Railroad Administration, and of the Company, in maintaining, operating and caring for your property, and for the fine spirit of co-operation that has prevailed.

By order of the Board of Directors,

HOWARD ELLIOTT,

President.



NORTHERN PACIFIC RAILWAY COMPANY GENERAL BALANCE SHEET DECEMBER 31 1918.

ASSETS.

INVESTMENTS: Road and Equipment (Northern Pacific Estate) Dec. 31 1917— Road, lands, &c. \$408,234,473 27 Equipment 64,337,007 01 \$472,571,480 28

CURRENT ASSETS: Cash \$407,231 38 Special deposits (for payment of interest and dividends) 2,583,734 50 Loans and bills receivable 11,759 12

\* Includes this Company's one-half of \$107,613,500 stock of the Chicago Burlington & Quincy Railroad Company to secure \$215,327,000 joint bonds made and issued by this Company and the Great Northern Railway Company to pay for said stock, costing \$109,114,809 76.

LIABILITIES.

STOCK: Capital Stock—Common \$248,000,000 00 LONG TERM DEBT: Funded Debt (see below) \$319,476,000 00 Less—held in Treasury 9,149,500 00

CURRENT LIABILITIES: Loans and bills payable \$4,900,000 00 Traffic and car service balances payable 3,375 12 Audited vouchers and wages payable 100,484 16

CORPORATE SURPLUS: Appropriated surplus not specifically invested \$334,460 48 Profit and loss balance 114,539,394 39

\* Includes \$107,613,500 joint bonds made and issued by this Company and the Great Northern Railway Company to pay for stock of the Chicago Burlington & Quincy Railroad Company.

CHARGES TO CAPITAL ACCOUNT FOR FISCAL YEAR ENDING DECEMBER 31 1918.

(Compiled from information furnished by Federal Manager.)

Real Estate, Right of Way and Terminals— Superior, Wisconsin, real estate \$1,750 46 Superior, Wisconsin, extension of ore dock 52,816 75

Branches, Line Changes, Grade Retentions and Second Main Track— Grassy Point Line, Wisconsin-Minnesota (second main track) Cr. \$2,923 17 Rice's to Little Falls, Minnesota (second main track) 13,820 62

Additions and Betterments— Widening cuts and fills, filling trestles, &c. \$622,060 19 Ballasting 120,809 79 Rails and other track material 411,388 86

Total \$5,016,883 91 New Equipment— Expenditures. \$2,563,169 59 Less Retirements. \$13,780 66 Charged Capital. \$2,549,388 93

Net charges to capital for the year \$11,339,269 01

Summary. Expenditures upon requisition of Director-General \$11,818,029 95 Less property retired and not replaced and equipment retired 596,899 86

FUNDED DEBT DECEMBER 31 1918.

Table with columns: NAME, Amount Outstanding, Date, Matures, Rate, INTEREST (When Payable), Amount Charged Income for Year Ending Dec. 31 1918. Includes ISSUED and ASSUMED sections.

\* Interest on bonds in treasury not included above, viz.: General Lien Bonds, \$5,398,500; Washington & Columbia River Railway Bonds, \$2,480,000; Nor. Pac.-Great Nor. Joint Bonds, \$1,271,000.

**RESERVE FOR ACCRUED DEPRECIATION OF EQUIPMENT.**

Credit balance December 31 1917.....	\$16,283,434 53
Accrued, year 1918:	
Locomotives.....	\$924,873 80
Freight cars.....	1,831,831 13
Passenger cars.....	291,546 81
Floating equipment.....	108 48
Work equipment.....	60,505 55
	3,108,865 77
	\$19,392,300 30
Less depreciation on equipment retired:	
Locomotives.....	\$2,348 04
Freight cars.....	120,657 43
Passenger cars.....	36,878 10
Work equipment.....	4,544 00
	164,428 47
Credit balance December 31 1918.....	\$19,227,871 83

**CAPITAL STOCK AND DEBT.**

There has been no change in the amount of capital stock outstanding during the year, viz..... \$248,000,000 00

Changes in bonded debt were as follows:

Prior Lien Bonds purchased and canceled under Article eight, Section 2 of Mortgage St. Paul & Northern Pacific Railway Company mortgage bonds purchased by trustee and canceled.....	\$753,000 00
Decrease in mortgage debt.....	\$761,000 00

**NORTHERN PACIFIC RAILWAY COMPANY—LAND DEPARTMENT.**

The total net sales for the year ending December 31 1918 of all lands aggregated 162,314.59 acres, and the consideration received therefor was \$1,989,261 38, consisting of:

Cash.....	\$1,206,352 01
Contracts for deferred payments.....	782,909 37
Total.....	\$1,989,261 38

The cash transactions of the department were as follows:

Received from sale as above.....	\$1,206,352 01
Received from payments on contracts.....	2,246,840 07
Interest collected on deferred payments.....	800,808 95
Total.....	\$4,254,001 03
Less for expenses.....	\$455,054 09
Less for taxes.....	590,299 90
	1,045,353 99
Net cash receipts for the year.....	\$3,208,647 04

The net proceeds credited to the Northern Pacific Estate were made up as follows:

Total net sales as above.....	\$1,989,261 38
Interest collected.....	800,808 95
Less expenses and taxes.....	\$2,790,070 33
	1,045,353 99
	\$1,744,716 34
Add net proceeds St. Paul & Duluth RR. lands to Nov. 30 1917.....	132,572 71
	\$1,877,289 05

**BALANCE OF LAND DEPARTMENT CURRENT ASSETS.**

Contracts for sale of lands.....	\$16,982,049 83
Bills receivable.....	28 28
Accounts receivable.....	146,285 38
	\$17,128,363 49
Less accounts payable.....	\$394,102 06
Less, suspense account (collections not taken to account by land agents).....	93,755 01
	\$487,857 07
Balance Land Department current assets.....	\$16,640,506 42

**THE HOCKING VALLEY RAILWAY COMPANY**

**TWENTIETH ANNUAL REPORT—FOR THE FISCAL YEAR ENDED DECEMBER 31 1918.**

Columbus, Ohio, July 1 1919.

To the Stockholders:  
The Twentieth Annual Report of the Board of Directors, for the fiscal year ended December 31 1918, is herewith submitted.

The average mileage operated during the year was 349.7 miles, an increase compared with the previous year of .1 miles. The mileage at the end of the year was 350.2 miles. See schedule on page 12 [pamphlet report].

**RESULTS FOR THE YEAR.**

*Standard Return was.....	\$2,637,167 48
(Decrease \$677,557 44 or 20.44%, compared with corresponding income items of 1917.)	
†General Expenses (Corporate) were.....	68,507 57
War taxes were.....	\$2,568,659 91
(Decrease \$205,747 30 or 93.54%.)	14,200 00
Remainder was.....	\$2,554,459 91
(Decrease \$540,318 01 or 17.46%.)	
Miscellaneous Income was.....	282,486 41
(Increase \$180,538 66 or 177.21%.)	
Rentals and Other Payments were.....	\$2,836,946 32
(Increase \$149,629 45 or 269.25%.)	205,202 48
Income for the year available for interest was.....	\$2,631,743 84
(Decrease \$509,363 80 or 16.22%.)	
Interest (48.33% of amount available) was.....	1,271,914 50
(Increase \$64,719 33 or 5.36%.)	
Net Income for the year amounted to.....	\$1,359,829 34
(Decrease \$574,083 13 or 29.69%.)	
Dividends paid during the year:	
Two dividends of 2% each, aggregating.....	439,980 00
Balance, devoted to improvement of physical and other assets.....	\$919,849 34

\* The term "Standard Return" as used in this report means the "average annual railway operating income for the three years ended June 30 1917," as defined by the Federal Control Act, less one-half of War Taxes for year 1917, which has been certified tentatively by the Inter-State Commerce Commission as \$2,637,167 48.

† By ruling of the Director-General of Railroads these expenses were required to be paid by the Company, although the corresponding expenses of the three years ended June 30 1917 were deducted as operating expenses in computing the Standard Return.

**RETURN ON PROPERTY.**

The following table shows the amount of return to your Company, from transportation operations only, upon its investment in road and equipment at the termination of each year of the five-year period ended December 31 1918; the road having been operated in 1918 by the United States Railroad Administration, the Standard Return has been used for that year in lieu of the operating and other items corresponding therewith:

Year Ended December 31—	Property Investment.	Total Operating Income. (Including hire of equipment & other items).	Per Cent of Return.
1918.....	\$48,057,539 03	\$2,598,474 64	5.41
1917.....	46,237,480 24	3,060,174 97	6.62
1916.....	45,198,144 03	3,052,123 37	6.75
1915.....	44,802,665 64	2,041,149 36	4.58
1914.....	45,475,978 73	1,673,012 19	3.68
Average.....	\$46,954,361 53	\$2,484,986 91	5.41

**FINANCIAL.**

The changes in funded debt shown by balance sheet of December 31 1918, as compared with December 31 1917, consisted in the payment of \$205,000 00 on equipment trusts.

An analysis of the property accounts will be found on pages 18 and 19 [pamphlet report], by reference to which it will be seen that additions and betterments were made during the year to the net amount of \$1,819,858 79, of which

\$1,783,596 02 was added to cost of road, and \$36,262 77 was added to cost of equipment.

During the past ten years your Company's net addition to property accounts has been as follows:

Equipment.....	\$4,217,845 07
Additions and Betterments.....	5,559,945 29
	\$9,777,790 33

Your Company had outstanding \$5,000,000 of short-term six per cent notes which matured on November 1 1918. A plan submitted by bankers looking to the financing of this maturity was acceptable to your Directors, but the necessary sanction of the Director-General of Railroads to such plan was withheld. Consequently, upon the maturity of the notes, your Company found it necessary to request the note-holders to extend the maturity of their notes for three months. In effecting this extension the Director-General co-operated. At the suggestion of representatives of the Railroad Administration, your Company then undertook the creation of a General Mortgage, under which bonds could be issued if found desirable, either for sale or for pledge to secure short-term obligations, for the purpose of providing both for the extended notes and for other capital expenditures. The stockholders at a Special Meeting held on January 25 1919, authorized the creation of such a mortgage to secure not exceeding \$50,000,000 of General Mortgage Bonds. The total amount of bonds outstanding is further limited to an amount which, including prior lien bonds, shall not exceed three times the outstanding stock. On February 1 1919, when the extended notes matured, no plan acceptable to the Director-General had been agreed upon, and a further extension until March 1 1919 was arranged. Before the date last mentioned, your Company reached an understanding with the Director-General and with bankers, whereby it was able to provide for the payment of the extended notes and for its other immediate capital requirements, through the issue and sale of \$7,500,000 of Five-Year 6% Gold Notes, due March 1 1924, secured by pledge of \$9,600,000 of the new 6% General Mortgage Bonds.

Your Company purchased during the year \$200,000 United States Government 4½% Bonds of the Fourth Liberty Loan.

**GENERAL REMARKS.**

The equipment in service December 31 1918 consisted of:

Locomotives owned.....	133	No change
Locomotives leased under equipment trusts.....	8	No change
Total.....	141	No change
Passenger train cars owned.....	72	Increase 1
Freight train and miscellaneous cars owned.....	13,081	Increase 393
Freight train cars leased under equipment trusts.....	1,999	Decrease 500
Freight train cars under special trust.....	47	No change
Total freight train and miscellaneous cars.....	15,127	Decrease 107

The changes during the year in accrued depreciation of equipment account were as follows:

Balance to credit of account December 31 1917.....	\$2,412,337 17
Amount credited during year ended December 31 1918, by charges to U. S. Railroad Administration.....	\$315,012 83
Charges to account for:	
Accrued depreciation on equipment retired during year—114 freight and work cars.....	\$13,960 93
Accrued depreciation on cars changed in class during year.....	4,238 54
	18,199 47
Balance to credit of account December 31 1918.....	\$2,709,150 53

Of the 27 miles of second track, north of Columbus, reported under construction last year, 3.36 miles LeMoyno to Cummings and 7.24 miles Delaware to Meredith (total, 10.6 miles) have been completed, except ballasting, and placed in service; 2.35 miles Crawford to Carey were completed, except ballasting, and placed in service for siding purposes pending completion of Carey coaling station; and the grading and masonry for the remaining portions have been completed. Owing to the development of Parsons Yard the second track (.94 miles) between that point and Valley Crossing was converted into a passing track. The grading and bridging have been completed for 12.6 miles of extensions of passing tracks. A telephone dispatching and message circuit from Columbus to Toledo has been constructed. At Walbridge 9 stalls are being added to the engine house, which will be ready for use by the opening of the lake coal season, a 500-ton capacity concrete coaling station is under construction and the capacity of the yard has been increased by the construction of five 100-car departing tracks and the extension of four hump tracks to hold 100 cars each. At Carey the construction of a 500-ton capacity concrete coaling station has been commenced. At Marion a 5-stall engine house and 100-foot turntable are being constructed. At Parsons Yard, South Columbus, the five 100-car tracks under construction last year have been completed, the grading for 10 additional tracks (5 each in empty yard and loaded yard) has been completed, the advance lead for south-bound trains has been extended three-quarters of a mile, an addition of 12 stalls to the engine house is under construction, and a 500-ton capacity concrete coaling station is practically completed. At South Columbus the separation of grades at Smoky Row Road, ordered by the County Commissioners, and commenced last year, has been completed. At Logan the work of lengthening five stalls of the engine house is practically complete. At Nelsonville a 10-stall engine house, 100-foot turntable, machine shop, sand house, and oil house are under construction and will be in use early in 1919. On the River Division piers have been constructed to support two girder bridges, which are being renewed between Hawks and Minerton, and the steel work will be erected so that heavier power can be operated on this division by the middle of next summer.

#### OPERATION BY UNITED STATES RAILROAD ADMINISTRATION.

In the Annual Report for the year 1917 you were advised that the President of the United States, by Proclamation dated December 26 1917, took possession and assumed control of the railroad systems of the country, appointing a Director-General of Railroads, through whom the operation of such transportation systems was to be conducted. Under the Proclamation and under the Act of Congress of March 21 1918 (generally known as the Federal Control Act), the railroad of your Company has, since December 28 1917, been operated by the United States Government through William G. McAdoo, Director-General of Railroads, and Walker D. Hines, his successor. The operating and traffic statistics contained in this report relate to the operation of your property by the Director-General of Railroads.

Increases in wages of employees, made by the Director-General of Railroads during the year, increased the year's cost of operation approximately \$1,762,000. These increases are in addition to the increases of \$625,000 mentioned in last year's report.

The revenue coal and coke tonnage was 11,799,891 tons, an increase of 10.5%; other revenue freight tonnage was 3,444,959 tons, a decrease of 17.8%. Total revenue tonnage was 15,244,850 tons, an increase of 2.5%. Freight revenue was \$11,343,613 42, an increase of 26.4%. Freight train mileage was 1,494,261 miles, an increase of 1.3%. Revenue ton miles were 1,892,824,838, a decrease of 3.7%. Ton mile revenue was 5.99 mills, an increase of 31.4%. Revenue per freight train mile was \$7.591, an increase of 24.7%. Revenue tonnage per train mile was 1,267 tons, a decrease of 5%; including Company's freight, the tonnage per train mile was 1,302 tons, a decrease of 4.8%. Tonnage per locomotive, including Company's freight, was 1,061 tons, a decrease of 5.5%. Revenue tonnage per loaded car was 43.7 tons, a decrease of .2%. Tons of revenue freight carried one mile per mile of road were 5,412,710, a decrease of 3.8%.

There were 1,293,257 passengers carried, a decrease of 23.9%. The number of passengers carried one mile was 42,551,254, a decrease of 14.9%. Passenger revenue was \$1,038,843 40, an increase of 8%. Revenue per passenger per mile was 2.441 cents, an increase of 26.9%. The number of passengers carried one mile, per mile of road was 121,679, a decrease of 14.9%. Passenger train mileage was 548,159, a decrease of 22.5%. Passenger revenue per train mile was \$2,014, an increase of 48.1%; including mail and express, it was \$2,188, an increase of 38%. Passenger service train revenue per train mile was \$2,260, an increase of 37.7%.

There were 5,726 tons of new 100-lb. rails, equal to 36.44 track miles, and 65 tons of new 90-lb. rails, equal to .46 track miles, used in the renewal of existing main tracks.

The average amount expended for repairs per locomotive was \$7,579 90, an increase of 102.2%; per passenger train car \$1,251 12, an increase of 49.5%; per freight train car \$136 93, an increase of 54.9%.

#### THE FEDERAL CONTROL ACT.

The Federal Control Act authorized the President of the United States to enter into agreements with the companies owning railroads taken over for their maintenance and upkeep during the period of Federal Control, and for the determination of the rights and obligations of the companies and the Government arising out of Federal Control, including the compensation to be received or guaranteed. The Act authorized the payment, under such agreements of an annual compensation equivalent, generally speaking, to the average net railway operating income for the three-year period ending June 30 1917, as ascertained and certified by the Inter-State Commerce Commission. The President was also given power, in any case where the average of the three-year period appeared plainly inequitable as a measure of Just Compensation, to enter into an agreement for such compensation as in his judgment would be just in the particular case.

#### COMPENSATION CONTRACT.

The average Annual Net Railway Operating Income of your Company for the three-year period ending June 30 1917, as tentatively certified by the Inter-State Commerce Commission, being \$2,637,167 48, the Directors of your Company believed it to be to the interest of the Company to enter into the agreement contemplated by the Federal Control Act, and, accordingly, at the Special Meeting of Stockholders held on Jan. 25 1919, requested authority to proceed with the negotiation of an agreement on such basis. Such authorization was duly conferred, and the officers of your Company, pursuant thereto, have made application to the Director-General of Railroads for such an agreement. It is expected that the formal agreement will be executed in the near future.

#### CORPORATE ORGANIZATION.

During the early part of the period of Federal Control, the Director-General permitted the railways to be operated under his supervision by officials of the corporations for the account of the Federal Government. Later a complete separation of the personnel and of the accounting records was ordered, and separate books were opened for Federal transactions and separate operating and accounting officials were appointed. The staff of the Director-General for the operation of the railroad of your Company was selected from former officials of your Company and, as the officials so selected were, by order of the Director-General, required to sever all connection with the corporation, the creation of a distinct corporate organization to carry on the affairs and protect the interests of your company during Federal control became necessary. The expense of maintaining this organization has been, by order of the Director-General, excluded as an operating expense chargeable to Federal Railroad operating income, which, in effect, amounted to a deduction of the cost of maintaining the corporate organization from the Standard Return provided by the Federal Control Act.

#### ALLOCATED EQUIPMENT.

During the year the officers of your Company were notified that the United States Railroad Administration had allocated to it five hundred fifty-five ton coal cars, the cost of which your Company was expected to assume. Your Board of Directors protested against being required to accept such equipment, as, in their opinion, the equipment allocated was unnecessary and was of a type unsuited for the proper and efficient operation of the railroad of your Company, and the prices paid for it by the Administration were unreasonably high. Notwithstanding these objections, the Director-General has insisted that your Company accept this allocation under penalty of having the entire cost, approximately \$1,348,500 00, charged against the annual compensation due from the Railroad Administration, which cost, if so charged, might render it impracticable for your Company to maintain its present dividend rate. Your Directors are disposed to accept the allocation, provided the Director-General will assist in financing its cost which it is believed he will be willing to do.

#### THE FUTURE.

The President of the United States has announced that Federal Control will terminate on December 31 1919. The practical certainty that operating costs cannot be substantially reduced below their present high level and the probability that determined efforts will be made by shippers to prevent further increase of rates and even to effect reductions, will render it very difficult, after Federal Control has ended, to maintain between revenues and expenses the margin necessary to ensure an adequate return to your Company and provide the basis of credit necessary for the improvement and development of its property. This prospect, which faces every railroad in the country, makes it of the highest importance that some plan be devised and enacted into law, which, while protecting the proper interests of the public, shall yet also ensure the financial stability of our transportation system.

Your Directors have given and will continue to give their earnest consideration to the various plans that have been proposed for dealing with this problem. Its solution will require the exercise by National and State Legislatures and by public officials generally, of broad statesmanship and wise forethought. Railroad stockholders and creditors can render invaluable assistance in the formulation and discussion of

any plan that may be adopted, and will, it is hoped, cooperate actively to the end that a solution may be reached which, while protecting the public, will make railroad securities attractive to investors and thus ensure the continuance of the wise principles of private ownership and individual initiative in the management and control of our transportation systems.

On July 30 1918, your Company sustained a serious loss in the death of Mr. Clarence Brown, who had been a Director of your Company for a number of years.

Announcement is also made with regret of the death, on June 6 1919, of Mr. Carl Remington, Assistant Secretary and formerly Secretary of your Company.

On February 1 1919, Mr. James Steuart MacKie was, at his own request, relieved of his duties as Treasurer of the Company, and Mr. Arthur Trevvett succeeded him in that office.

Appreciative acknowledgment is hereby made to officers and employees for their efficient services during the year. By order of the Board of Directors.

FRANK TRUMBULL, Chairman and President.

GENERAL BALANCE SHEET, DECEMBER 31, 1918.—(Corporate)

Table with 2 main columns: ASSETS and LIABILITIES. Assets include Property Investment, Securities of Proprietary, Working Assets, etc. Liabilities include Capital Stock, Working Liabilities, Deferred Liabilities, etc. Total assets and liabilities both amount to \$56,266,974.18.

This Company and The Toledo & Ohio Central Railway Company severally endorsed, in 1901, upon 5% First Mortgage Bonds of the Kanawha & Hoeking Coal & Coke Company due 1951 (\$2,842,000 outstanding) and, in 1902, upon 5% First Mortgage Bonds of the Continental Coal Company due 1952 (\$1,569,000 outstanding less credit on foreclosure of \$506.75 per \$1,000 bond) purported guaranties thereof.

In quo warranto litigation in Ohio, to which the bondholders were not parties, the purported guaranties of this Company upon the bonds last mentioned have been declared ultra vires and the performance of the contracts pursuant to which both guaranties were made has been enjoined by the Federal Court in that State. The enforceability of these alleged guaranties is now in litigation.

White Sewing Machine Co., Cleveland.—Stock Increase. The company has filed a certificate in Ohio increasing its capital stock from \$3,000,000 to \$3,500,000.—V. 105, p. 395.

(Rudolph) Wurlitzer Co.—Offering of Debentures.—Halsey, Stuart & Co. and Geo. H. Burr & Co., N. Y., are offering at prices ranging from 100 to 98, to yield from 6% to 6.35%, according to maturities, \$2,400,000 6% Serial Gold Debentures, to be dated Aug. 1 1919. Due \$240,000 annually Aug. 1 1920 to Aug. 1 1929 incl. A circular shows: Interest payable F. & A. in Chicago or New York without deduction for Federal income taxes, now or hereafter deductible at the source, not in excess of 2%. Denom. \$1,000 (c\*). Redeemable as a whole or in part on any int. date upon 30 days' notice at 101 and int.

—High wages along, according to the Associated Advertising Clubs of the World, "will not alone insure that men will stick to their jobs and make their effort productive in a maximum degree." It contends that there must be, in addition to good wages, a real understanding, a realization of mutuality of interest, between the employer and the employee, whether this be applied to factory, store or farm. In recognition of this, the Associated Advertising Clubs will have as the central theme of its program for the world convention of advertising (which will be held in New Orleans, Sept. 21 to 25), the promotion of advertising as an instrument of first importance in bringing about just such an understanding between capital and labor as will insure maximum production, with its resulting prosperity. It is announced that Samuel Gompers, President of the American Federation of Labor, had accepted a place on the convention program, and that a man equally representative of capital, would present the other side of the story. The character of the co-operative work being done by advertising clubs and "blue sky" commissioners of the country, says a bulletin from the Associated Advertising Clubs, is illustrated by a recent agreement which the newspapers of Cleveland made with Edward L. Greene, Manager of the Better Business Commission of that city, whereby they will accept no further advertisements from stock promoters who do not have the sanction of the Ohio "blue sky" department. The Association says: "In line with this plan, Mr. Greene receives frequent reports upon action taken by the State official in charge, and he communicates such information to the newspapers. It has been the custom of some promoters to use advertising space in States where they failed to obtain licenses, selling their 'securities' by mail. The National Vigilance Committee of the Associated Advertising Clubs has issued a bulletin to all vigilance committees, suggesting that similar action on the part of local newspapers be advocated in other cities.

Company is the largest distributor of a complete line of musical instruments in the United States, with business in successful operation since 1856. Capitalization, &c. (upon Completion of Present Financing). 6% Serial Debentures (this issue) \$2,400,000 Authorized. \$2,400,000 Outstand'g. \$2,400,000 First Preferred stock 2,000,000 1,639,500 Common stock 2,000,000 769,500 Note.—The surplus and undivided profits as of April 30 1919 amounted to \$2,668,736. Total assets to underly this capitalization, \$7,400,236, viz.: Current assets, after deducting current liabilities (\$1,595,748) \$5,804,488; real estate and buildings, \$1,015,550; deferred, &c., \$411,807. Purpose of Issue.—To retire all present bank loans and to provide about \$1,500,000 additional cash for further development and extension. Year April 30— 1917. 1918. 1919. Sales \$7,043,192 \$7,936,346 \$8,422,218 Net profits applicable to interest charges, after including depreciation, Federal and State taxes, average 3 years ended April 30 1919, \$596,192 fiscal year ended April 30 1919, \$697,736, or nearly 5 times the maximum annual interest of \$144,000 on these debentures. N. 96, p. 657.

—Blankenhorn-Hunter-Dulin Co., dealers in investment bonds, announce the opening of offices in the American National Bank Building, San Francisco, under the management of Carlos S. Greeley. Associated with Mr. Greeley are Lyman Grimes and Edgar A. Freeman. The concern also has offices in Los Angeles and Pasadena.

CURRENT NOTICES

—Columbia Trust Co., 60 Broadway, N. Y. City, has been appointed Transfer Agent for the Common and Preferred stocks of Belzo Electric Motor Co., Inc., and registrar for the capital stocks of the following: Amalgamated Royalty Oil Corp., Argonaut Salvage Corp., and White Eagle Oil & Refining Co.

—Portalis & Co., Ltd., international bankers and merchants (main office, Rivadavia 685, Buenos Aires), announce the establishment of a New York office at 25 Broad St., this city, under the management of D. W. Howland. The firm was established in 1877 and has branches at London, Paris, Montevideo and Rosario.

—W. R. Compton Co., 14 Wall St., this city, jointly with Wm. A. Read & Co., of this city, are advertising elsewhere in the "Chronicle" a new issue of \$800,000 City of Tulsa, Okla., School District Serial 5% bonds, yielding 4.75% on the investment. Full particulars appear in the advertisement.

—The Guaranty Trust Co. of New York has been appointed registrar of the preferred and common stock of the International General Electric Co., Inc.

COMMERCIAL EPITOME

Friday Night, July 25 1919.

Notable activity in trade is still the rule. Indeed it is a remarkable record for this time of the year. The big grain States find trade the most animated, regardless of the fact that crop estimates of wheat and oats have had to be modified somewhat owing to drought. On the Pacific Coast business is also brisk. And there the crop prospects are as bright as ever. Taking the country over, the harvests will be very large, and prices paid to farmers will in all likelihood continue to be high. It was feared that when trading in wheat was resumed at the opening of the present week at Winnipeg, Canada, that prices might fall below the minimum Government price in the United States. On the contrary, it has risen sharply, the advance to-day being 8½¢@9c. per bushel, owing to dry weather. There is a big business in luxuries as well as staple articles of consumption. People do not haggle so much about the price as they do about deliveries. In many branches of business buyers are not too glad to get merchandise at almost any price. Deliveries are apt to be slow or the buyer gets only a portion of what he wants. In other words, there is a scarcity of commodities in many lines of activity. Business in iron and steel is increasing. The furnace capacity is rising. Mill operations are larger. There seems no serious fear of a big steel strike judging from present appearances at least. Oil interests are big buyers of pipe, as the oil industry in this country grows. Copper is higher; also zinc and lead. There is a larger demand for coal. And Europe is in the market it is understood for considerable quantities. A big business is being done in lumber both for home and foreign account, at strong or rising prices. On the Pacific Coast the highest prices ever known for lumber are reported.

The corn crop has made good progress, although the entire corn belt undoubtedly needs rain. It is too dry in the Northwest. The new wheat crop is being marketed more rapidly and the quality is described as fair. It is stated that farm laborers are being paid 70 cents per hour. Exports of wheat are running ahead of those for last year. Collections as a rule are still good. The shipping strike is still on but it is believed that it will be settled in a few days. One drawback has been the recent bad break in rates for sterling, franc and lire exchange. It tends of course to injure the export trade of this country. The shipping strike has also been a notable drawback in this respect. And something new in the situation is an increase in commercial failures, although they are still small by comparison with recent years; they are larger than for many weeks past.

The members of the American Steamship Association voted early in the week to fight the unions to the end. Approximately 70,000 men are out and 500 ships idle. Marine engineers numbering 15,472 have delivered an ultimatum that will, it is inferred, bring them into strike on July 31st. But it was said to-day that the strike would soon be settled. Over 150,000 workers in the building and allied trades are on strike in Chicago. Carpenters, steel workers, plumbers and other trades demand \$1 an hour and an eight-hour day. Air mail pilots, not to be behind the times, struck to-day. The reason given was the dismissal of two pilots at Belmont Park for failing to take the air in bad weather. Ten thousand striking employees of Chicago packers returned to work pending the award of an arbitrator. Eighty thousand employees in the stock yards there are involved in demands for wage increases. The Department of Agriculture predicts a domestic sugar crop of 2,216,000,000 lbs. or 147,000,000 lbs. more than the average of the preceding six years. The Mexican Government now permits foreigners to drill for oil. France is to buy 100,000 tons of American coal and negotiations are progressing for an additional half a million tons. England has a coal strike of 250,000 miners. It threatens transportation and distribution of food. It may hurt trade with America.

It is stated that 3,000 bales of American cotton were to be delivered in Prague, July 23, making the first delivery since the war started. On Aug. 2 20,000 additional bales are due. The first consignment of uncensored mail direct to Germany and Austria left New York on the 23rd inst. A remarkable rainy spell of 9 days which ended July 23 drenched New York and with it muggy and very uncomfortable weather prevailed. Thus far the July precipitation has been over 7 inches, as against a normal rainfall for the entire month of 4.50 inches. The high record is 9.63 inches on 11 consecutive days of rain. But this month's experience is bad enough. Rains on the 22d inst. caused the severest breakdown the electrical division of the Long Island railroad has ever had since it was adopted. Trains along 200 miles of track were stalled for more than half an hour, and the Pennsylvania Station in New York, the Flat-bush Avenue Station in Brooklyn, and the Long Island Station in Jamaica were congested for hours.

LARD higher; prime Western 35.00@35.10c.; refined to the Continent 37c.; South American 37.25c.; Brazil in kegs 38.25c. Futures advanced on higher hogs, of which receipts have been small, progress towards settlement of the packing house strike (some 10,000 having returned to work), and covering of shorts. Exports of lard and meats last week

were large. The rise in grain has also helped lard. The shipping strike, still in progress, has of course hurt export trade; so also have the new low levels for sterling, franc and lire exchange, and impending Government offerings of provisions. To-day prices advanced then reacted but end higher for the week.

DAILY CLOSING PRICES OF LARD FUTURES IN CHICAGO.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
July delivery.....cts.	34.75	34.15	34.40	34.72	34.47	34.22
September delivery.....	34.87	34.27	34.47	34.80	34.62	34.45
October delivery.....	33.75	34.15	34.32	34.67	34.47	34.30

PORK quiet but slightly higher; mess, \$59 50; short clear, \$56@56.3. September pork closed at \$51 40, an advance for the week of 95c. Beef lower; mess, \$33@33.4; packet, \$37@38; extra India mess, \$58@560; No. 1 canned roast beef, \$3 75; No. 2, \$7 25. Cut meats steady; pickled hams, 10 to 20 pounds, 35¼@35¾c.; pickled bellies, 33@34c. Government canned corned beef is now on sale to municipalities at from 33 to 40 cents a pound, according to the size of the can. The purchase price was 50 cents per pound. Roast beef in one-pound cans is for sale at 41c, a pound, compared with a purchase price of 51c. Government bacon is offered at 34c. per pound for strips in crates and 36c. in cans, for which it paid 42 to 45c. per pound. Butter, creamery extras, 55@55½c.; other grades, 47@58c. Cheese, flats, 23@33c. Eggs, fresh gathered extras, 54@55c.; first to extra firsts, 47@53c.

COFFEE on the spot has been in fair demand but slightly lower; No. 7 Rio, 22¾c.; No. 4 Santos, 28¾@29c.; fair to good Ceuca, 27¼@27½c. Futures advanced on large buying by Brazil here and higher prices on actual coffee in Brazil. On the rise the trade and New Orleans sold. New European buying and also buying by Wall St. have been factors in the trading. The talk centres on a short crop and a big prospective consumption at home and abroad. Some predict that distant months will go to a premium. Reactions have occurred from time to time on trade, Brazilian and other selling. To-day prices eased somewhat but they end higher for the week. The New York stock of Brazilian is 350,658 bags, against 1,139,828 bags a year ago at Rio 457,000, against 754,000 last year and at Santos 1,811,000, against 2,824,000 a year ago.

July.....	21.88@22.00	December.....	21.46@21.42	March.....	21.35@21.36
September.....	21.80@21.82	January.....	21.39@21.41	May.....	21.25@21.26
October.....	21.65@21.70				

SUGAR remains at 7.28c. for 96-degrees test Porto Rico and Cuba; granulated 9c. If the shipping strike continues, imports from Cuba must be restricted. The Sugar Equalization Board has been holding aloof for about a week. Receipts at Cuban ports fell off about 10,000 tons, and stocks at the ports 48,924 tons. Exports increased 11,000 tons from Cuban ports, mainly owing to a large movement to Europe. Heavy rains in Cuba continue. Since Jan. 1 it is said that over 150,000 tons of refined sugar have been forwarded to Europe, outside of the Royal Commission. It is said that re-sellers, finding refiners refusing to sell for export, have obtained 11, and even occasionally 12 cents f. o. b. from foreign buyers. It is believed that the shipping strike at the Atlantic ports will soon be settled. Granulated being unobtainable, there is a sharp demand for soft sugars, but even these are in very moderate supply. In Chicago second hand supplies are eagerly bought whenever they are to be had. In many parts of the country sugar is scarce. The beet root crop greatly needs rain in Southern Michigan and Ohio. The Department of Agriculture estimates the Louisiana cane sugar output at 159,069 tons, compared with a six-year average of 254,500 tons. The beet sugar acreage is the largest on record, with 890,400 acres, an increase of 200,700 acres over last year, but the condition of the crop on July 1 was low, owing to adverse weather.

OILS.—Linseed continues in good demand and steady; car lots \$2 17; five-bbl. lots \$2 20; single bbl. lots, \$2 23. Lard prime edible steady at 2.80@2.90c. Coconut-oil, Ceylon, bbls. 20¼@20½c. Olive 2.35@2.50c. Corn oil refined 100 lbs. 28.76c. Cod domestic \$1 05@1 08. Newfoundland \$1 10@1 12. Spirits of turpentine \$1 35. Common to good strained rosin \$16 75.

PETROLEUM has been active and steady; refined, in barrels, 17.25@18.25c.; bulk, New York, 9 25@10 25c.; cases, New York, 20.25@21.25c. Gasoline steady; motor gasoline, in steel barrels, 24¼c.; consumers, 26¼c.; gas machine, 41¼c. Reports from Northwest Texas announce a curtailment of output by some of the big producers. It is said that this is hardly offset by new completions. The production of crude oil in California during June was 281,620 barrels per day, or 5,598 barrels more than the daily average during May. Shipments averaged 268,730 barrels a day during June, or 10,962 barrels more than the daily average in May. Shipments from the fields during June aggregated 8,061,592 barrels, leaving California stocks (crude oil) at the close of the month at 33,496,897 barrels, an increase of 387,280 barrels over May. During the six months ended June 30 the production averaged 278,780 barrels per day against shipments of 270,747 barrels. The estimated production of the fields of the Mid-Continent at the close of last week was as follows: North Louisiana, 44,145 barrels; North Texas, 216,930 barrels; Corsicana light and Thrall, 900 barrels; Kansas, 82,000 barrels; Oklahoma, outside of Cushing, Shamrock and Haldton, 143,000 barrels; Cushing and Shamrock, 37,000 barrels; Haldton, 37,400 barrels; total, 561,375 barrels. The estimated daily production of

heavy gravity oil in the Gulf Coast field was 83,150 barrels; Corsicana heavy, 500 barrels.

Table listing oil products and prices: Pennsylvania dark \$4.00, Cabell 2.77, Critton 1.75, Corning 2.85, Wooster 2.85, Thrall 2.25, Strawn 2.25, De Soto 2.15, North Lima 2.38, South Lima \$2.38, Indiana 2.25, Princeton 2.42, Somerset, 32 deg. 2.60, Ragland 1.25, Electra 2.25, Moran 2.25, Plymouth 2.33, Corsicana, heavy 1.05, Illinois, above 30 degrees \$2.42, Kansas and Oklahoma 2.25, Caddo, La., light 2.25, Caddo, La., heavy 60 2.25, Canada 2.78, Healdton 1.20, Henrietta 2.25

RUBBER has been quiet but steady. Holders maintain prices but buyers on the other hand hold aloof. It is as broad as it is long. Smoked ribbed sheets 38 1/2 @ 39c.; August arrival 39 1/2c.; October-December 40 1/2c.; for January-June 43c.; all next year 44c.; the usual 1c. premium on first latex pale crepe. Para, dull; fine upriver 55c.; coarse 32c.

OCEAN FREIGHTS have been quiet at Atlantic ports owing to the shipping strike. Crews in many cases desert their ships on reaching port of destination. Big losses have been sustained on perishable cargoes. At New York things are simply marking time awaiting a settlement of the strike, which it is hoped will come soon. Ships are in good demand; there is no trouble about that. The great difficulty is the shipping strike. At present exports and imports here are at a minimum. New rates from North Atlantic ports to Germany via Hamburg and Bremen are \$1.50 per 100 lbs., or 70 cents per cubic foot. Charters include coal from Norfolk to Rio Grande do Sol at \$20.50; the same from Virginia to Genoa at \$26.50, July-August; 12 months' time charter at 25s. Grain from New Orleans to London at 22s. August; steamer 12 months' time charter at \$9.50; steamer 1,175 tons, Virginia to Havana, coal at \$7.50; 600 tons per day discharge; steamer Virginia to north side of Cuba, coal, \$9; 300 tons per day discharge; option south side of Cuba at \$9.50; motor from a Gulf port to Buenos Aires, lumber, \$57.50 prompt; schooner from a Gulf port to Rosario, lumber, at \$62.50; schooner Bathurst to Buenos Aires, lumber, \$40; schooner from a Gulf port to Buenos Aires, lumber, \$75; grain from Philadelphia to the United Kingdom at 8s. 6d.; option flour 50s. per ton prompt; grain from Philadelphia to West Italy 17s.; option flour 100s. prompt; grain from Montreal to United Kingdom 10s.; option flour 57s. 6d. prompt; sugar from New Orleans to Havre 155s. prompt; sugar from Cuba to a French Atlantic port 140s.; option of Marseilles 150s.

TOBACCO.—With few exceptions trade has not been active; quite the contrary. Labor disputes interfere. A moderate business is as a rule all that can be noted. Still it is true that sales of binder stock have recently been larger. Much of the present crop of Connecticut has been bought up. Buyers are impatiently awaiting the offerings of broad leaf. They may be expected in the near future. Wisconsin binders when they are available will, it is believed, also sell readily. In Ohio it is said Zimmer Spanish tobacco has sold on a liberal scale at 15c. Except in Virginia and North Carolina where heavy rains and lack of sunshine caused much deterioration the tobacco crop in the United States is making satisfactory progress. Topping of the early crop was in progress in New England and it was being marketed extensively in South Carolina.

COPPER continues in good demand at higher prices; electrolytic, 23 1/4 @ 23 1/2c.; July 23 @ 23 1/2c.; August 23 1/2 @ 23 1/2c.; September 24c. Lead higher at 6.00 @ 6.10c. for New York and 5.75 for St. Louis. Spelter lower at 8.30c. spot New York. Tin quiet but steady at 71c. A Boston despatch says that there was a decided decline in the production of copper by the leading American copper mines last month. Eighteen representative producers showed a combined output it is stated of 77,252,000 lbs., compared with 87,209,000 lbs., in May, a decline of roughly 10,000,000 lbs. To-day trading was light on the spot but the demand was reported better for September and on the end of 1919. Large holders ask 23 to 23 1/2c. for July, 23 1/2c. to 23 1/4c. for August and 24c. for September. Tin plate has advanced it is reported 25c. in some cases at Pittsburgh, and mills are said to be operating there at 90%; galvanizing departments 80%.

PIG IRON has been in somewhat better demand with prices as a rule steady. Not much shading, it is said, has been done. Recently considerable business was done for export. Future export trade naturally depends largely on the course of foreign exchange. Pig iron production is steadily increasing. It is not believed that an iron strike of importance is likely. Coke production has increased.

STEEL is in brisk demand. It outruns the current output. One large company is said to be operating at 88%. Judge Gary has given out an optimistic statement as to the future. It is predicted that no serious general strike is likely. It is added that there will be no unionizing of the United States Steel Corporation. Exports with sterling exchange low are falling behind those of June. But it is also true that there is foreign buying of American railroad materials, including cars and locomotives. France and Cuba have bought cars; Japan, tin plate; Argentina, Chili and Java, locomotives. Various American automobile makers have been large buyers. One, it seems, has closed a contract for 125,000 tons of various forms of steel; another is believed to have taken a large amount. Wire products have been advanced \$5 per ton. Some independent producers have advanced wire nails 25 cents per keg to \$3.50

and plain wire \$2 per net ton. Steel bars may be advanced by several concerns well sold ahead. Not much bar steel for the fourth quarter is available.

COTTON

Friday Night, July 25 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 105,721 bales, against 109,144 bales last week and 118,579 bales the previous week, making the total receipts since Aug. 1 1918 5,959,457 bales, against 5,780,342 bales for the same period of 1917-18, showing an increase since Aug. 1 1918 of 179,115 bales.

Table showing weekly cotton receipts from various ports: Galveston, Texas City, Port Arthur, New Orleans, Mobile, Pensacola, Jacksonville, Savannah, Brunswick, Charleston, Wilmington, Norfolk, N'port News, Boston, Baltimore, Philadelphia, etc.

The following shows the week's total receipts, the total since Aug. 1 1918 and the stocks to-night, compared with last year:

Table comparing weekly cotton receipts, total since Aug 1 1918, and stocks for 1918-19 and 1917-18 across various ports.

In order that comparison may be made with other years, we give below the totals at leading ports for six seasons:

Table showing totals at leading ports for six seasons (1919, 1918, 1917, 1916, 1915, 1914) for various ports.

The exports for the week ending this evening reach a total of 30,846 bales, of which 15,967 were to Great Britain, to France and 14,879 to other destinations. Exports for the week and since Aug. 1 1918 are as follows:

Table showing exports for the week and since Aug 1 1918 to Great Britain, France, and other destinations from various ports.

\* Figures adjusted to make comparison with this season approximately correct.

In addition to above exports, our telegrams to-night also give us the following amounts of cotton on shipboard, not cleared, at the ports named. We add similar figures for New York.

July 25 at—	On Shipboard, Not Cleared for—					Leaving Stock.
	Great Britain.	France.	Germany.	Other Cont.	Coast-wise.	
Galveston.....	72,249		37,734	110,483	500	105,144
New Orleans.....	16,026	2,376	39,340	63,152	147	319,050
Savannah.....	12,000		10,000	22,000		225,589
Charleston.....				500		50,735
Mobile.....	16,500	675		17,175	7,654	94,567
Norfolk.....				500		5,000
New York*.....	3,000		2,000	5,000		85,106
Other ports*.....	5,000		5,000	10,000		139,199
Total 1919.....	124,775	3,051	5,263	94,074	1,647	228,810
Total 1918.....	23,779	11,000	2,000	4,700	41,479	952,162
Total 1917.....	43,633	6,278		9,302	12,333	71,636

\* Estimated.

Speculation in cotton for future delivery has been somewhat more active at irregular prices, ending lower. It has been at times a case of bad weather against bad exchange. In other words, heavy rains have prevailed in the eastern gulf sections of the belt and are believed to have done harm. At the same time this fact has been largely neutralized by a decline in rates of sterling, franc and lira exchange. Sterling fell at one time to 4.28 or within 2 cents of the low record. To make matters worse, Sir Geo. Paish, the English economist, issued a statement early in the week to the effect that sterling might drop to \$4. In other words, he seemed to fear a collapse in European credits. This undoubtedly had an effect on cotton on the 21st inst. On that day prices fell roughly 100 to 120 points from the high quotations in the morning and ended at a net loss for the day of 75 to 95 points. October was especially weak. On that day bad rains were again reported. But the trade is evidently nervous over the foreign exchange question. In fact this feeling is noticeable in all the commodity markets, i.e., grain provisions, metals, &c., as well as cotton. Meanwhile, too, ocean freights continue scarce and high. Exports of late have been light. There have been days when there were none at all. This may be partly attributable to the continuance of the big shipping strike. That is not at all improbable. But the question of credits seems to hang fire. Certainly progress is slow. It is said that the United States authorities are inclined to favor some plan to promote business with Europe. But representatives of Deutsche Bank of Berlin deny that that institution has been endeavoring in behalf of the German Republic to secure credits in this country for \$50,000,000.

Early in the week the decline was hastened to some extent by the fact that the market had become long. Also, spot cotton was reported quiet. Some of the mills are said to be well supplied for some time ahead. And some emphasis is laid on the fact that the American consumption in June was comparatively moderate and that shorter hours now prevail at American mills than in recent years, something which it is inferred may for a time at least curtail the output of goods. In fact that is regarded by many as an unavoidable conclusion. And as regards the crop the weekly Government report on the 23d inst. was more favorable than had been generally expected. It stated that cotton had made generally satisfactory progress in Texas, Oklahoma and Arkansas. It looks well in central and northern Georgia. In Alabama it ranges from fair to good. There was less complaint of boll weevil in Texas. The rains in that State it is contended have been rather beneficial than otherwise, especially in the central portion. In Louisiana cotton is improving slowly and in Tennessee the progress is very good. It is fruiting well there.

Meanwhile, cotton at New York is still believed to be on a tenderable basis for the eastern belt. It is said that only the shipping strike prevents cotton from coming to New York in at least fair volume for delivery on contracts. At the same time it is noticeable that October has dropped to quite a noticeable discount at times under December as well as later months. It has at times been 20 points under December, 16 under January, 21 under March and 11 under May. Many of these looks like a disposition to dodge the actual cotton. Certainly futures have recently been advancing faster than spots. The logical effect is obvious. The South has been selling steadily here. At times Wall Street and the West have sold quite freely.

On the other hand, however, bullish sentiment is very general. It is believed that credits will be provided. This country needs buyers as much as Europe needs commodities. There are large supplies of cotton here. The South naturally wants to sell. Cotton has for many years been one of the principal American exports. It is believed that ways will be found to promote the exportation of this indispensable commodity. And the very fact that sterling exchange has fallen to such very low figures it is believed by some cotton people will have a strong tendency to bring about measures of relief in some shape or other. Already the country is awaking to the fact that it would be no bad thing to buy European products more freely and increase American imports as one of the natural means of looking to a correction of any undue depression in foreign exchange. It is pointed out, too, that in the cotton trade for instance, European houses which have been buying American cotton for half a century or more are almost without exception sound going concerns, which only need a little accommodation, and things would soon be running much more smoothly. It would be all the more profitable for the American trade in the end. Certainly, nothing will be made by holding aloof in an unaccommodating spirit. As regards the crop, very many believe it is foredoomed to be the fifth semi-failure in succes-

sion. To-day is the real date of the Government report of Aug. 1. It is believed that the August report, like that of July, will be the worst on record. Hitherto the lowest August percentage has been 70.3, that of two years ago. In the July report this year the condition was 70. It is considered by very many as reasonably certain that the August condition will be well under this figure. Of course, on the other hand, the fact will have to be taken into account that 100% in the report dated July 25 will be 245 lbs. to the acre as against 235.1 lbs. in the report of June 25. That would mitigate some decrease in the condition on July 25. But the generality of people look for a short crop and a big demand. They believe that the world is on the eve of a great awakening of business. In Texas and Mississippi the crop is fruiting poorly. In Georgia the condition is poor. In scattered sections of Alabama it does not look well. For the most part it is poor in Louisiana. It is late in Tennessee. Entirely too much rain has fallen in North Carolina. Heavy rains were detrimental in South Carolina and North Carolina. Weevil is numerous in South Carolina, and is doing considerable harm in the extreme southern portion. Southern and central portions of Alabama report weevil numerous and injurious. In many parts of Southern Mississippi it is doing much damage. In parts of Georgia the damage from the pest is increasing. Liverpool, American and Japanese trade interests have been buying. Contracts from time to time become scarce. Trade interests are steadily taking them out of the market. And there is a big demand for goods at home and abroad. To-day prices advanced then declined on better weather and some renewed weakness in sterling exchange, and considerable liquidation. It was reported too that the spot basis at the South was easier. The coal strike in England is said to be in a fair way of settlement. The shipping strike here is not expected to last more than a few days. The close is lower for the week. Middling uplands closed at 35.50c. showing a decline for the week of 80 points.

The official quotation for middling upland cotton in the New York market each day for the past week has been:

July 19 to July 25—	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling uplands.....	36.55	35.65	36.05	36.20	35.85	35.50

NEW YORK QUOTATIONS FOR 32 YEARS.

1919. c.	1911. c.	1903. c.	1895. c.	1887. c.	1879. c.
1919.....	35.50	13.60	13.50	13.50	7.05
1918.....	28.90	15.75	19.02	9.00	18.94
1917.....	25.45	15.50	19.01	8.12	18.93
1916.....	13.20	11.70	9.90	10.12	18.92
1915.....	9.20	13.10	18.99	6.12	18.91
1914.....	13.25	10.90	18.98	6.06	18.90
1913.....	12.05	11.40	18.97	7.94	18.89
1912.....	13.00	10.80	18.96	7.19	18.88

THE VISIBLE SUPPLY OF COTTON TO-NIGHT, as made up by cable and telegraph, is as follows. Foreign stocks, as well as the afloat, are this week's returns, and consequently all foreign figures are brought down to Thursday evening. But to make the total the complete figures for to-night (Friday), we add the item of exports from the United States, including in it the exports of Friday only.

	1919.	1918.	1917.	1916.
Stock at Liverpool.....	bales. 587,000	270,000	267,000	616,000
Stock at London.....	13,000	28,000	26,000	34,000
Stock at Manchester.....	86,000	47,000	25,000	48,000
Total Great Britain.....	686,000	345,000	318,000	698,000
Stock at Hamburg.....			*1,000	*1,000
Stock at Bremen.....			*1,000	*1,000
Stock at Havre.....	162,000	101,000	163,000	229,000
Stock at Marseilles.....			3,000	12,000
Stock at Barcelona.....	34,000	3,000	86,000	62,000
Stock at Genoa.....	22,000	2,000	16,000	127,000
Stock at Trieste.....	9,000		*1,000	*1,000
Total Continental stocks.....	227,000	106,000	271,000	463,000
Total European stocks.....	913,000	451,000	589,000	1,161,000
India cotton afloat for Europe.....	42,000	13,000	17,000	62,000
Amer. cotton afloat for Europe.....	424,873	112,000	144,000	353,915
Egypt, Brazil, &c., afloat for Eur'.....	48,000	52,000	23,000	11,000
Stock in Alexandria, Egypt.....	237,000	211,000	77,000	21,000
Stock in Bombay, India.....	1,040,000	*585,000	1,012,000	769,000
Stock in U. S. ports.....	1,255,863	993,641	602,129	522,873
Stock in U. S. interior towns.....	878,387	720,128	382,645	356,017
U. S. exports to-day.....	11,090	7,701	5,155	22,185
Total visible supply.....	4,850,213	3,145,470	2,851,929	3,278,990

Of the above, totals of American and other descriptions are as follows:

American—	bales.	1919.	1918.	1917.	1916.
Liverpool stock.....	422,000	107,000	176,000	509,000	
Manchester stock.....	59,000	16,000	12,000	42,000	
Continental stock.....	217,000	*95,000	*229,000	*379,000	
American afloat for Europe.....	424,873	112,000	144,000	353,915	
U. S. port stocks.....	1,255,863	993,641	602,129	522,873	
U. S. interior stocks.....	878,387	720,128	382,645	356,017	
U. S. exports to-day.....	11,090	7,701	5,155	22,185	
Total American.....	3,268,213	2,051,470	1,550,929	2,174,990	

East Indian, Brazil, &c.—	bales.	1919.	1918.	1917.	1916.
Liverpool stock.....	165,000	163,000	91,000	107,000	
London stock.....	13,000	28,000	26,000	34,000	
Manchester stock.....	27,000	31,000	13,000	6,000	
Continental stock.....	10,000	*11,000	*42,000	*94,000	
India afloat for Europe.....	42,000	13,000	17,000	62,000	
Egypt, Brazil, &c., afloat.....	48,000	52,000	23,000	11,000	
Stock in Alexandria, Egypt.....	237,000	211,000	77,000	21,000	
Stock in Bombay, India.....	1,040,000	*585,000	1,012,000	769,000	
Total East India, &c.....	1,582,000	1,094,000	1,301,000	1,104,000	
Total American.....	3,268,213	2,051,470	1,550,929	2,174,990	

Total visible supply.....	4,850,213	3,145,470	2,851,929	3,278,990
Middling upland, Liverpool.....	21,45d.	20.63d.	19.15d.	8.15d.
Middling upland, New York.....	35.00c.	28.50c.	25.20c.	13.30c.
Egypt, good saki, Liverpool.....	*30.58d.	32.24d.	36.75d.	18.75d.
Peruvian, rough good, Liverpool.....	29.50d.	39.00d.	20.00d.	13.75d.
Braoch, fine, Liverpool.....	18.85d.	19.86d.	18.50d.	7.35d.
Tinnevely, good, Liverpool.....	19.10d.	20.11d.	18.68d.	7.97d.

\* Estimated. a Corrected

Continental imports for past week have been 51,000 bales. The above figures for 1919 show a decrease from last week of 77,724 bales, a gain of 1,704,743 bales over 1918, an excess of 1,998,284 bales over 1917 and a gain of 1,571,223 bales over 1916.

**FUTURES.**—The highest, lowest and closing prices at New York for the past week have been as follows:

	Saturday, July 19.	Monday, July 21.	Tuesday, July 22.	Wed. day, July 23.	Thursd'y, July 24.	Friday, July 25.	Week.
<b>July—</b>							
Range.....	35.70-95	34.92-90	34.70-30	35.50-70	34.80-53	34.80-25	24.80-95
Closing.....	35.80	34.92	35.25-33	35.40-45	35.12-15		
<b>August—</b>							
Range.....	35.50-70	35.05-55		35.25-47	34.80-20	34.80	34.80-70
Closing.....	35.60	34.50-55	35.20	35.20	34.65-35	34.40-60	
<b>September—</b>							
Range.....			35.05		34.90		34.90-05
Closing.....	35.55	34.75	35.50	35.25	35.00	34.75-50	
<b>October—</b>							
Range.....	35.60-95	34.75-92	34.73-68	35.25-00	34.97-72	34.92-57	34.73-00
Closing.....	35.70-75	34.90-95	35.55-58	35.44-46	35.20-25	34.98-02	
<b>November—</b>							
Range.....	35.66	35.90					35.66-90
Closing.....	35.70	34.95	35.70	35.55	35.30	35.05-15	
<b>December—</b>							
Range.....	35.60-97	34.55-93	34.90-86	35.40-23	35.15-92	35.10-73	34.85-123
Closing.....	35.70-77	35.00-05	35.70-72	35.64-65	35.38-42	35.14-16	
<b>January—</b>							
Range.....	35.45-70	34.80-80	34.87-73	35.35-10	35.15-82	35.00-68	34.80-110
Closing.....	35.55-57	34.88-93	35.70-72	35.60-65	35.32-34	35.00-07	
<b>February—</b>							
Range.....			34.80-30				
Closing.....	35.53	34.85	35.70	35.60	35.30	35.00	
<b>March—</b>							
Range.....	35.34-73	34.70-68	34.75-80	35.40-18	35.15-85	35.00-70	34.70-118
Closing.....	35.48-50	34.83-90	35.70-75	35.65-70	35.37-38	35.03-10	
<b>April—</b>							
Range.....			34.80-30				34.80-30
Closing.....	35.43	34.75	35.65	35.60	35.35	35.00	
<b>May—</b>							
Range.....	35.25-64	34.78-60	34.80-60	35.53-00	35.28-60	35.00-60	34.78-100
Closing.....	35.38-52	34.72-78	35.62-65	35.55-60	35.28-30	34.95-00	
<b>June—</b>							
Range.....							
Closing.....	35.33	34.65	35.59	35.70	35.50	34.90	

135c. 1/32c

**QUOTATIONS FOR MIDDLING COTTON AT OTHER MARKETS.**

Week ending July 25	Closing Quotations for Middling Cotton on—					
	Saturday, July 19.	Monday, July 21.	Tuesday, July 22.	Wed. day, July 23.	Thursd'y, July 24.	Friday, July 25.
Galveston	35.50	35.00	35.50	35.50	35.25	35.00
New Orleans	34.50	34.50	34.50	34.50	34.50	34.50
Mobile	34.00	34.00	34.00	34.00	34.00	34.00
Savannah	34.50	34.00	34.25	34.50	34.50	34.00
Charleston	34.00	35.75	34.00	34.00	34.50	33.50
Wilmington	35.25	32.75	33.25	33.25	33.25	
Norfolk	34.25	33.75	33.75	34.00	34.00	34.00
Baltimore	35.00	34.75	35.50	35.50	35.50	35.25
Philadelphia	36.80	35.90	36.30	36.45	36.10	35.75
Augusta	34.82	34.25	34.37	34.37	34.12	34.00
Memphis	34.50	34.50	34.50	34.50	34.50	34.50
Dallas		34.25	34.80	34.70	34.45	34.25
Houston	35.25	34.50	35.00	34.90	34.65	34.50
Little Rock	34.00	34.00	34.00	34.00	34.00	34.00

**NEW ORLEANS CONTRACT MARKET.**—The closing quotations for leading contracts in the New Orleans cotton markets for the past week have been as follows:

	Saturday, July 19.	Monday, July 21.	Tuesday, July 22.	Wed. day, July 23.	Thursd'y, July 24.	Friday, July 25.
July	34.65	34.40	35.00	34.74	34.70-90	
October	35.28-31	34.49-52	35.09-1.1	34.89-91	34.70-75	34.56-62
December	35.25-29	34.58-61	35.22-23	35.02-08	34.84-86	34.72-78
January	35.31	34.66	35.32-34	35.16-20	34.93	34.70-87
March	35.25-28	34.60-69	35.37-41	35.22	35.05	34.83-83
May	35.10-15	34.50	35.37	35.22	35.05	34.83
<b>Tone—</b>						
Spot	Steady	Steady	Steady	Steady	Steady	Steady
Options	Firm	Steady	Firm	Steady	Steady	Steady

**AT THE INTERIOR TOWNS** the movement—that is, the receipts for the week and since Aug. 1, the shipments for the week and the stocks to-night, and the same items for the corresponding period of the previous year—is set out in detail below:

Towns.	Movement to July 25 1919.			Movement to July 25 1918.		
	Receipts.	Ship-ments.	Stocks.	Receipts.	Ship-ments.	Stocks.
	Week.	Season.	July 25	Week.	Season.	July 25
Ala., Eufaula	90	5,004	300	1,978	0	4,493
Montgomery	219	65,949	666	17,396	144	49,142
Selma	279	62,488	696	9,465	20	34,061
Ark., Helena	12	39,789	438	1,974	431	42,756
Little Rock	3,368	176,227	2,469	22,045	790	237,991
Pine Bluff	500	131,479	1,500	39,000	1,090	145,733
Ga., Albany	32	10,914	289	2,917		12,350
Athens	1,280	148,852	8,000	24,589	55	121,856
Atlanta	4,000	252,115	5,164	25,500	1,384	336,227
Augusta	4,992	463,819	11,200	134,181	3,649	438,080
Columbus		52,481	4,000	20,000		38,664
Macon	6,384	250,427	6,719	33,736	827	170,038
Rome	1,223	63,894	4,098	10,625	23	54,875
La., Shreveport	710	131,890	1,427	42,744	100	198,454
Miss., Columbus	108	30,002	333	1,607	61	10,328
Clarksdale	218	128,867	428	10,470		105,215
Greenwood	700	139,734	900	10,700	131	130,790
Meridian	171	43,246	2,090	8,981	4	36,474
Natchez	106	46,207	947	3,821		51,297
Vicksburg	56	35,665	248	2,506		30,387
Yazoo City		42,863	273	2,339		38,482
Mo., St. Louis	4,478	591,258	5,316	12,162	2,289	1,199,511
N. C., Greensboro		66,986	500	7,600	103	63,377
Raleigh	241	11,841	200	111		11,291
O., Cincinnati	900	139,175	1,400	25,590	1,166	154,097
Okla., Ardmore						13,750
Chickasha		47,382	400	3,000		72,665
Hugo		27,409	32	51		35,966
Oklahoma		36,717		3,000		44,388
S. C., Greenville	1,500	116,328	2,400	26,000	600	143,804
Greenwood		14,664		6,640		13,591
Tenn., Memphis	3,763	925,783	17,344	189,035	5,657	1,407,751
Nashville		1,699		811		1,954
Tex., Abilene		7,235		533		26,992
Brenham		19,469		2,900		21,263
Clarksville		50,383	5	1,790		53,418
Dallas	909	95,993	1,916	8,103	1	133,964
Honey Grove	44	31,339	211	335		62,055
Houston	20,898	1,933,500	30,283	159,793	3,492	1,927,306
Paris	603	134,146	801	3,448		106,287
San Antonio	20	40,277	26	930	14	30,157
<b>Total, 41 towns</b>	<b>57,705</b>	<b>6,643,790</b>	<b>112,925</b>	<b>878,387</b>	<b>18,747</b>	<b>8,810,620</b>
						<b>46,107,720,123</b>

**OVERLAND MOVEMENT FOR THE WEEK AND SINCE AUG. 1.**—We give below a statement showing the overland movement for the week and since Aug. 1, as made up from telegraphic reports Friday night. The results for the week and since Aug. 1 in the last two years are as follows:

	1918-19		1917-18	
	Since Aug. 1.	Since Aug. 1.	Since Aug. 1.	Since Aug. 1.
<b>July 25—</b>				
Shipped—	Week.	Week.	Week.	Week.
Via St. Louis	5,316	592,791	2,988a	194,236
Via Mounds, &c.	6,588	530,622	3,550	493,983
Via Rock Island		25,576	50	24,484
Via Louisville	1,303	111,777	3,903	105,461
Via Cincinnati	850	71,304	254	40,915
Via Virginia points	276	101,186	2,641	217,273
Via other routes, &c.	6,314	848,691	14,397	810,717
<b>Total gross overland</b>	<b>20,647</b>	<b>2,281,947</b>	<b>27,783</b>	<b>2,887,049</b>
<b>Deduct shipments—</b>				
Overland to N. Y., Boston, &c.	971	64,689	985	323,935
Between interior towns	390	48,495	1,833	126,475
Inland, &c., from South	3,953	276,056	a16,659	a726,902
<b>Total to be deducted</b>	<b>5,314</b>	<b>389,240</b>	<b>19,477</b>	<b>1,177,312</b>
<b>Leaving total net overland*</b>	<b>15,333</b>	<b>1,892,707</b>	<b>8,306</b>	<b>1,709,737</b>

\* Including movement by rail to Canada. a Revised.

The foregoing shows the week's net overland movement has been 15,333 bales, against 8,306 bales for the week last year, and that for the season to date the aggregate net overland exhibits an increase over a year ago of 182,970 bales.

	1918-19		1917-18	
	Since Aug. 1.	Since Aug. 1.	Since Aug. 1.	Since Aug. 1.
<b>In Sight and Spinners' Takings.</b>	Week.	Week.	Week.	Week.
Receipts at ports to July 25	105,721	5,959,457	30,841	5,780,342
Net overland to July 25	15,333	1,892,707	8,306	1,709,737
Southern consumption to July 25	a 57,000	3,423,000	81,000	4,248,000
<b>Total marketed</b>	<b>178,054</b>	<b>11,275,164</b>	<b>120,147</b>	<b>11,738,079</b>
Interior stocks in excess	*55,217	181,771	*27,360	365,636

Came into sight during week 122,837 Total in sight July 25 11,456,935

Nor. spinners' takings to July 25 29,798 2,135,817 44,566 2,825,500

\* Decrease during week. a These figures are consumption; takings not available.

**Movement into sight in previous years:**

Week—	Bales.	Since Aug. 1—	Bales.
1917—July 27	98,999	1916-17—July 27	12,919,313
1916—July 28	109,830	1915-16—July 28	12,541,096
1915—July 30	93,880	1914-15—July 30	15,334,862

**WEATHER REPORTS BY TELEGRAPH.**—Our advices by telegraph from the South this evening indicate that rain has been quite general during the week and heavy in a number of districts. Texas advices are to the effect that while the plant is making headway it is not fruiting well, and from some points along the Gulf there are like complaints.

**Galveston, Tex.**—Moisture was ample during the week and in some places excessive rains occurred. Plant made headway but is not fruiting well. Cultivation was hindered by weather conditions. Crop condition ranges from fair to good. Rain has fallen on five days during the week, the precipitation reaching three inches and twenty-eight hundredths. The thermometer has ranged from 74 to 86, averaging 80.

**Abilene, Tex.**—Rain has fallen on two days during the week, to the extent of forty hundredths of an inch. Average thermometer 81, highest 96, lowest 66.

**Brenham, Tex.**—We have had rain on five days the past week, the rainfall being two inches and ninety-one hundredths. The thermometer has averaged 82, the highest being 93 and the lowest 70.

**Brownsville, Tex.**—We have had rain on one day of the past week, the rainfall being one inch and forty-eight hundredths. Thermometer has averaged 84, ranging from 72 to 96.

**Cuero, Tex.**—We have had rain on four days during the week, on one day excessive. The thermometer has ranged from 70 to 95, averaging



**Paris, Tex.**—We have had rain on three days the past week, the rainfall being one inch and thirty-three hundredths. The thermometer has averaged 84, the highest being 99 and the lowest 69.

**San Antonio, Tex.**—We have had rain on five days of the past week, the rainfall being five inches and ninety-six hundredths. Thermometer has averaged 82, ranging from 70 to 94.

**Taylor, Tex.**—There has been rain on four days during the week, to the extent of two inches and sixty-two hundredths. Minimum thermometer, 70.

**Weatherford, Tex.**—Rain on three days of the week. The rainfall has been ninety-four hundredths of an inch. Average thermometer 81, highest 91, lowest 70.

**Ardmore, Okla.**—We have had rain on two days the past week, the rainfall being twenty-seven hundredths of an inch. The thermometer has averaged 82, the highest being 96 and the lowest 68.

**Muskogee, Okla.**—We have had rain on one day of the past week, the rainfall being fifty-one hundredths of an inch. Thermometer has averaged 82, ranging from 66 to 99.

**Eldorado, Ark.** We have had rain on one day during the week, the rainfall being eighty hundredths of an inch. Thermometer has ranged from 66 to 99, averaging 83.

**Little Rock, Ark.**—Dry all the week. Average thermometer 83, highest 96, lowest 70.

**Alexandria, La.**—We have had rain on four days the past week, the rainfall being one inch and sixty-five hundredths. The thermometer has averaged 82, the highest being 94 and the lowest 71.

**New Orleans, La.**—The week's rainfall has been three inches and two hundredths on six days. The thermometer has averaged 80.

**Shreveport, La.**—Rain has fallen on three days during the week, the precipitation reaching forty-three hundredths of an inch. The thermometer has ranged from 70 to 94, averaging 82.

**Columbus, Miss.**—Dry all the week. Average thermometer 85, highest 100, lowest 69.

**Vicksburg, Miss.**—We have had rain on one day the past week, the rainfall being ten hundredths of an inch. The thermometer has averaged 81, the highest being 92, and the lowest 70.

**Mobile, Ala.**—Daily scattered showers in the interior. Good progress is being made with cultivation. The growth of cotton is good, but it is fruiting poorly. It has rained on three days of the week, the rainfall reaching one inch and ninety-one hundredths. The thermometer has averaged 80, ranging from 72 to 91.

**Montgomery, Ala.**—We have had rain on five days during the week, the rainfall being one inch and ninety-seven hundredths. The thermometer has ranged from 71 to 91, averaging 81.

**Selma, Ala.**—Rain on five days of the week. The rainfall has been one inch and twenty hundredths. Average thermometer 85, highest 92, lowest 69.

**Madison, Fla.**—We have had rain on six days the past week, the rainfall being three inches and three hundredths. The thermometer has averaged 78, the highest being 86 and the lowest 70.

**Tallahassee, Fla.**—We have had rain on six days of the past week, the rainfall being two inches and seventy-seven hundredths. Thermometer has averaged 80, ranging from 70 to 89.

**Atlanta, Ga.**—We have had rain on three days during the week, the rainfall being one inch and forty-eight hundredths. Thermometer has ranged from 68 to 88, averaging 78.

**Augusta, Ga.**—Rain each day of the week. The rainfall has been six inches and twenty-three hundredths of an inch. Average thermometer 77, highest 84, lowest 70.

**Savannah, Ga.**—We have had rain on six days the past week, the rainfall being four inches and forty-one hundredths. The thermometer has averaged 79, the highest being 87 and the lowest 70.

**Charleston, S. C.**—We have had rain on six days of the past week, the rainfall being seven inches and five hundredths. Thermometer has averaged 80, ranging from 74 to 87.

**Greenwood, S. C.**—We have had rain on six days during the week, the rainfall being four inches and thirty-two hundredths. The thermometer has ranged from 68 to 84, averaging 76.

**Spartanburg, S. C.**—Rain has fallen on five days during the week, to the extent of five inches and twenty-three hundredths. Average thermometer 78, highest 88, lowest 68.

**Charlotte, N. C.**—We have had rain on five days the past week, the rainfall being six inches and forty hundredths. The thermometer has averaged 75, the highest being 83 and the lowest 67.

**Weldon, N. C.**—We have had rain on six days of the past week, the rainfall being six inches and thirteen hundredths. The thermometer has averaged 74, ranging from 60 to 85.

**Dyersburg, Tenn.**—There has been no rain during the week. The thermometer has ranged from 68 to 93, averaging 81.

**Memphis, Tenn.**—Dry all the week. Average thermometer 83, highest 93, lowest 73.

**COTTON CROP CIRCULAR.**—Our Annual Cotton Crop Review will be ready in circular form about Thursday, Aug. 21. Parties desiring the circular in quantities with their

business card printed thereon, should send in their orders as soon as possible, to secure early delivery. Publication of this annual review has been deferred this year to a somewhat later date (after the close of the cotton season) than has been our usual practice, in order to afford more time for the investigation of the situation at home and abroad.

MARKET AND SALES AT NEW YORK.

	Spot Market Closed.	Futures Market Closed.	SALES.		
			Spot.	Contract.	Total.
Saturday	Steady, 25 pts. adv.	Steady	---	---	---
Monday	Quiet, 90 pts. dec.	Barely steady	---	1,000	1,000
Tuesday	Steady, 40 pts. adv.	Steady	---	100	100
Wednesday	Steady, 15 pts. adv.	Steady	---	400	400
Thursday	Quiet, 35 pts. dec.	Steady	---	---	---
Friday	Quiet, 35 pts. dec.	Steady	---	---	---
Total				1,500	1,500

WORLD'S SUPPLY AND TAKINGS OF COTTON.

Cotton Takings. Week and Season.	1918-19.		1917-18.	
	Week.	Season.	Week.	Season.
Visible supply July 18	4,927,937		3,296,644	
Visible supply Aug. 1		3,027,450		2,814,776
American in sight to July 25	122,837	11,456,935	92,787	12,103,715
Bombay receipts to July 24	640,000	2,478,000	42,000	1,956,000
Other India shipments to July 24		42,000	3,000	82,000
Alexandria receipts to July 23	72,000	663,000	4,000	812,000
Other supply to July 23	94,000	215,000	5,000	282,000
Total supply	5,096,774	17,882,385	3,443,431	18,050,491
Deduct				
Visible supply July 25	4,850,213	4,850,213	3,145,470	3,145,470
Total takings to July 25 a	246,561	13,032,172	297,961	14,904,021
Of which American	191,561	10,138,172	199,961	11,580,021
Of which other	55,000	2,894,000	98,000	3,344,000

\* Embraces receipts in Europe from Brazil, Smyrna, West India, &c. a This total embraces the total estimated consumption by Southern mills, 3,423,000 bales in 1918-19 and 4,248,000 bales in 1917-18—takings not being available—and aggregate amounts taken by Northern and foreign spinners, 9,609,172 bales in 1918-19 and 10,656,021 bales in 1917-18, of which 6,715,172 bales and 7,312,021 bales American. b Estimated.

**BOMBAY COTTON MOVEMENT.**—The receipts of India cotton at Bombay for the week ending July 3 and for the season from Aug. 1 for three years have been as follows:

July 3. Receipts at—	1918-19.		1917-18.		1916-17.	
	Week.	Since Aug. 1.	Week.	Since Aug. 1.	Week.	Since Aug. 1.
Bombay	37,000	2,322,000	58,000	1,805,000	54,000	2,838,000

**ALEXANDRIA RECEIPTS AND SHIPMENTS OF COTTON.**—The following are the receipts and shipments for the week ending July 2 and for the corresponding week of the two previous years:

Alexandria, Egypt, July 2.	1918-19.		1917-18.		1916-17.	
	Receipts (cantars)—		Receipts (cantars)—		Receipts (cantars)—	
This week	3,383		27,717		4,683	
Since Aug. 1	4,826,263		6,019,767		5,044,743	

Export (bales)—	1918-19.		1917-18.		1916-17.	
	Week.	Since Aug. 1.	Week.	Since Aug. 1.	Week.	Since Aug. 1.
To Liverpool	3,726	225,648	---	219,802	6,899	201,764
To Manchester, &c		114,415		3,150,260,406		128,497
To Continent and India	3,827	147,059	3,552	82,817	4,203	130,507
To America		65,250		75,429		120,731
Total exports	7,553	552,352	6,702	638,445	11,102	581,499

Note.—A cantar is 99 lbs. Egyptian bales weigh about 750 lbs. This statement shows that the receipts for the week ending July 2 were 3,383 cantars and the foreign shipments 7,553 bales.

**MANCHESTER MARKET.**—Our reports received by cable to-night from Manchester states that the market is strong and healthy. Cloth is active and makers are deeply under commitment, but it is difficult to arrange deliveries. Yarns are very strong, with business moderate. We give prices for to-day below and leave those for previous weeks of this and last year for comparison:

	1919.						1918.					
	32s Cop Twist.		8 1/4 lbs. Shirts, Common to finest.		Col'n Mid. Upl's		32s Cop Twist.		8 1/4 lbs. Shirts, Common to finest.		Col'n Mid. Upl's	
May 30	d.	s.	d.	s.	d.	d.	s.	d.	s.	d.	s.	d.
30	31 1/4	@	34 1/4	20 0	@ 24 5	20.44	46	@	48 1/4	22 9	@ 29 6	21.33
June 6	28 1/4	@	39 1/4	22 6	@ 25 9	18.96	48	@	48 1/4	22 9	@ 29 6	21.99
13	36 1/4	@	40 1/4	22 9	@ 27 0	20.38	47 1/4	@	50	23 4 1/2	@ 30 1 1/2	21.88
20	36 1/4	@	40 1/4	23 3	@ 27 6	19.82	45 1/4	@	51 1/4	24 0	@ 32 0	22.19
27	38 1/4	@	41 1/4	23 9	@ 28 3	20.39	49 1/4	@	52	24 0	@ 32 0	22.59
July 4	38 1/4	@	41 1/4	23 9	@ 28 3	19.44	49 1/4	@	52	24 0	@ 32 0	22.20
11	40	@	44	25 6	@ 30 0	20.98	49 1/4	@	52	25 0	@ 33 0	22.04
18	41 1/4	@	45	26 3	@ 31 0	21.24	49 1/4	@	52	25 1 1/2	@ 33 1 1/2	22.09
25	42	@	45	27 0	@ 31 6	21.45	49	@	51 1/4	25 1 1/2	@ 33 1 1/2	20.63

**SHIPPING NEWS.**—As shown on a previous page, the exports of cotton from the United States the past week have reached 30,846 bales. The shipments in detail as made up from mail and telegraphic returns, are as follows:

		Bales.
NEW YORK—To Copenhagen—July 21—	875	875
GALVESTON—To Copenhagen—July 18—Olaf,	3,500	3,500
NEW ORLEANS—To Liverpool—July 19—Astor, 3,579; July 23—Alexandrian, 940		4,519
To Gothenburg—July 21—Bla, 985		985
BRUNSWICK—To Liverpool—July 22—	11,090	11,090
BOSTON—To Liverpool—July—	358	358
SEATTLE—To Japan—July 11—Cyclops, 4,813; July 12—Genechu Maru, 3,791; Taiyu Maru, 915		9,519
Total		30,846

LIVERPOOL.—By cable from Liverpool we have the following statement of the week's sales, stocks, &c., at that port:

Table with columns for Sales of the week, Sales, American, Actual export, Forwarded, Total stock, Total imports of the week, Amount afloat, and Of which American. Rows include data for July 4, July 11, July 18, and July 25.

The tone of the Liverpool market for spots and futures each day of the past week and the daily closing prices of spot cotton have been as follows:

Table showing Market, Mid, Up'ds, Sales, Futures, and Market opened for Saturday through Friday. Includes market conditions like 'Dull', 'More doing', 'Fair business doing', and 'Quiet'.

The prices of futures at Liverpool for each day are given below:

Table showing prices of futures from July 19 to July 25, with columns for Sat., Mon., Tues., Wed., Thurs., and Fri., and sub-columns for p.m. and a.m. prices.

BREADSTUFFS

Friday Night, July 25 1919.

Flour has been rather quiet but unmistakably firm. Premiums have been paid for good hard wheat. New flour has been sold at higher prices by the mills. Some have withdrawn from the market, awaiting developments in wheat. Plainly, few or none have shown any anxiety to sell new hard wheat flour at recent prices.

Wheat basis of prices has been reported somewhat firmer. At Winnipeg business was resumed on July 21 with October up to 2.25 and December to 2.23. This disposed of the bogey that Winnipeg might open below the minimum prices officially fixed in this country.

mistic reports are being received from that country. Some reports go so far as to say that the crops there are the best in years. In Italy the crop is said to be equal to that of last year's in the southern regions, but bad reports come from the North, where there is a lack of rain.

DAILY CLOSING PRICES OF WHEAT IN NEW YORK. Table with columns for No. 2 red, No. 1 spring, and sub-columns for Sat., Mon., Tues., Wed., Thurs., Fri.

Indian corn advanced on brisk speculative trading, light offerings, a rise in hogs and predictions of very small receipts soon from an exhaustion of supplies. A decrease in the visible stock last week of 137,000 bushels leaves the total only 3,899,000 bushels against 10,023,000 a year ago.

DAILY CLOSING PRICES OF CORN IN NEW YORK. Table with columns for No. 3 yellow and sub-columns for Sat., Mon., Tues., Wed., Thurs., Fri.

DAILY CLOSING PRICES OF CORN FUTURES IN CHICAGO. Table with columns for July delivery in elevator, September delivery in elevator, December delivery in elevator and sub-columns for Sat., Mon., Tues., Wed., Thurs., Fri.

Oats advanced on unfavorable crop news, disappointing threshing returns and expectations of smaller receipts before long from a predicted scarcity of cars. Country offerings have at times been rather small. Besides, the technical position of the speculative market had become stronger.

DAILY CLOSING PRICES OF OATS IN NEW YORK. Table with columns for No. 1 white, No. 2 white and sub-columns for Sat., Mon., Tues., Wed., Thurs., Fri.

DAILY CLOSING PRICES OF OATS FUTURES IN CHICAGO. Table with columns for July delivery in elevator, September delivery in elevator, December delivery in elevator and sub-columns for Sat., Mon., Tues., Wed., Thurs., Fri.

The following are closing quotations:

FLOUR	
Spring patents	\$12 00@12 50
Winter straights	11 00@ 11 25
Kansas straights	12 00@ 12 50
Rye flour	8 50@ 9 25
Corn goods, 100 lbs.—	
White gran	\$4 97½
Yellow gran	4 82½
Corn flour	4 85@5 25
GRAIN	
Wheat—	
No. 2 red	\$2 37½
No. 1 spring	2 40½
Corn—	
No. 2 yellow	2 15½
No. 3 yellow	2 14½
Rye—	
No. 2	1 69½
BARLEY GOODS—	
Portage barley:	
No. 1	\$6 50
Nos. 2, 3 and 4, pearl	5 25
Nos. 3-0 and 4-0	6 50@6 65
Nos. 4-0 and 5-0	6 75
Oats goods—Carload, spot delivery	9 95
OATS—	
No. 1	91
No. 2 white	90@90½
No. 3 white	89½
BARLEY—	
Feeding	141
Malting	138

**WEATHER BULLETIN FOR THE WEEK ENDING JULY 22.**—The general summary of the weather bulletin issued by the Department of Agriculture, indicating the influence of the weather for the week ending July 22, is as follows:

**COTTON.**—The temperatures averaged somewhat below normal in the extreme western and more eastern portions of the cotton belt, but about normal elsewhere. Rainfall was moderately heavy to heavy in Central Texas and more eastern districts, but mostly moderate to light elsewhere. Cotton was favorably affected by these conditions in most sections of the belt, except in the more Eastern States, where there was too much rain. The crop made generally satisfactory progress in Texas, Oklahoma and Arkansas, but the plants are fruiting poorly in Texas and the growth is rank, while the general condition continues poor in Southern Arkansas, but is fairly good in other sections. The condition ranges from poor to very good in Oklahoma. The crop is in satisfactory condition in Central and Northern Georgia, but poor in the South, while in Alabama it ranges from fair to good. The heavy rains were detrimental in the Carolinas and in Florida. Weevil damage is increasing in many southern sections of the Eastern portion of the belt, but complaints of this pest were not so numerous as previously in Texas.

**SPRING WHEAT.**—Spring wheat continues in excellent condition in Eastern North Dakota, but is deteriorating in Central and Western portions of that State, while blight and rust have done considerable damage in South Dakota. The crop is reported in poor condition in Nebraska, it varies from a large acreage not worth cutting to satisfactory in Iowa as a result of disease, prevalent mostly in the normally heavy producing sections. The crop deteriorated in Minnesota and its condition is now generally poor in that State. The cooler weather the latter part of the week was beneficial to irrigated spring wheat and other spring grains in the Far Northwest, but these crops were still further damaged by continued absence of rain, and in some localities by hot winds.

**WINTER WHEAT.**—Absence of rainfall, or occurrence of only light to moderate showers in the principal wheat producing States made conditions very favorable for saving the winter wheat crop, while harvest progressed satisfactorily in the late districts. Thrashing made excellent progress in the interior sections of the country, but in the Atlantic Coast States this work was interrupted by frequent rains and many complaints were received of grain sprouting in the shock. The yield of winter wheat where thrashing has been in progress continues disappointing in many localities, with the quality below expectations.

**CORN.**—The temperatures averaged nearly normal throughout the corn belt, and rainfall was entirely absent over large areas, although some moderate rains occurred in the Ohio valley and central plains region; these conditions were favorable for corn and it made good to excellent progress in nearly all of the principal growing States. Upland corn was benefited in the Southeast by rains, but some damage was done to corn by flooding of lowlands in that area. The progress and condition of this crop were reported as excellent in Iowa, although rain is needed in portions of that State. It is in excellent condition in Missouri, where it is now entering the critical stage and should have rain soon for best results, which is also the case in Eastern Kansas. The crop made excellent progress in Northern Illinois, and very good advance in the central portion, but not so good in the southern. Corn was greatly benefited in the upper Ohio valley by rain, and also in portions of Indiana, but rain is now needed in some sections of the latter State. While drought has done considerable damage to this crop in Montana, reports indicate that there is much good corn in that State. Corn made rapid growth and is in good condition generally in the more northeastern districts.

**OATS AND BARLEY.**—Oats and barley matured rapidly in the region of the Great Lakes and there were complaints of too rapid ripening in Wisconsin. Oats deteriorated in Minnesota, but the general condition continues satisfactory in that State, although rust is rather extensive and doing considerable damage. Light yields of oats are reported from Indiana, and only fair to light in much of the upper Mississippi valley. Harvest was interrupted in the Middle Atlantic States by rain.

For other tables usually given here, see page 345.

The visible supply of grain, comprising the stocks in granary at principal points of accumulation at lake and seaboard ports July 19 1919 was as follows:

United States—	GRAIN STOCKS.				
	Wheat, bush.	Corn, bush.	Oats, bush.	Rye, bush.	Barley, bush.
New York	151,000	4,000	2,318,000	689,000	1,321,000
Boston	34,000	—	86,000	15,000	621,000
Philadelphia	172,000	24,000	321,000	93,000	501,000
Baltimore	587,000	39,000	1,060,000	616,000	563,000
Newport News	—	—	42,000	—	34,000
New Orleans	717,000	182,000	72,000	—	1,717,000
Galveston	400,000	—	—	1,000	11,000
Buffalo	507,000	42,000	1,821,000	656,000	483,000
Toledo	157,000	16,000	232,000	40,000	—
Detroit	32,000	4,000	125,000	33,000	—
Chicago	315,000	1,837,000	5,569,000	1,274,000	1,224,000
— afloat	—	50,000	—	—	—
Milwaukee	25,000	23,000	477,000	256,000	701,000
Duluth	280,000	—	130,000	1,195,000	403,000
Minneapolis	1,068,000	23,000	3,023,000	4,403,000	1,119,000
St. Louis	644,000	343,000	151,000	61,000	20,000
Kansas City	1,047,000	289,000	729,000	136,000	—
Peoria	—	59,000	147,000	—	—
Indianapolis	136,000	566,000	162,000	4,000	—
Omaha	134,000	358,000	510,000	191,000	14,000
On Lakes	130,000	—	170,000	—	85,000
On Canal and River	—	—	775,000	—	—
Total July 19 1919	6,482,000	3,899,000	17,918,000	9,763,000	8,817,000
Total July 12 1919	5,297,000	4,036,000	18,223,000	9,468,000	9,862,000
Total July 20 1918	3,574,000	10,023,000	10,203,000	687,000	1,419,000
Total July 21 1917	9,621,000	3,218,000	8,974,000	454,000	1,561,000
Note.—Bonded grain not included above: Oats, 5,000 Duluth; total, 5,000 bushels, against 4,000 in 1918; and barley, 8,000 Baltimore, 51,000 Duluth; total, 59,000 against 14,000 in 1918.					
Canadian—					
Montreal	2,031,000	6,000	408,000	259,000	2,344,000
Ft. William & Pt. Abino	990,000	—	2,746,000	—	—
Other Canadian	3,295,000	—	782,000	—	—
Total July 19 1919	6,416,000	6,000	4,026,000	289,000	2,344,000
Total July 12 1919	6,992,000	7,000	4,134,000	305,000	2,447,000
Total July 20 1918	3,840,000	120,000	5,523,000	—	1,170,000
Total July 21 1917	11,674,000	159,000	12,727,000	164,000	275,000
Summary—					
American	6,482,000	3,899,000	17,918,000	9,763,000	8,817,000
Canadian	6,416,000	6,000	4,026,000	289,000	2,344,000
Total July 19 1919	12,898,000	3,905,000	21,944,000	10,052,000	11,161,000
Total July 12 1919	12,289,000	4,043,000	23,077,000	9,773,000	12,309,000
Total July 20 1918	7,420,000	10,143,000	18,726,000	687,000	2,589,000
Total July 21 1917	21,295,000	3,377,000	21,701,000	618,000	1,836,000

**THE DRY GOODS TRADE**

New York, Friday Night, July 25 1919.

Less activity has prevailed in the market for dry goods during the past week, and while the inclement weather has had a great deal to do with the slackening of trade, many merchants have become determined to follow a more cautious policy, and not to leap into making large commitments for deferred delivery. Recently, there has been so much speculation that it has created apprehension as to the possibility of fabrics being resold in order to secure accrued profits, and as a result undermine the stability of the market. Manufacturers also realize the likelihood of such an event taking place, and are doing everything possible to prevent further speculation by refusing to accept new business unless it comes through regular channels. Prices generally however, continue to be firmly maintained with no indications of their receding, and especially in primary centers where production is on a restricted scale owing to the shorter working hours of operatives. The labor outlook nevertheless is improving, and according to late advices from Fall River, there is little likelihood of the recent threatened strike occurring. Of late, dry goods merchants have been devoting considerable attention to financial conditions, and not only as they affect home conditions, but foreign trade as well. Money rates continue above normal, and while there is little difficulty in securing funds to finance legitimate business, the present record breaking prices for fabrics require much larger accommodations than ordinarily. The weakness in foreign exchange has had a depressing effect in the export division of the market, and has resulted in some exporters offering fabrics for resale to the home trade. It is feared that the depreciation of European and other foreign currency will result in a general falling off in trade from outside sources. The marine strike has also interfered with export trade, as there is said to be a considerable amount of fabrics waiting to be put aboard vessels. Sales of surplus war supplies are steadily taking place, but are not having any effect on prices, nor are they interfering with business in primary markets, as there is a keen demand for all lines of goods offered. The unfavorable weather of the past week has had a tendency to check retail trade to some extent, particularly as regards dress goods.

**DOMESTIC COTTON GOODS.**—Markets for staple cottons have ruled quiet during the week, but the falling off in demand has not resulted in any lowering of values. While there is a persistent inquiry for many classes of goods, other fabrics have not been so keenly desired, and supplies have been easier to obtain. The high prices are beginning to attract more attention, as with living costs increasing, merchants fear there will be a decreased inquiry for various fabrics. A better demand however, is reported for finished goods, and deliveries continue backward. Inquiry for fine and fancy cloths continues quite active with the tendency of prices upward. Most of the offerings of Spring goods have been absorbed and selling agents are reported to be formulating new price lists. Demand for duck has been better, and mills have been compelled to decline orders as the prices bid were not sufficiently high to guarantee them a fair profit. Demand for sheetings has slackened materially. Business in gray goods has been slow with sales for the most part confined to odd lots. Gray goods 38½-inch standard are listed at 19c. to 19½c.

**WOOLEN GOODS.**—Business in woolsens and worsteds has been on a restricted scale during the week, as selling agents are unwilling to accept anywhere near the amount of business offered. Buyers are keen to have their orders accepted, and are ready to pay the high prices. Mills are endeavoring to check speculation as much as possible. All advices from manufacturing centers indicate that production is steadily gaining, as manufacturers are meeting with less labor difficulty than mills in other lines. In the mens' wear division of the market, business is still on an allotment basis. There has been nothing new as regards goods for next year, and it is claimed that mill agents will look after their regular customers first. Buyers of dress goods are still seeking goods, but fabrics are becoming scarce.

**FOREIGN DRY GOODS.**—Quietness has also prevailed in markets for linens during the week. While a steady business was reported the volume failed to equal that of a few weeks previous. The slackening of trade has been due largely to the inability of importers to place orders with manufacturers abroad in sufficient quantities to meet their requirements. Sentiment regarding the future nevertheless is very optimistic. When considering sales from a financial point of view, business during June was much heavier than normal, while that placed so far this month is record breaking, though the yardage is well below normal. Prices at present are about three times greater than they were before the war, and advices from manufacturing centers intimate that they will go still higher. Considering the high prices, demand for linens is very good, and some retailers claim that regardless of the high prices, they can sell linens freely. These interests have been endeavoring to replenish their very much depleted supplies, while jobbers have also been making increased inquiries. Burlaps remain firm with a scattered inquiry and offerings light. Light weights are quoted at 13.65c. and heavy weights 15.50c. to 15.65c.

State and City Department

NEWS ITEMS

**Canada (Dominion of).**—*Allotment of Loan.*—Reference was made to this in our "Current Events and Discussions" Department last week (V. 109, p. 221).

**Massachusetts.**—*Legislature Prorogued by Governor.*—The 1919 session of the Massachusetts Legislature ended at 12:10 a. m. July 25, when it was prorogued by Governor Coolidge after being in session 205 days. A special session we understand will be held some time in November to consider the creation of a special commission to study the street railway situation.

**Nebraska.**—*Governor Calls Special Session of the Legislature to Act on Suffrage Amendment.*—Reference to this is made in our "Current Events and Discussions" Department this week.

**New York State.**—*Suit to Test Tax on Non-Residents.*—A suit to test the legality of the new state income tax law in so far as it affects citizens of New Jersey and Connecticut and other non-residents employed in New York has been filed, in the United States District Court by the Yale & Towne Mfg. Co. It is contended by the company that the part of the law which directs the employer to withhold the tax from the salary of the employees who live in other States violates four different sections of the Constitution of the United States, that the accounting cost to the company would amount to one-third of the taxes withheld, and that the whole transaction would involve costly litigation.

**Tennessee (State of).**—*Bond Issue Attacked.*—According to advices from Nashville a test case to settle the question of the legality of \$625,000 school bonds will be made and the suit filed shortly. The suit it is said will be of a friendly nature and purely to settle the question as to the legality of the act. The first act or that of 1917, providing for the bond issue and apportioning the money among the normal schools for improvements provided for 4% interest. The last act placed the interest rate at 4 1/2% and exempted the bonds from taxation in Tennessee. The work was not done in 1917 because of the war and the rapid advance in material and the inability to negotiate the bonds at proper figures and the 1919 Legislature passed an amended act fixing the rate at 4 1/2%. However, in the caption of the bill the change in the rate of interest was not mentioned and Attorney-General Frank M. Thompson has advised the funding board that this invalidates the act in his opinion.

**Virginia.**—*Special Session of Legislature Called.*—A special session of the Legislature has been called to convene on Aug. 13 for the purpose of amending the Constitution of Virginia.

The Governor will then recommend to the General Assembly that it pass the first resolution necessary in the process of giving to the voters who served honorably in the world war the right to cast their ballots without the prerequisite of having paid their poll tax six months prior to the general election.

The Governor's recommendation to the Legislature, if acted upon favorably and the resolution is finally ratified by the voters, will have the effect of giving to men who served honorably in the world war precisely the same privilege relative to voting as is now enjoyed by the veterans of the War Between the States. His idea is that it can be acted upon by the Legislature at the session this summer, at the regular one which convenes in January and then ratified by the people at the earliest opportunity.

BOND PROPOSALS AND NEGOTIATIONS  
this week have been as follows:

**AKRON, Summit County, Ohio.**—*BOND ELECTION.*—On June 30 the City Council passed a resolution ordering an election to be held Aug. 12 to vote on propositions providing for the issuance of \$200,000 land purchase, \$3,157,000 street improvement, \$625,000 street widening, \$310,000 viaduct, \$155,000 fire department, and \$86,000 prison and police-station erection bonds.

**AKRON SCHOOL DISTRICT (P. O. Akron), Summit County, Ohio.**—*NO DEFINITE ACTION TAKEN.*—The Clerk of the Board of Education advises us that no definite action has been taken looking toward the issuance of \$2,000,000 school bonds recently authorized.

**ALACHUA COUNTY SPECIAL SCHOOL TAX DISTRICT NO. 26 (P. O. Gainesville), Fla.**—*BOND OFFERING.*—Bids will be received until 10 a. m. Aug. 8 by B. R. Colson, Chairman of Board of Public Instruction, for \$150,000 5% school-improvement bonds. Denom. \$1,000. Date July 1 1919. Principal and semi-ann. int. (J. & J.) at the office of the Board of Public Instruction. Due \$5,000 yearly from 1936 to 1949, incl. \$10,000 yearly from 1950 to 1954, incl., and \$15,000 1955 and 1956. Total bonded debt (incl. this issue), \$205,000. Assessed val., 1918, \$2,543,310.

**ALVIN TOWNSHIP HIGH SCHOOL DISTRICT NO. 219 (P. O. Alvin), Vermilion County, Ill.**—*BOND SALE.*—The Hanchett Bond Co., of Chicago, has purchased \$30,000 5 1/2% school bonds. Denom. \$500. Date April 15 1919. Prin. and semi-ann. int. (M. & S.) payable at the First National Bank of Chicago. Due yearly on Sept. 1 until 1935.

**ANAHEIM SCHOOL DISTRICT, Los Angeles County, Calif.**—*BOND SALE.*—An issue of \$116,000 school bonds was sold on July 15, it is stated, to Wm. R. Staats & Co. of Los Angeles for \$117,253.50, equal to 101.084.

Other bidders were:  
Name Bid Name Bid  
Security Tr. & Sav. Bk. \$117,235 00 Lumberman's Trust Co. \$116,713 00  
State Board of Control 117,001 50 McDonnell & Co. 116,688 00  
First Nat. Bk. Santa Ana 116,800 00 Tarrance Marshall & Co. 116,380 00  
E. H. Rollins & Sons 116,800 00 Bank of Italy 116,326 00

**ARCADIA CITY SCHOOL DISTRICT, Los Angeles County, Calif.**—*BOND OFFERING.*—Bids will be received until 2 p. m. July 28 by the Board of Supervisors for \$50,000 5% school bonds. Denom. \$1,000. Date July 1 1919. Int. semi-ann. Due \$2,000 yearly on July 1 from 1922 to 1925, incl., and \$3,000 yearly on July 1 from 1926 to 1939, incl. Certified or cashier's check for 3% of the amount of bonds bid for, payable to the Chairman of the Board of Supervisors, required. Purchaser to pay accrued interest.

**ATCHISON, Atchison County, Kans.**—*BOND ELECTION.*—An election will be held July 29, it is stated, to vote on the question of issuing \$195,000 memorial bonds.

**ATLANTIC COUNTY (P. O. Atlantic City), N. J.**—*BOND SALE.*—On July 12 the issue of 4 1/4% 2-14-year serial coupon (with privilege of registration) road-improvement bonds, dated June 15 1919 (V. 109, p. 193), was awarded to the Boardwalk National Bank, of Atlantic City, for \$178,350 equal to 101.335, for \$176,000 bonds.

**BAKER COUNTY SPECIAL ROAD AND BRIDGE DISTRICT NO. 1 (P. O. MacClenny), Fla.**—*BOND OFFERING.*—Bids will be received until 12 m. Aug. 12 by W. C. Thompson, Clerk of Board of Trustees, for \$225,000 5% bonds. Denom. \$1,000. Date July 1 1919. Int. J. & J. Due part each year from 1924 to 1948. Deposit of 1% of the amount of bonds bid for, payable to the Board of Trustees, required. Purchaser to pay accrued interest.

**BAXTER COUNTY (P. O. Cotter), Tex.**—*BOND SALE.*—An issue of \$175,000 5 1/4% 2-30-year serial road bonds was purchased on April 1 by Edgar J. Hahn of Little Rock at 97. Denoms. \$500 and \$1,000. Date April 1 1919. Interest M. & S.

**BEE COUNTY (P. O. Beeville), Tex.**—*BOND SALE.*—Reports state that Bolger, Mosser & Willaman of Chicago have purchased \$400,000 5 1/4% 1-30-year serial road bonds at 100.3875 and int. The above is part of a \$800,000 issue voted at the election held April 19.—V. 108, p. 1817.

**BELLINGHAM SCHOOL DISTRICT NO. 301 (P. O. Bellingham), Whatcom County, Wash.**—*BOND SALE.*—The two issues of 4 1/4% 10-20 year opt. school bonds, aggregating \$150,000.—V. 109, p. 89—were sold on July 12 to the State of Washington at par.

**BELLWOOD SCHOOL DISTRICT (P. O. Belloid), Blair County, Pa.**—*BOND SALE.*—On July 1 Lyon, Singer & Co. of Pittsburgh were awarded at 102.35 the \$20,000 5% school bonds offered on that date (V. 108, p. 2649). Denom. \$1,000. Date July 1 1919. Int. J. & J. Due 1949.

**BERNAMBWOOD, Wisc.**—*BOND SALE.*—On June 15, \$12,000 6% 20 yr. Water-works bonds dated April 1 1919 were sold to J. H. Van Doren for \$12,377. (103.141).

**BEXLEY VILLAGE SCHOOL DISTRICT (P. O. Columbus), Franklin County, Ohio.**—*BOND OFFERING.*—G. R. Wannemacher, Clerk Board of Education, will receive proposals until 12 m. Aug. 8 for \$9,500 5 1/2% coupon school bonds. Auth. Secs. 7629, Gen. Code. Denom. \$500. Date July 1 1919. Principal and semi-annual interest (A. & O.) payable at the Market Exchange Bank, of Columbus. Due \$1,500 April 1 1920 and \$2,000 each six months from April 1 1921 to Oct 1 1922, inclusive. Purchaser to pay accrued interest.

**BLACK CREEK TOWNSHIP (P. O. Wilson), Wilson County, No. Caro.**—*BOND OFFERING.*—Bids will be received until 12 m. Aug. 7 by Chas. L. Coan, Supt. of Schools, for \$25,000 6% common school-building bonds. Denom. to suit purchaser. Date Aug. 1 1919. Int. F. & A. at the American Exchange Nat. Bank, N. Y. Due Aug. 1 1939. Certified check for 2% of the amount of bonds bid for required.

**BLACKWELL, Kay County, Okla.**—*BOND SALE.*—The Hanchett Bond Co. of Chicago recently purchased, and are now offering to investors at a price to yield 6% int. \$25,000 6% street-impt. bonds. Denom. \$500. Date July 1 1919. Int. annually in Sept. Due part each year from 1920 to 1929 incl.

**BOONE COUNTY (P. O. Lebanon), Ind.**—*BOND SALE.*—On July 21 the two issues of 4 1/4% highway-improvement bonds offered on that day (V. 109, p. 302), were awarded at par and accrued interest as follows: \$10,800 Jackson Twp. bonds to J. F. Wild & Co., of Indianapolis. Denom. \$540. Due \$540 each six months from May 15 1920 to Nov. 15 1929, inclusive.

12,400 Clinton Twp. bonds to the Fletcher Savings & Trust Co., of Indianapolis. Denom. \$620. Due \$620 each six months from May 15 1920 to Nov. 15 1929, inclusive.

**BOSSIER, Bossier Parish, La.**—*BOND SALE.*—On July 16, the \$30,000 5% water-works bonds (V. 109 p. 193) were awarded to Sydney Spitzer & Co., Toledo O., for \$30,025 (100.083) and interest.

**BOULDER, Boulder County, Colo.**—*BOND SALE.*—The \$50,000 5% 10-15 year (opt.) waterworks-pipe-line-extension bonds (V. 109, p. 302) have been sold to E. H. Rollins & Sons of Denver. Dated Aug. 1 1919. Denom. \$1,000.

**BRECKSVILLE TOWNSHIP (P. O. Brecksville), Cuyahoga County, Ohio.**—*BOND OFFERING.*—B. W. Harris, Clerk Board of Township Trustees, will receive proposals until 8 p. m. Aug. 2 for \$11,537 10 5/8% coupon road-improvement bonds which were recently offered without success (V. 109, p. 302). Denom. 9 for \$1,000 and 1 for \$2,537 10. Interest semi-annual. Due yearly on Oct. 1 as follows: \$1,000 1920 to 1928, inclusive, and \$2,537 10 1929. Certified check on some bank other than the one making the bid, for 10% of amount of bonds bid for, payable to the Township Treasurer, required. Bonds to be delivered and paid for within ten days from date of award. Purchaser to pay accrued interest.

**BRISTOL COUNTY (P. O. Taunton), Mass.**—*BOND SALE.*—On July 22 the \$12,000 4 1/4% 1-4-year serial coupon tax-free agricultural school bonds, dated July 23 1919 (V. 109, p. 302), were awarded to Kidder, Peabody & Co., of Boston, at 100.399. Other bidders, all of Boston, were: Harris, Forbes & Co. 100.14 W. L. Raymond & Co. 100.09 S. N. Bond & Co. 100.13 Sidney Chase 100.055

**BRISTOL, Sullivan County, No. Caro.**—*BOND SALE.*—The Hanchett Bond Co. of Chicago recently purchased, and are now offering to investors, \$39,000 6% improvement bonds. Denoms. \$500 and \$1,000. Date May 1 1919. Int. M. & N. Due part each year from 1920 to 1932, inclusive.

Total value of all property	\$10,000,000
Assessed valuation for taxation	3,000,000
Total bonded debt	\$635,000
Less water debt	\$284,000
Less street improvement debt	47,000
Less sinking fund	21,900
	\$352,000

Net bonded debt \$282,100  
Population, 9,000.

**BRACKEN COUNTY (P. O. Brooksville), Ky.**—*BOND SALE.*—It is reported that \$40,000 4 1/4% 15-year road bonds were awarded to W. R. Compton & Co. of Cincinnati at 100.0625.

**BROOKVILLE CONSOLIDATED SCHOOL DISTRICT (P. O. Brookville), Montgomery County, Ohio.**—*BOND OFFERING.*—Sealed bids will be received until 12 m. July 28 by G. M. Grau, Clerk Board of Education, for \$8,000 5 1/2% school (assessment) bonds. Auth. Secs. 7629, 7627 and 7629, Gen. Code. Denom. \$1,000. Date May 1 1919. Principal and semi-annual interest (M. & N.) payable at the First National Bank of Brookville. Due \$1,000 yearly on May 1 from 1930 to 1943, inclusive. Certified check on some solvent bank or trust company for 3% of amount of bonds bid for, payable to the Board of Education, required. Bonds to be delivered and paid for at the above Clerk's office on Aug. 1. Conditional bids will not be considered.

**BROWN COUNTY (P. O. Nashville), Ind.**—*BOND OFFERING.*—Proposals will be received until 1 p. m. Aug. 4 by Thos. C. Ayers, County Treasurer, for \$14,600 4 1/4% Hamblin Twp. highway bonds. Denom. \$730. Date May 15 1919. Int. M. & N. Due \$730 each six months from May 15 1920 to Nov. 15 1929, incl.

**BRYAN, Williams County, Ohio.**—*BOND OFFERING.*—J. A. Neill, Village Clerk, will receive proposals until 12 m. Aug. 4 for \$34,500 5 1/2% coupon water-works bonds. Denoms. 33 for \$1,000 and 1 for \$1,500. Date June 1 1919. Principal and semi-annual interest (M. & S.) payable at the Village Treasurer's office. Due \$1,000 yearly on Sept. 1 from 1926 to 1933, inclusive; \$2,000 yearly on Sept. 1 from 1934 to 1939, inclusive; \$1,000 yearly on March 1 from 1927 to 1939, inclusive, and \$1,500 March 1 1940. Certified check for 2 1/2% of amount of bonds bid for, payable to the Village Treasurer, required. Bonds to be delivered and paid for within ten days from date of award. Purchaser to pay accrued interest and furnish printed bonds and coupons.

**BUHL, Twin Falls County, Ida.**—*BOND SALE.*—Morris Bros., Inc., of Portland recently purchased and are now offering to investors at a price to yield 5.20% \$25,000 6% city-hall bonds. Denom. \$1,000. Date June 1 1919. Int. J. & J. Due \$2,000 on the even year and \$3,000 on the odd year from 1930 to 1939 incl.

Financial Statement.

Table with 2 columns: Description and Amount. Includes Assessed valuation 1918, Real valuation (estimated), Bonded debt, Less water debt, Net debt, Population.

BURBANK SCHOOL DISTRICT, Los Angeles County, Calif.—BOND SALE.—On July 14 the \$80,000 5 1/4% school bonds—V. 109 p. 193—were awarded to McDonnell & Co., at 105.90. Other bids were:

Table listing names and prices for Burbank School District bids. Includes Lumbermans Trust Co., E. H. Rollins & Sons, Security Trust & Sav. Bk., Bank of Italy, Torrance Marshall, Blakenham-Hunter-Dulin, Harris Tr. & Sav. Bk., W. R. Staats & Co., Citizens Nat'l Bk., Nat'l City Co., R. H. Moulton & Co.

BURNET COUNTY ROAD DISTRICT NO. 2 (P. O. Marble Falls), Tex.—BONDS VOTED.—By a vote of 149 to 10 the question of issuing \$55,000 road bonds carried, it is stated, at the election held July 12—V. 108, p. 2050.

CAIRO, Ill.—BOND SALE.—An issue of \$45,000 river-front bonds has been awarded to Halsey, Stuart & Co. for \$96,050 (101.615), accrued interest, attorney's fees and expense of printing bonds.

CALDWELL PARISH ROAD DISTRICT NO. 1, La.—BONDS OFFERED BY BANKERS.—The Hanchett Bond Co. of Chicago are offering to investors \$24,000 5% bonds. Denom. \$500. Date June 1 1918. Int. J. & J. Due \$1,500 yearly on June 1 from 1944 to 1955, inclusive, and \$2,000 yearly on June 1 from 1956 to 1958, inclusive.

CALIPATRIA SCHOOL DISTRICT, Imperial County, Calif.—BOND OFFERING.—Bids will be received until 2 p. m. Aug. 1 by M. S. Cook, Clerk Board of Supervisors, for \$39,000 6% school-site bonds. Denom. \$1,000. Date July 7 1919. Principal and semi-annual interest at the office of the County Treasurer. Due \$3,000 yearly from 1920 to 1932, inclusive. Certified or cashier's check for 5% of the amount of bonds bid for, payable to the Chairman Board of Supervisors, required. Purchaser to pay accrued interest. Tax valuation of District 1918-19, \$1-558,046.

CARMENITA SCHOOL DISTRICT, Los Angeles County, Calif.—BOND OFFERING.—Bids will be received until 2 p. m. July 28 by Roy W. Dowds, Clerk of Board of County Supervisors, for \$14,000 5 1/4% school bonds. Denom. \$500. Date July 1 1919. Int. semi-ann. Due \$500 yearly on July 1 from 1920 to 1931, incl., and \$1,000 yearly on July 1 from 1932 to 1939, incl. Certified check for 3% of the amount of bonds bid for, payable to the Chairman of the Board of County Supervisors, required. Purchaser to pay accrued interest.

CARSON SCHOOL DISTRICT, (P.O. Carson), Ida.—BOND SALE.—On June 27, \$63,000 5% school building bonds dated July 1 1919 Int. J. & J. were awarded to Geo. M. Beechell & Co. of Davenport, Iowa for \$63,043. (101.682).

CASPIAN (P. O. Palatka), Iron County, Mich.—BOND SALE.—On June 30 the \$50,000 5 1/4% water-works bonds, offered on that day—V. 108, p. 2050—were awarded to the Commercial Bank of Stambaugh, at par and interest. Due \$10,000 Aug. 1, 1924, \$15,000 Aug. 1, 1929, \$20,000 Aug. 1 1934, and \$5,000 Aug. 1 1938.

CENTER HILL CONSOLIDATED SCHOOL DISTRICT, Lauderdale County, Miss.—BOND OFFERING.—Bids will be received until 2 p. m. Aug. 7 by W. R. Pistole, Clerk of the Chancery Court, for \$6,000 6% school bonds. Denom. \$500. Date April 1 1919. Int. ann. on April 1. Due \$500 yearly on April 1 from 1924 to 1935, incl. Certified check or deposit for \$200 required.

Financial Statement.

Table with 2 columns: Description and Amount. Includes True value of real estate and personal property is approximately one-fourth more than the assessed value, Assessed value of real estate, 1919, Assessed value of personal property, 1919, Total assessed value of property, 1919.

CENTERVEILLE, Turner County, So. Dak.—BOND OFFERING.—Lydia M. Hornbeck, City Auditor, will receive bids until Aug. 4 for \$18,000 5% water-extension bonds. Due part in each of the years 1923, 1927, 1931 and 1935.

CERRO GORDO COUNTY DRAINAGE DISTRICT NO. 44., Mason City, Iowa.—BOND SALE.—On July 14, Schanke & Co. of Mason City were awarded \$1,200 5 1/4% 10-year drainage bonds dated July 7 1919 and due July 1 1929, 100.728 and interest. (V. 109 p. 193).

CERRO GORDO COUNTY DRAINAGE DISTRICT NO. 53, Mason City, Iowa.—BOND SALE.—On July 14 Schanke & Co., Mason City were awarded \$20,000 5 1/4% 10-year drainage bonds dated July 1 1919 at \$100.725 (V. 109 p. 193).

CHAPPELL, Deuel County, Neb.—BOND SALE.—An issue of \$12,000 6% 10-20-year (opt.) refunding bonds have been sold to Benwell, Phillips, Este & Co., Denver. Dated April 1 1919. Denom. \$500. Assessed valuation, \$890,290. Net debt, \$12,000. Population, officially, 1,200.

CHARLESTON SCHOOL DISTRICT (P. O. Charleston), Charleston, So. Caro.—BOND SALE.—On July 14 the \$250,000 5% 25-year school bonds—V. 108, p. 2050—were awarded to the Harris Trust & Savings Bank of Chicago. Denom. \$1,000. Date July 15 1919. Int. J. & J. Due July 15 1944.

Financial Statement.

Table with 2 columns: Description and Amount. Includes Real value of taxable property, estimated, Assessed valuation, Total debt (including this issue), Population estimated.

CHATHAM COUNTY (P. O. Savannah), Ga.—BONDS VOTED.—The proposition to issue \$2,500,000 road bonds carried, we are informed.

CHELAN COUNTY SCHOOL DISTRICT NO. 53, Wash.—BOND SALE.—The \$1,400, 5-20 year (opt.) school bonds offered on July 12, (V. 109 p. 90) have been sold to the State of Washington at par for 5 1/4%.

CHICOT COUNTY SCHOOL DISTRICT NO. 1 (P. O. Lake Village), Ark.—BOND SALE.—The Hanchett Bond Co. of Chicago recently purchased and is now offering to investors at a price to yield 5.40% interest, \$10,000 6% school bonds. Denom. \$500. Date April 1 1919. Int. A. & O. Due April 1 1934.

Financial Statement.

Table with 2 columns: Description and Amount. Includes Total value of all property, estimated, Assessed valuation for taxation, Total bonded debt, Population.

CLALLAM COUNTY (P. O. Port Angeles), Wash.—BOND SALE.—On July 12 an issue of \$2,500 5 1/4% 1-20-year serial impt. bonds was purchased by the State of Washington. Denom. \$250.

CLARKSBURG, Harrison County, W. Va.—BONDS VOTED.—By a vote of 2,024 to 160 the question of issuing \$900,000 street, waterworks and fire-department bonds carried, it is stated, at a recent election.

CLEVELAND HEIGHTS, Cuyahoga County, Ohio.—BOND SALE.—On July 14 the 18 issues of 5 1/4% 1-10-year serial coupon special assessment road bonds, aggregating \$304,041, offered on that day (V. 109, p. 91), were awarded to Stacy & Braun, of Toledo, for \$310,457.34 (102.110) and interest. Due yearly on Oct. 1 from 1920 to 1929, incl. Other bidders were: Prudden & Co., Toledo. \$310,088.76 Otis & Co., Cleveland. \$309,216 Well, Roth & Co., Cleve. 309,453.12

CLEVELAND HEIGHTS VILLAGE SCHOOL DISTRICT (P. O. Cleveland Heights), Cuyahoga County, Ohio.—BOND SALE.—The \$700,000 5% 2-34-year serial school-building bonds, offered on July 17 (V. 109, p. 194) were awarded on that day to Field, Richards & Co., of Cleveland, for \$714,715, equal to 102.102. Date July 17 1919.

COLUMBUS, Bartholomew County, Ind.—BOND ELECTION.—The citizens on Aug. 7 will vote on the question of issuing \$60,000 5% school-gymnasium bonds.

COLUMBUS, Lowndes County, Miss.—BOND SALE.—The Hibernia Bank & Trust Co. were awarded, on July 16, the \$50,000 5 1/4% coupon paving bonds at 100.52 and interest (V. 109, p. 194).

CONCORD TOWNSHIP SCHOOL DISTRICT (P. O. Staunton), Fayette County, Ohio.—BOND SALE.—On June 14 the \$40,000 5% 1-20-year serial coupon school bonds, dated May 8 1919 (V. 108, p. 2259), were awarded to the Ohio National Bank, of Columbus, at 100.4375.

CONEJOS COUNTY SCHOOL DISTRICT NO. 1 (P. O. La Jara), Colo.—BOND SALE.—An issue of \$15,000 5 1/4% 15-30-year (opt.) school bonds was recently awarded to Benwell, Phillips, Este & Co., Denver, at July 1 1919. Int. J. & J. Denom. \$500.

Financial Statement.

Table with 2 columns: Description and Amount. Includes Assessed valuation 1918, Total bonded debt, including this issue, Population, estimated.

CONEJOS COUNTY SCHOOL DISTRICT NO. 10, Colo.—BOND SALE.—An issue of \$5,400 6% 15-30-year (opt.) school bonds has been sold to Benwell, Phillips, Este & Co., Denver. Date July 1 1919. Int. (J. & J.). Denom. \$100 and \$500.

Financial Statement.

Table with 2 columns: Description and Amount. Includes Assessed valuation 1918, Total bonded debt, including this issue, Population officially estimated.

COOK COUNTY ROAD DISTRICTS (P. O. Gainesville), Tex.—BOND ELECTION.—An election will be held Aug. 11 to vote on the question of issuing \$225,000 Era and Valley View Road Dist. bonds.

COOPER COUNTY (P. O. Booneville), Mo.—BOND SALE.—On July 19 the \$100,000 5 1/4% Booneville Twp. road bonds—V. 109, p. 194—were awarded to Powell-Girard & Co. of Chicago at 104.398.

CORINTH, Alcorn County, Miss.—BOND OFFERING.—M. T. Sharp, City Clerk, will receive bids until Aug. 4 for \$90,000 school and \$22,000 street paving bonds, providing said bonds are voted at a coming election.

COTTONWOOD HIGHWAY DISTRICT (P. O. Cottonwood), Idaho County, Ida.—BOND SALE.—The \$90,000 5 1/4% highway bonds—V. 108, p. 2156—were awarded on June 9 to the Lumberman's Trust Co. of Portland for \$91,360, equal to 101.511. Denom. \$1,000. Date July 1 1919. Interest J. & J. Due serially after ten years.

COVENTRY TOWNSHIP RURAL SCHOOL DISTRICT (P. O. Kenmore), Summit County, Ohio.—BOND SALE.—The \$35,000 5 1/4% 1-20-year serial school bonds offered on July 16—V. 109, p. 194—were awarded on that day to A. T. Bell & Co. of Toledo for \$36,369 (103.911) and interest. Date July 18 1919. Other bidders were: Snitzer, Raveck & Co., Tol. \$36,344.00 Broad Elliott & Harrison, Durfor, Niles & Co., Tol. 36,316.00 Cincinnati. \$36,144.50 Prudden, Niles & Co., Tol. 36,316.00 Otis & Co., Cleveland. 36,140.00 Sidney Snitzer & Co., Tol. 36,225.00 Stacy & Braun, Toledo. 36,119.57 N. S. Hill & Co., Cincin. 36,225.00 Seasongood & Mayer, Cin. 36,087.00 Well, Roth & Co., Cincin. 36,050.00

CROCKET COUNTY (P. O. Alamo), Tenn.—BONDS VOTED.—Reports state that a \$150,000 road bond issue received a favorable vote at a recent election.

DEERFIELD SCHOOL DISTRICT (P. O. Deerfield), Portage County, Ohio.—BOND SALE.—On July 19 the \$50,000 5 1/4% 5-34-year serial school-building bonds, dated July 1 1919 (V. 109, p. 194), were awarded to Graves, Blanchett & Thornburgh, of Toledo.

DEFIANCE COUNTY (P. O. Defiance), Ohio.—BOND SALE.—On July 18 the \$22,000 5% 1-10-year serial road bonds, dated June 1 1919—V. 109, p. 91—were awarded to the Detroit Trust Co. of Detroit for \$22,260 (101.181) and interest.

DELAWARE COUNTY (P. O. Muncie), Ind.—BOND SALE.—The \$5,000 4 1/2% 10-year Harrison Twp. James A. Rector et. al. road bonds offered on July 21—V. 109, p. 194—were awarded on that date to Samuel Gray at par and interest.

DELAWARE SCHOOL DISTRICT NO. 4 (P. O. Kenosha Lake, Sullivan County, N. Y.—BOND SALE.—On July 19 an issue of \$8,500 5% school bonds was awarded to John Bosley, J. Vonbergen, A. Heldt and F. Fulton at 102.875. Denoms. 10 for \$500 and 5 for \$700. Date July 1 1919. Prin. and ann. Int. (Dec. 1), payable in New York exchange at the Callicoon National Bank of Callicoon. Due yearly on Dec. 1 as follows: \$500 1920 to 1929, incl., and \$700 1930 to 1934, incl.

DESHUTES VALLEY WATER DISTRICT (P. O. Matolius), Ore.—BOND SALE.—On June 30 the \$40,000 6% water bonds, interest J. J., dated July 1 1919, due serially from July 1 1924 to 1934, were sold to the Lumbermen's Trust Co. of Portland at 104.68 and interest. Other bidders were: Morris Brothers, Inc., \$41,200 (103), and Freeman, Smith & Camp Co., \$40,080 (100.2).

DE SOTO COUNTY SPECIAL ROAD AND BRIDGE DISTRICT NO. 6 (P. O. Arcadia), Fla.—BOND SALE.—On July 21 an issue of \$60,000 6% 1-30-year serial road and bridge bonds was awarded to C. H. Coffin of Chicago for \$61,061, equal to 101.768. Denom. \$300. Date July 1 1919. Int. J. & J.

DOUGLAS, Coffee County, Ga.—BOND SALE.—On July 14 the \$20,000 5% 30-year paving bonds, dated Aug. 1 1919 (V. 109, p. 194), were awarded to the Trust Co. of Georgia at 101.035 and printing cost.

DREW, Sunflower County, Miss.—BOND OFFERING.—BOND ELECTION.—The Mayor and Board of Aldermen will receive bids until 8:30 p. m. Aug. 5 for not exceeding \$37,500 sewerage and street-improvement bonds. Int. payable semi-annually. Rate not to exceed 6% int. The bonds will be issued on the serial payment plan, \$1,000 Jan. 1 1924 and \$1,000 Jan. 1 1925; \$2,000 payable annually thereafter on Jan. 1 for 10 years and the balance of the issue payable at the end of 20 years. Properly lithographed blank bonds must be furnished by the purchaser, who must also pay the charges of an expert bond attorney for passing on the bonds. A certified check for \$2,000 must be put up by the successful bidder as a guarantee until said bonds are delivered. It is now expected that the issue will approximate \$30,000 and that the bonds will be ready for issuance during the month of Sept. 1919. Legal steps preliminary to the issuance of these bonds are now in process, and the bonds will be sold subject to authorization by a municipal election on Aug. 29 1919, and subject to the approval of an expert bond attorney when said steps are completed.

DULUTH SCHOOL DISTRICT (P. O. Duluth), St. Louis County, Minn.—BOND OFFERING.—Further details are at hand relative to the offering on Aug. 2 of the \$100,000 5 1/2% 30-year school bonds—V. 109, p. 303. Bids for these bonds will be received until 7:30 p. m. on that day by Chas. A. Bronson, Clerk Board of Education. Denom. \$1,000. Date April 1 1919. Prin. and semi-ann. Int. (A. & O.) at the American Exchange National Bank, N. Y. Cert. check for \$1,000, payable to the Board of Education required. Total bonded debt (excl. this issue), \$2,497,000; assess. val. of District for 1918, \$65,289,815.

DUVAL COUNTY (P. O. Jacksonville), Fla.—BOND SALE.—On July 22 the \$250,000 5% 30-year bridge bonds—V. 109, p. 92—were awarded to G. B. Sawyers Co. at 102.85. Denom. \$1,000. Date Jan. 1 1918. Interest J. & J.

EAST CLEVELAND, Cuyahoga County, Ohio.—BOND SALE.—On July 23 \$12,000 5% building bonds were awarded to Seasongood & Mayer of Cincinnati for \$12,101.50, equal to 100.845. Denom. \$1,000. Date April 1 1919. Int. A. & O. Due \$1,000 on Oct. 1 in even-numbered years from 1920 to 1938, incl., and \$2,000 Oct. 1 1940.

EAST HAMPTON, Suffolk County, N. Y.—BOND SALE.—On July 1 the Osborne Bank of East Hampton was awarded at 100.01562 \$100,000 4 1/2% highway-impt. bonds. Denom. \$1,000. Date July 1 1919. Int. J. & J. Due \$5,000 yearly from 1921 to 1940.

EASTLAND, Eastland County, Tex.—BOND ELECTION.—An election has been called for Aug. 9 to vote \$200,000 street paving and \$100,000 city-hall bonds.

EASTLAND COUNTY (P. O. Eastland), Tex.—BOND ELECTION PROPOSED.—It is reported that an election is soon to be called to vote upon issuing \$100,000 road bonds.

ELIZABETHTOWN RURAL SCHOOL DISTRICT (P. O. Elizabethtown), Hamilton County, Ohio.—BOND OFFERING.—Thos. O. Hayes, Clerk Board of Education, will receive proposals until 8 p. m. Aug. 6 for \$30,000 6% school building bonds. Auth. Sec. 7625 to 7627 Gen. Code. Denom. \$750. Date day of sale. Prin. and semi-ann. Int. (A. & O.) payable at the First National Bank of Harrison. Due yearly on Aug. 6 (date of sale) as follows: \$750 1924 to 1930, incl., and \$1,500 1936 to 1959, incl. Cert. check for 10% of amount of bonds bid for, payable to the above clerk required. Purchaser to pay accrued interest.

ELKHART, Morton County, Kans.—BOND SALE.—This city recently sold \$80,000 water & light system bonds—V. 108, p. 2651.

ELLIS COUNTY (P. O. Waxahachie), Tex.—BONDS VOTED.—The following School District bonds have been voted: \$2,000 Crip, \$12,000 Telico, \$12,000 Trumbull, \$8,000 Aisdorf, \$2,000 Pea Ridge and \$1,500 Ike school bonds.

EL SEGUNDO SCHOOL DISTRICT, Los Angeles County, Calif.—PURCHASER.—On June 15 the Citizens' National Bank of Los Angeles was the successful bidder for the \$120,000 5 1/2% 1-25-year serial bonds dated June 1 1919—V. 108, p. 2651. The purchase price was \$125,650, equal to 104.70%.

ELYRIA, Lorain County, Ohio.—BOND SALE.—On July 19 the \$350,000 5% 1-27-year serial coupon water-works bonds dated July 1 1919 (V. 108, p. 2651) were awarded to Stacy & Braun of Toledo for \$359,819.80 (102.80%) and interest.

ERIE COUNTY (P. O. Sandusky), Ohio.—BOND OFFERING.—The Board of County Commissioners will receive bids until 12 m. Aug. 7 for \$77,120 5% Inter-County Highway No. 276 Impt. bonds. Auth. Sec. 1233 Gen. Code. Denoms. 154 for \$600 and 1 for \$120. Date Sept. 1 1919. Prin. and semi-ann. int. (M. & S.), payable at the County Treasurer. Due yearly on Sept. 1 as follows: \$7,500 1920 to 1924, incl.; \$8,000 1925 to 1928, incl. and \$7,620 1929. Cert. check for \$500, payable to the County Treasurer required. Bonds to be delivered and paid for at the County Treasury as soon as they can be prepared. Purchaser to pay accrued int.

FAIRPORT, Monroe County, N. Y.—BOND OFFERING.—It is reported that Village Clerk E. C. Williams will receive proposals until 8 p. m. Aug. 11 for \$135,000 5 1/2-year (aver.) paying bonds at not exceeding 5% int. Int. semi-ann. Cert. check for \$2,000 required.

FAYETTE COUNTY (P. O. Washington C. H.), Ohio.—BOND OFFERING.—Glenn M. Pine, County Auditor, will receive proposals until 12 m. Aug. 13 for \$180,000 5% coupon Inter-County Highway No. 50 bonds. Auth. Sec. 1223, Gen. Code. Denoms. \$8,000, or if purchasers so desire, \$1,000 and multiples thereof. Date May 22 1919. Int. M. & S. Due \$5,000 each six months from Mar. 1 1920 to Sept. 1 1929, incl. Certified check for 2% of amount of bonds bid for, payable to the County Treasurer, required. Purchaser to pay accrued interest.

FRANKLIN COUNTY (P. O. Preston), Ida.—BOND SALE.—An issue of \$34,000 5% 1-20-year road bonds was recently sold to Bosworth, Chanute & Co., Denver, Denom. \$1,000. Date July 1 1919. Int. J. & J. Actual value, estimated, \$10,000,000; assessed valuation 1918, \$7,263,172; total bonded debt, including this issue, \$130,000; population, estimated, 9,000.

FRANKLIN COUNTY (P. O. Columbus), Ohio.—BOND OFFERINGS CANCELLED.—We print the following communication received from the Clerk of the Board of County Commissioners, in relation to the offerings on July 17 and 23 of 3 issues of land purchase bonds, aggregating \$41,550: Gentlemen—The Prosecuting Attorney of Franklin County, Ohio, has filed a petition in the Courts praying for a temporary restraining order in the matter of the sale of bonds contemplated by the Board of Commissioners July 17 and 23, 1919, in the sums of \$14,950, \$14,950 and \$11,650 respectively. In view of this, it is necessary to await the Court's action and decision, and therefore, consideration will not be given any bid or bids submitted July 17 or 23, 1919, in the matter of bond issues above mentioned.

By order of the Board of Commissioners of Franklin County, Ohio. W. J. Herman, Clerk of the Board.

FREMONT, Sandusky County, Ohio.—BOND ELECTION.—On Aug. 5 the voters will decide on the question of issuing \$90,000 filtration plant, \$125,000 school and \$35,000 athletic building bonds.

FREMONT COUNTY (P. O. St. Anthony), Ida.—BOND SALE.—The \$400,000 5 1/2% 10-19-year serial road and bridge bonds—V. 108, p. 2556—have been sold to International Trust Co., E. H. Rollins & Sons and Bosworth, Chanute & Co., Denver, jointly. Dated July 1 1919. Denom. \$1,000. Int. J. & J. Payable \$40,000 a year beginning in ten years.

Financial Statement

Assessed valuation, estimated	\$20,000,000 00
Assessed valuation, 1918	10,375,715 39
Total bonded debt (including this issue)	477,900 00
Population, 1919 (estimated), 17,600	

FULTON COUNTY (P. O. Rochester), Ind.—BOND OFFERING.—Wm. H. Biddiger, County Treasurer, will receive proposals until 3 p. m. Aug. 5 for \$27,700 4 1/2% coupon Gen. H. Wallace et al. Rochester Twp. highway imp. bonds. Denom. \$1,385. Date Aug. 1 1919. Int. M. & S. Due \$1,385 each six months from May 15 1920 to Nov. 15 1929, incl.

GLYNDON, Clay County, Minn.—BONDS VOTED.—The question of issuing \$10,000 4 1/2% 5-year electric-light bonds carried at an election held June 27.

GRAYSON COUNTY (P. O. Sherman), Tex.—BOND OFFERING.—A. S. Noble Co., Auditor will receive bids, it is stated, until 2.30 p. m. Aug. 11 for \$514,000 5% 30-yr road bonds.

GREENE COUNTY (P. O. Bloomfield), Ind.—BOND OFFERING.—Levi J. Bauer, County Treasurer, will receive proposals until to-day (July 26) for \$9,000 John W. Lehann et al. and \$15,435 Madison Miller et al. 4 1/2% Grant Twp. macadam road bonds.

GREEN TOWNSHIP RURAL SCHOOL DISTRICT (P. O. Buena Vista), Fayette County, Ohio.—BOND OFFERING.—J. W. Jones, Clerk Board of Education, will receive proposals until 12 m. Aug. 9 for \$40,000 5% coupon school building bonds. Auth. Sec. 7625, Gen. Code. Denom. \$500. Date July 7 1919. Int. M. & S. Due \$500 Sept. 1 1920, 1921 and 1923, \$500 yearly on Mar. 1 from 1922 to 1929, incl., \$1,000 yearly on Sept. 1 from 1923 to 1943, incl., \$1,000 yearly on Mar. 1 from 1930 to 1940, incl., and \$500 yearly on Mar. 1 from 1941 to 1944, incl., and \$500 Sept. 1 1944. Cert. check on some solvent bank for 2% of amount of bonds bid for, payable to the District Treasurer, required. Bonds to be delivered and paid for within 10 days from date of award. Purchaser to pay accrued interest.

GREENVILLE COUNTY (P. O. Greenville), So. Caro.—BOND SALE.—On July 17 the \$85,000 5% 40-year road bonds dated July 1 1919 (V. 109, p. 195) were awarded to A. B. Leach & Co., Inc., for \$86,345 (101.58%). Other bidders were: Prudden & Co. \$86,067 Farmers' Loan & Trust Co. \$85,100 Seansgood & Mayer \$85,510 A. G. Furman \$85,739

GREENWOOD LEFLORE COUNTY, Miss.—BOND SALE.—On July 10 an issue of \$100,000 road bonds, was awarded, it is stated, to the First Nat'l Bank of Greenwood at 100.70%.

GRUNDY COUNTY (P. O. Coalmont), Tenn.—BOND OFFERING.—Reports state that W. A. Patton, Secy. of the H'way. Commrs. will receive bids until 2 p. m. Aug. 14 for \$200,000 1-10 yr. serial bonds not to exceed 6% int. Cert. check for \$1,000 required.

HAMILTON COUNTY (P. O. Syracuse), Kans.—BOND SALE.—The \$50,000 20-30-year road bonds voted at the election July 1—V. 109, p. 195—have been sold.

HAMILTON SCHOOL TOWNSHIP (P. O. Seymour R. F. D.), Jackson County, Ind.—BOND SALE.—On July 19 the \$5,200 5 1/2% 2-6-year serial coupon school bonds dated July 1 1919 (V. 109, p. 92) were awarded to the City & Trust Co. of Indianapolis at 101.85 and int. Other bidders were: J. F. Wild & Co., Indpls. \$5,230.50 Brownstown L. & T. Co. \$5,230.00 Meyer-Kiser Bank, Indpls. \$5,273.00 First Nat. Bank, Brownst. \$5,215.00 Fletcher-Am. Nat. Bk. Ind. \$5,200.00 Breed, Elliott & Harrison, C. H. Albrand, Seymour, P. O. Indianapolis. \$5,215.00

HARDIN COUNTY Y., (P. O. Savannah), Ga.—WARRANT OFFERING.—Sealed bids will be received until 1 p. m. Aug. 2 by the Jail Building Committee, for \$25,000 6% jail warrants. Int. annual. Due in 20 equal payments. Cert. check for 5% of bid required. All bids to be addressed to E. K. Churchwell, Savannah.

HARDIN COUNTY (P. O. Kenton), Ohio.—BOND OFFERING.—Proposals will be received until 12 m. Aug. 4 by Dean C. Jones, County Auditor, for \$53,000 5% Findlay-Kenton I. C. H. No. 229 Impt. (county's share) bonds. Auth. Sec. 1223, Gen. Code. Denom. \$500. Date Aug. 4 1919. Prin. and semi-ann. int. (F. & A.) payable at the County Treasurer's office. Due \$5,000 on Aug. 4 in each of the years 1920, 1921, 1923, 1924, 1926, 1927 and 1929; and \$6,000 on Aug. 4 in 1922, 1925, and 1928. Cert. check on a Kenton bank for \$500 required. Bonds to be delivered and paid for at the County Auditor's office within 15 days after date of award. Purchaser to pay accrued interest.

HEMPSTEAD (TOWN) UNION FREE SCHOOL DISTRICT NO. 15 (P. O. Lawrence), Nassau County, N. Y.—BOND OFFERING.—Newman J. Pettit, Clerk Board of Education, will receive proposals until 2 p. m. July 31 for \$179,500 4 1/2% registered school bonds. Denoms. 175 for \$1,000 and 1 for \$1,500. Date June 15 1919. Prin. and semi-ann. int. payable at the U. S. Mtge. & Trust Co. of N. Y. Due yearly on Dec. 15 as follows: \$7,000 1924 to 1948, incl., and \$1,500 1949. Cert. check on an incorporated bank or trust company for \$2,000, payable to the "School District," required. Purchaser to pay accrued int. Successful bidders will be furnished with the opinion of Reed, McCook & Hoyt of New York that the bonds are valid and binding obligations of said school district. The bonds will be prepared under the supervision of the U. S. Mtge. & Trust Co., New York, which will certify as to the genuineness of the signatures of the officials of the Board of Education of said school district and the seal impressed thereon.

Statement

Bonded debt, including this issue	\$426,740 00
Assessed valuation taxable property	8,241,000 00

HIAWATHA, Brown County, Kans.—BOND OFFERING.—Sealed bids will be received until 9 p. m. July 23 by J. W. Lebbangood, City Clerk, for \$75,000 4 1/2% auditorium imp. bonds. Denom. \$500. Int. J. & J. at the office of the State Treasurer. Due \$5,000 yearly on July 1 from 1925 to 1939, incl. Cert. check for \$1,000, payable to the City Treasurer required.

HICKSVILLE, Defiance County, Ohio.—BOND SALE.—On July 10 the Hicksville National Bank of Hicksville were awarded the \$12,400 5 1/2% 1-10-year serial sewer bonds dated Sept. 1 1919 (V. 109, p. 93) at 101.50 and interest. Other bidders were: Otis & Co., Cleveland \$12,570 00 National Bank of Commerce, Columbus 12,561 75 Spitzer, Rorick & Co., Toledo 12,535 50 Seansgood & Mayer, Cincinnati 12,534 00 W. L. Slayton & Co., Toledo 12,529 58 Tucker, Robinson & Co., Toledo 12,508 99 Graves, Blanchet & Thornburgh, Toledo 12,477 84

HIGH POINT, Guilford County, N. C.—BOND OFFERING.—Further details are at hand relative to the offering on July 29 of the following bonds not to exceed 6% int.—V. 109, p. 304: \$100,000 water bonds. Due \$2,000 vly on July 1 from 1921 to 1934, incl., \$3,000 on July 1 from 1935 to 1958, incl. 93,000 funding bonds. Due \$6,000 on July 1 1921, 1922 and 1923, \$10,000 on July 1 1924, 1925 and 1926 and \$15,000 on July 1 1927, 1928 and 1929.

Proposals for these bonds will be received until 12 m. on that day by R. L. Pickett, City Manager, Denom. \$1,000. Date July 1 1919, Prin. and semi-ann. int. (J. & J.) payable at the Hanover Nat'l Bk., N. Y. Purchaser to pay accrued int.

The purchaser will be furnished with the opinion of Messrs. Reed, McCook & Hoyt, of New York City, that the bonds are valid and binding obligations of the City of High Point. The bonds will be prepared under the supervision of the United States Mortgage & Trust Company, which will certify as to the genuineness of the signatures of the City officials and the seal impressed on the bonds.

Financial Statement

City of High Point, N. C.	
Gross bonded debt including present issues	\$1,251,000 00
Water bonds included above	\$340,000 00
Special assessments on hand or to be collected, applicable to payment of bonded debt	205,834 60
Sinking fund for bonds other than water bonds	32,000 00
	577,834 60
Net bonded debt	\$673,165 40
Assessed valuation taxable property, 1918	5,726,300 00
Actual value (estimated)	15,000,000 00
Population, U. S. Census, 1910, 9,525. Present population (estimated)	15,000.

HINCKLEY, Pine County, Minn.—BOND SALE.—On July 14 this city sold \$30,000 water and \$10,000 sewer bonds to the Bankers Trust and Savings Bank of Minneapolis.

HOLYOKE, Phillips County, Colo.—BOND SALE.—An issue of \$10,000 5 1/2% serial refunding bonds has been sold to Benwell, Phillips, Esté & Co., Denver. Dated July 1 1919. Int. (J. & J.). Denom. \$500. Due \$500 a year beginning July 1 1925.

Financial Statement

Assessed valuation, 1918	\$820,749
Total bonded debt, all for water	131,000
Present population est. 900.	

HUDSON, Fremont County, Wyo.—BOND OFFERING.—A. J. McGinty, Town Clerk, will receive bids it is stated until 8 p. m. Aug. 11 for \$30,000 6% 30-yr. water bonds. Int. semi-ann. Cert. check for 10% required.

HUDSON, Summit County, Ohio.—BOND SALE.—On July 22 the three issues of 5 1/2% 1-10-yr serial street imp. bonds, dated May 1 1919, aggregating \$11,600, offered on that day—V. 109, p. 93, 195—were awarded, together with a \$2,200 issue, a total of \$13,800, to Seansgood & Mayer, of Cincinnati, for \$14,012 (101.53%) and interest. Other bidders were: Durfee, Niles & Co., Toledo \$13,961 80 Toledo \$13,939 38 Otis & Co., Cleveland \$13,948 00 Tillotson & Wolcott Co., Cleveland \$13,835 00

HUDSPETH COUNTY (P. O. Sierra Blanca), Tex.—BOND SALE.—The Hanchett Bond Co. of Chicago recently purchased and are now offering to investors \$40,000 5 1/2% 10-40-year (opt.) court-house bonds. Denom. \$1,000. Date May 12 1919. Int. A. & O.

Financial Statement

Total value of all property, estimated	\$12,000,000
Assessed valuation for taxation	5,251,000
Total bonded debt	\$190,576
Less sinking fund	3,000
Net bonded debt	\$187,576
Population, 2,000. Area, 4,000 square miles.	

IMPERIAL IRRIGATION DISTRICT, Calif.—BONDS OFFERED BY BANKERS.—Bond & Goodwin, of San Francisco, are offering to investors at a price to yield 5 1/2% \$50,000 5% bonds. Int. J. & J. Due serially from 1940 to 1954, incl. Bonded debt \$10.40 per acre.

INDIANOLA, Red Willow County, Neb.—BOND SALE.—We are advised by the City Clerk that this city recently sold \$32,000 water bonds.

IRONTON, Crow Wing County, Minn.—BOND SALE.—On July 15 the \$100,000 5 1/2% refunding bonds offered on that date (V. 109, p. 195) were awarded to the Northwestern Trust Co. of St. Paul at 100.191 Denom. \$1,000. Date July 15 1919. Int. J. & J. Due from 1922 to 1936, incl.

JACKSON TOWNSHIP RURAL SCHOOL DISTRICT (P. O. Helena), Sandusky County, Ohio.—BOND SALE.—On July 21 the \$75,000 5 1/2% 1-15-year serial coupon school building bonds, dated May 20, 1919—V. 109, p. 93—were awarded to A. T. Bell & Co. of Toledo for \$75,088 (101.45%), accrued interest and blank bonds.

JASPER COUNTY (P. O. Rensselaer), Ind.—BOND OFFERING.—Chas. V. May, County Treasurer, will receive proposals until 1 p. m. July 30 for the following 4 1/2% road bonds: \$4,000 J. W. Hitchcups et al. Jordan Twp. stone road bonds. Denom. \$400. Due \$400 each six months from May 15 1920 to Nov. 15 1924, incl.

2,000 F. J. Slight et al., Kankakee Twp. stone road bonds. Denom. \$200. Due \$200 each six months from May 15 1920 to Nov. 15 1924, incl.

5,000 C. L. Carr et al. Newton Twp. stone road bonds. Denom. \$500. Due \$500 each six months from May 15 1920 to Nov. 15 1924, incl. Date July 15 1919. Int. M. & N.

JEFFERSON SCHOOL DISTRICT NO. 41, Colo.—BOND SALE.—An issue of \$6,000 5 1/2% 15-30 year (opt.) bonds have been sold to the International Trust Co., of Denver.

JOHNSON COUNTY (P. O. Franklin), Ind.—BOND OFFERING.—E. G. Brewer, County Treasurer, will receive proposals until 10 a. m. July 30 for the following 4 1/2% highway imp. bonds: \$7,000 Fleener et al. Union Twp. bonds. Denom. \$350. Due \$350 each six months from May 15 1920 to Nov. 15 1929.

15,900 Shank et. al. Hensley Twp. bonds. Denom. \$795. Due \$795 each six months from May 15 1920 to Nov. 15 1929, incl. Date July 15 1919. Int. M. & N.

JOHNSTON COUNTY SCHOOL DISTRICT NO. 12, (P. O. Cleburne), Tex.—BONDS AUTHORIZED.—We are advised that the school board has authorized the issuance of \$8,000 school bonds.

JOHNSTON COUNTY, (P. O. Smithfield), N. C.—BOND OFFERING.—Reports state that S. T. Honeycutt, Clerk, Bd. of Com. Commrs. will receive bids until 12 m. Aug. 4 for \$105,000 5% 30 yr road bonds. Int. semi. ann. Cert check for 2% of the amount of bonds bid for required.

JOLIET SCHOOL DISTRICT (P. O. Joliet), Will County, Ill.—BOND OFFERING.—Proposals will be received until 3.05 p. m. July 28 by J. F. Skoel, Clerk Board of School Inspectors, for \$200,000 5% school building bonds. Denom. \$1,000. Date Sept. 1 1919. Due yearly on July 1 as follows: \$10,000, 1923, \$30,000, 1924 to 1929, incl., and \$10,000, 1930. Cert. check for \$2,000 required. Purchasers are required to furnish blank bonds. The official circular states that there is no contest or litigation pending. Bonded Debt (incl. this issue) \$300,000. Assessed value, 1918, \$12,857,850. Population, 1919, 55,561.

KANSAS CITY, Kans.—BOND SALE.—On July 22 the \$250,000 4 1/2% electric light bonds—V. 109, p. 304—were awarded to the Riverview State Bank of Kansas City at 100.262 and interest.

KINGSTON SCHOOL DISTRICT (P. O. Kingston), Shoshone County, Idaho.—BONDS VOTED.—By a vote of 92 to 34 a proposition to issue \$10,000 school-house erection bonds carried at an election held July 7. It is stated.

KISSIMMEE, Park County, Fla.—BOND SALE.—The Hanchett Bond Co. of Chicago recently purchased and is now offering to investors at a price to yield 5.20% int., \$97,500 6% Lake Front Impmt. bonds. Denom. \$1,000. Date April 18 1919. Int. M. & N. Due \$10,000 yearly on May 1 from 1920 to 1937, incl., and \$7,500 May 1 1938. These bonds were offered without success on April 18.—V. 108, p. 1743.

KNOX COUNTY (P. O. Knoxville), Tenn.—BOND SALE.—The Harris Trust & Savings Bank, of Chicago, recently purchased and are now offering to investors \$150,000 5% coupon funding bonds. Denom. \$1,000. Date July 1 1919. Interest annually on Jan. 1. Due July 1 1939.

Assessed valuation for taxation \$45,046,489  
Total debt (this issue included) 1,272,717  
Population 1910 Census, 94,187. Total debt less than 3% of assessed valuation.

LAKE COUNTY (P. O. Painesville), Ohio.—BOND OFFERING.—W. A. Davis, County Auditor, will receive proposals until 12 m. Aug. 11 for \$300,000 5% bridge bonds. Auth. Secs. 5639-1, 5640-1, 5641-1, 5642-1, 5643 & 5644 Gen. Code. Denom. \$500. Date Sept. 1 1919. Prin. and semi-ann. int. (M. & S.) payable at the County Treasurer's office. Due each six months as follows: \$5,000 Mar. 1 1920 to Sept. 1 1939, incl.; \$5,500 Mar. 1 1940 Sept. 1 1948, incl.; and \$6,000 Mar. 1 & Sept. 1 1949. Cert check on a solvent bank in Lake County, for \$5,000, payable to the County Treasurer, required. Bonds to be delivered and paid for within 10 days from date of award. Purchaser to pay accrued interest.

LAKE PRESTON, Kingsbury County, S. D.—BONDS VOTED.—The issuance of \$55,000 sewer bonds was authorized by the voters at a recent election, according to reports. The proposition received a majority of 197 votes.

LAUREL, Sussex County, Del.—BOND OFFERING.—Proposals will be received until 12 m. July 30 by W. K. Rodney, Town Clerk, for \$60,000 4 1/2% street-improvement bonds. Denom. \$1,000. Date July 1 1919. Principal and semi-annual interest payable at the Delaware Trust Co., of Laurel. Due July 1 1919. Certified check for 5% of amount of bid required. Purchaser to pay accrued interest.

LAURENS COUNTY (P. O. Dublin), Ga.—BOND OFFERING.—J. H. Witherington, Clerk of the Commissioners, will receive bids until 4 p. m. Aug. 5, it is stated, for \$200,000 5% 30-year bridge bonds.

LAWRENCE COUNTY, (P. O. Ironton), Ohio.—BOND OFFERING.—Board of County Commissioners will receive proposals until 10 a. m. Aug. 4 for \$25,000 5% Adams Lane, Upper Twp (assess.) bonds. Auth. Sec. 6029 Gen. Code. Denom. \$1,000. Date March 1, 1919. Prin. and semi-ann. int., payable at the County Treasury. Due March 1 1929. Cert. check for 2% of amount of bonds bid for, payable to the County Treasurer, required. Bonds to be delivered and paid for on or before Sept. 1 1919. Purchaser to pay accrued interest.

LEACHVILLE SCHOOL DISTRICT (P. O. Leachville), Mississippi County, Miss.—BOND SALE.—The Hanchett Bond Co. of Chicago recently purchased and is now offering to investors at a price to yield 5.30% \$25,000 school bonds. Denom. \$500. Date May 1 1919. Int. M. & N. Due on May 1 as follows: \$1,000 1922, \$2,000 1923 and 1924, \$1,000 1925, \$2,000 yearly on May 1 from 1928 to 1934, incl., and \$5,000 1939.

LEAVENWORTH, Leavenworth County, Kans.—BOND ELECTION POSTPONED.—Fred Meteshan, City Clerk, informs us that the \$400,000 bond election (V. 108, p. 2652), which was to have taken place July 16 has been postponed to a later date.

LIMA, Allen County, Ohio.—BOND ELECTION.—On Aug. 12, it is stated, the voters will decide whether or not the city shall issue \$100,000 lighting-system bonds.

LITTLE BAY AND WHITE MAN'S CREEK DRAINAGE DISTRICT NO. 20, Craighead County, Ark.—BOND SALE.—Whitaker & Co., of St. Louis recently purchased and are now offering to investors \$150,000 5 1/2% bonds. Denom. \$1,000. Date March 1 1919. Int. M. & S. Due on Sept. 1 as follows: \$5,000 1922, \$5,000 1923, \$5,000 1924, \$6,000 1925 and 1926, \$7,000 1927, 1928 and 1929, \$8,000 1930 and 1931, \$9,000 1932 and 1933, \$10,000 1934 and 1935, \$11,000 1936 and 1937, \$12,000 1938 and \$13,000 1939.

LOST CREEK TOWNSHIP, Vigo County, Ind.—BOND OFFERING.—Elmer H. Dickerson, County Treasurer, will receive bids until 3 p. m. Aug. 7 for \$37,000 5% school bonds. Denom. \$500. Due from July 1 1921 to July 1 1935, incl. Cert. check for \$1,000 required.

LOWNEDES COUNTY (P. O. Valdosta), Ga.—BONDS AWARDED IN PART.—Of the \$500,000 5% coupon road bonds offered on July 2, (V. 108, p. 2652), \$100,000 of the issue was sold jointly to Securities Sales Co., Atlantic National Bank and the Merchants Bank, all of Florida, for \$100,651 1/2 (100.651) and interest. Other bidders were:  
Name Price Bid Name Price Bid  
Trust Co. of Georgia \$100,332 00 Continental Trust Co. \$100,080 00  
Southern Bk. & Trust Co. 100,101 10 Citizens Bank 100,027 00  
Robinson-Humphreys Co. 100,100 00

MADISON COUNTY, (P. O. Bexbury), Idaho.—CORRECTION.—The \$150,000 court house and \$200,000 5 1/2% 14 1/2-yr. (aver.) road bonds reported as sold to E. H. Rollins & Sons and International Trust Co. of Denver, were awarded to the Merchant's Trust and Savings Bank of St. Paul at 102.06.

MADISON COUNTY (P. O. Canton), Miss.—BOND SALE.—The Hanchett Bond Co. of Chicago recently purchased and is now offering to investors \$55,000 5 1/2% bonds. Denom. \$1,000. Date May 6 1919. Int. (M. & N.). Due part each year on May 6 from 1929 to 1939, incl.

Financial Statement.  
Total value of all property, estimated \$16,000,000  
Assessed valuation for taxation 9,199,369  
Total bonded debt 162,000  
Population 43,500

MAD RIVER RURAL SCHOOL DISTRICT (P. O. Westville), Champaign County, Ohio.—BOND OFFERING.—W. N. Neese, Clerk Board of Education, will receive proposals until 12 m. Aug. 6 for \$2,800 6% coupon school bonds. Auth. Sec. 7629 Gen. Code. Denom. \$400. Date July 1 1919. Prin. and semi-ann. int., payable at the above clerk's office. Due \$400 yearly on April 1 from 1920 to 1926, incl. Cert. check (or cash) on a solvent bank, for \$100, payable to the above Clerk of the Board of Education, required. Purchaser to pay accrued interest.

MAGDALENA SCHOOL DISTRICT (P. O. Magdalena), Socorr County, Ariz.—BOND SALE.—An issue of \$44,000 5% 10-30 year (opt.) school bonds was sold to Sweet, Causey, Foster & Co., of Denver. Date April 1 1919. Int. A. & O. Assessed valuation of district, \$1,567,388 64. Total bonded debt, \$70,000. Population (estimated), 4,000.

MAGNOLIA PARK, Tex.—WARRANT SALE.—Recently J. L. Arlitt of Austin purchased \$8,000 6 1/2% improvement warrants. Date June 20 1919. Due serially from 1923 to 1938 incl.

MALONE, Franklin County, N. Y.—BOND OFFERING.—L. W. Haskell, Deputy Village Clerk, will receive proposals until 7.30 p. m. July 28 for \$30,000 5% water bonds, authorized by a vote of 110 to 50 at an election held June 27. Denom. \$500. Date Sept. 1 1919. Prin. and annual interest payable in New York Exchange at the Peoples National Bank, of Malone. Due \$1,500 yearly on Sept. 1 from 1920 to 1939, incl. Cert. check on a national or state bank for 2% of amount of bonds bid for, required.

MANHATTAN BEACH (P. O. Manhattan), Los Angeles County, Calif.—BOND SALE.—The \$45,000 municipal pier bonds recently voted (V. 109, p. 94), were sold at a private sale to Torrance, Marshall & Co., of Los Angeles.

MANSFIELD, Richland County, Ohio.—BOND OFFERING.—C. E. Rhoads, City Auditor, will receive proposals until 12 m. Aug. 5 for \$139,000 5 1/2% street impmt. (city's portion) bonds. Auth. Sec. 3821 Gen. Code. Denom. \$1,000. Int. semi-ann. Due yearly on Sept. 1 as follows: \$5,000, 1920 to 1931, incl.; \$6,000, 1932 to 1943, incl.; and \$7,000, 1944. Cert. check for 2% of amount of bonds bid for, payable to the City Treasurer, required. Bonds to be delivered and paid for, within 10 days from date of award. Purchaser to pay accrued interest.

BOND SALE.—On July 8 the \$1,700 5 1/2% 1-20 year serial Service & Safety Depts. debt-extension bonds, dated July 8 1919—V. 108, p. 2557—were awarded to the Richland Savings Bank, of Mansfield, for \$43,782 80 equal to 104.994.

MARENGO, Iowa County, Iowa.—BOND SALE.—We are advised that this city recently sold \$362,000 sewer and paving bonds.

MARICOPA COUNTY SCHOOL DISTRICT NO. 69, (P. O. Phoenix) Ariz.—BOND ELECTION.—An election will be held Aug. 8 to vote on the question of issuing \$18,000 6% 20 yr school bonds. Int. semi ann. Phil. C. Ensign is Clerk of the School Board.

MARSHALL COUNTY (P. O. Holly Springs), Miss.—BOND OFFERING.—Proposals will be received until 12 m. July 31 by D. M. Featherston, for \$17,000 6% 10-20-year Cayce road bonds. Interest semi-annual. Certified check for 5% of the amount of bonds bid for required.

MARSHVILLE, Union County, N. C.—BOND OFFERING.—Bids will be received until 12 m. Aug. 6 by James P. Marsh Secretary-Treasurer for \$30,000 electric light bonds not to exceed 6% int. Denom. \$1,000. Date Aug. 1 1919. Prin. and semi-ann. int. (F. & A.), payable at the Nat'l Park Bank, N. Y. C. Due \$2,000 yearly on Aug. 1 from 1922 to 1936 incl. Cert check on an incorporated bank or trust company for 2% of the amount of bonds bid for payable to the town required.

MARTIN COUNTY (P. O. Shoals), Ind.—BOND OFFERING.—Henry O. McCord, County Treasurer, will receive proposals until 12 m. Aug. 4 for \$1,000 4 1/2% 10-year Holbert Twp. bonds. Date Aug. 4, 1919. Purchaser to pay accrued interest.

MATAGORDA COUNTY ROAD DISTRICT NO. 8, (P. O. Bay City), Texas.—BOND SALE.—The \$26,000 5 1/2% road bonds being part of an authorized issue of \$65,000 mentioned in V. 108 p. 398 & 2653 were awarded on July 15 to Sweet, Causey, Foster & Co., of Denver at 98.75 and interest.

MEDFORD, Middlesex County, Mass.—LOAN OFFERING.—It is reported that the City Treasurer will receive proposals until 9 a. m. July 29 for a temporary loan of \$100,000, maturing July 2 1920.

MENARD COUNTY, (P. O. Petersburg), Ill.—BOND OFFERING.—Proposals will be received until 12 m. Aug. 5 by A. W. Hartley, County Clerk, for \$55,000 5% road bonds. Denom. \$500. Date July 1 1919. Prin. and ann. int. (July 1) payable at the County Treasurer's office. Due \$5,500 yearly on July 1 from 1920 to 1929, incl. Cert. check for \$500 required.

MIDDLESEX BOROUGH SCHOOL DISTRICT (P. O. Bound Brook), Middlesex County, N. J.—BOND OFFERING.—Proposals will be received until 8 p. m. July 28 by Wm. Love, District Clerk, for an issue of 5% school bonds, not to exceed \$35,000. Denom. \$500. Date July 1 1919. Int. J. & J. Due yearly on July 1 as follows: \$1,500 1920 to 1942, incl., and \$500 1943. Certified check on an incorporated bank or trust company for 2% of amount of bonds bid for, payable to the above Clerk, required. Purchaser to pay accrued interest.

MILFORD, New Haven County, Conn.—BOND SALE.—On July 22 the \$50,000 5% 1-10 year serial gold coupon road-impmt. bonds, dated Aug. 1 1919—V. 108, p. 2653—were awarded to the National City Co., of New York, at 101.419. Other bidders, both of Boston, were: Merrill, Oldham & Co. 101.281 (Blodgett & Co. 100.77)

MINERS MILLS SCHOOL DISTRICT, Luzerne County, Pa.—BOND OFFERING.—Peter T. Mayoek, Secretary of the Board of School Directors, will receive proposals, it is stated, until 8 p. m. Aug. 5 for \$80,000 5% 5-25-year serial school bonds. Int. semi-ann. Cert. check for 1% required.

MISSOULA AND MINERAL COUNTIES JOINT SCHOOL DISTRICT NO. 2, Mont.—BOND SALE.—The \$24,000 6% coupon school bonds—V. 108, p. 2653—dated July 1 1919 and due July 1 1939, were awarded to the Spokane & Eastern Trust Co. for \$25,535 (106.3958) and int.

MOLINE, Elk County, Kans.—Reports that this city recently sold \$85,000 5% school bldg. bonds to White Phillips Co.

MONTEREY COUNTY (P. O. Salinas), Calif.—BOND OFFERING.—Proposals will be received until 10 a. m. Aug. 5 by T. P. Jay, County Clerk, it is stated, for \$250,000 5% 1-25-year serial school bonds. Int. semi-ann. Cert. check for 2% required.

MONTGOMERY COUNTY (P. O. Dayton), Ohio.—BOND SALE.—On July 2 the 4 issues of 5% Inter-County Highway impmt. (township's portion) bonds, aggregating \$51,000—V. 108, p. 2558—were awarded to the Dayton Savings & Trust Co. of Dayton, as follows:  
\$15,500 Madison and Jefferson Townships I. C. H. No. 28 bonds at 100.16. Denom. 4 for \$2,000 and 5 for \$1,500. Due \$2,000 yearly on July 2 from 1920 to 1929, inclusive, and \$1,500 yearly on July 2 from 1924 to 1928, inclusive.  
7,000 Butler Township I. C. H. No. 61 bonds at 100.35%. Denom. 4 for \$1,000 and 6 for \$500. Due yearly on July 2 as follows: \$1,000 1920 to 1923, inclusive, and \$500 1924 to 1929, inclusive.  
17,000 Mad River Twp. I. C. H. No. 29 bonds at 100.96. Denom. 10 for \$1,700. Due \$1,700 yearly on July 2 from 1920 to 1929, inclusive.  
11,500 Van Buren Twp. I. C. H. No. 64 bonds at 100.90. Denom. 1 for \$2,000, 1 for \$1,500 and 8 for \$1,000. Due yearly on July 2 as follows: \$2,000 1920, \$1,500 1921 and \$1,000 1922 to 1929, inclusive.

MORGAN COUNTY, (P. O. Berkeley Springs), W. Va.—BONDS DEFEATED.—At a recent election the voters defeated a proposition to bond this county for \$500,000 in road bonds.

MORRILL COUNTY SCHOOL DISTRICT NO. 21 (P. O. Bayard), Neb.—BOND SALE.—On June 30 the \$60,000 5 1/4% coupon building bonds dated June 1 1919, due \$3,000 yearly after 1925—V. 109, p. 95—were awarded to the Lincoln Trust Co. for \$60,500 (100.833).

MORRIS COUNTY, (P. O. Morristown), N. J.—BOND OFFERING.—Additional information is at hand relative to the offering on July 30 of the issue of 6-year coupon (with privilege of registration) road bonds, not to exceed \$120,000—V. 109, p. 306. Proposals for this issue will be received until 2 p. m. on that day by Geo. W. Downs, County Collector. Denom. \$1,000. Date Aug. 1 1919. Prin. and semi-ann. int. (F. & A.) payable at the First National Bank of Morristown. Due Aug. 1 1925. Cert. check on an incorporated bank or trust company, for 2% of amount of bonds bid for, payable to the Board of Chosen Freeholders, required. Bidders must state rate of interest desired. The successful bidder will be furnished with the opinion of Hawdins, Delafield & Longfellow, of New York, that the bonds are valid obligations of the county.

MOUND BAYOU, Bolivar County, Miss.—BOND SALE.—An issue of \$60,000 school bonds was recently sold to the Bank of Commerce & Trust Co., of Memphis, for \$60,700, equal to 101.166.

MT. CLEMENS, Macomb County, Mich.—BOND SALE.—On June 12 \$25,000 5% bridge bonds were awarded to Whitesey, McLean & Co. of Detroit at 102.93. Denom. \$1,000. Int. M. & N. Due \$1,000 yearly on Nov. 1 from 1920 to 1944, inclusive.

MT. PLEASANT SCHOOL DISTRICT (P. O. Mt. Pleasant), Isabella County, Mich.—BOND SALE.—The Isabella County State Bank of

Mt. Pleasant was awarded on May 29 \$135,000 5 1/4% high-school-building bonds for \$142,251, equal to 105.371. Denom. \$1,000. Date June 1 1919. Int. J. & D. Due June 1 1934.

MT. UNION, Huntington County, Pa.—BOND OFFERING.—George W. Morgan, Borough Secretary, will receive bids until Aug. 1 for \$44,500 5% coupon (with privilege of registration) tax-free paving and storm sewer bonds. Denom. 45 for \$100 and 80 for \$500. Int. semi-ann. Cert. check for \$500 required.

MURPHY, Cherokee County, N. C.—BOND OFFERING.—Sealed bids will be received until Aug. 1 by E. C. Moore, City Clerk for \$25,000 6% hydro-electric light bonds. Denom. \$500. Date Sept. 1 1919. Int. semi-ann. Due \$1,000 yearly from 1921 to 1927 incl. and \$1,500 yearly from 1928 to 1939 incl. Cert. check for \$1,000 required. Bonded debt (incl. this issue) \$180,000. Assess. val. 1918 \$981,300.

MUSSELSHELL COUNTY, (P. O. Roundup), Mont.—BOND SALE.—According to newspaper reports the Palmer Bond & Mortgage Co., has purchased \$100,000 road and bridge bonds at 104.365.

NAMPA HIGHWAY DISTRICT (P. O. Nampa) Canyon County, Ida.—BOND OFFERING.—A. L. Anderson, Dist. Secy., will receive bids. It is stated, until 2 p. m. Aug. 4 for \$500,000 10-20 year (opt.) highway bonds not to exceed 5 1/4% int. Int. semi-ann. Cert. check for 3% of the amount of bonds bid for required.

NEWARK, N. J.—BONDS AUTHORIZED.—The city has authorized the issuance of \$100,000 bonds to buy food from the army.

NEWBURGH COUNTY (P. O. Cleveland), Cuyahoga County, Ohio.—BOND OFFERING.—A. Fitzgerald, City Clerk, will receive proposals until 12 m. Aug. 5 for \$7,000 5% water-works bonds. Denom. \$500. Date May 1 1919. Principal and semi-annual interest (M. & N.), payable at the Broadway Savings & Trust Co., of Cleveland. Due May 1 1939. Certified check on a solvent bank in Cleveland for 5% of amount of bond, required. Bids must be made upon blanks furnished by the Village Clerk.

NEW CASTLE COUNTY (P. O. Wilmington), Del.—BOND OFFERING.—Proposals will be received until 12 m. July 29 by James G. Shaw, Chairman of Finance Committee, for \$200,000 4 1/4% highway-improvement bonds. Denom. \$1,000. Date Jan. 1 1919. Prin. and semi-ann. int. (J. & J.) payable at the Farmers Bank of Wilmington. Due \$15,000 yearly on July 1 from 1942 to 1954, incl., and \$5,000 July 1 1955. Certified check for 2% of amount of bonds bid for, payable to the County Treasurer, required. Bids are desired on forms which will be furnished by the U. S. Mfg. & Trust Co. or by the above Chairman. The legality of the issue has been examined by Caldwell & Masslich of N. Y., whose favorable opinion will be furnished to the purchaser. The bonds have been prepared under the supervision of the U. S. Mfg. & Trust Co. of N. Y. City, which has certified as to the genuineness of the signatures of the county officials and the seal impressed thereon. Purchaser to pay accrued interest from July 1 1919. Bonded debt (excl. this issue), \$2,281,000. Assessed valuation, \$141,281,987. Population, 1910, 123,000; at present (est.), 175,000.

NEWPORT, Cocke County, Tenn.—BOND SALE.—On July 21 an issue of \$45,000 5 1/4% paving bonds was awarded to the Hanchett Bond Co., of Chicago at par and interest. Denom. \$500. Date July 1 1919. Int. J. & J. Due July 1 1939.

NORTH ADAMS, Berkshire County, Mass.—BOND SALE.—On July 22 the \$25,000 4 1/4% 1-10-year serial coupon paving bonds, dated July 1 1919 (V. 109, p. 306), were awarded to Kidder, Peabody & Co., of Boston, at 100.79 and interest. Other bidders, all of Boston, were: Harris, Forbes & Co. 100.73 W. L. Raymond & Co. 100.49 Merrill, Oldham & Co. 100.721 S. N. Bond & Co. 100.455 Wise, Hobbs & Arnold 100.61 National City Co. 100.42 F. S. Mosley & Co. 100.57

NORTH DAKOTA.—BONDS PURCHASED BY STATE.—The following 4% bonds, aggregating \$40,000, were purchased by the State of North Dakota at par during June:

Am't.	Purpose.	Date.	Due.
\$5,900	Lexington S. D. 13, Divide Co. Building	May 1 1919	May 1 1939
10,000	Cassy S. D. 7, Random Co. Building	Apr. 1 1919	Apr. 1 1939
4,200	Mineral Spgs. S. D. 18, Slope Co. Funding	May 10 1919	May 10 1939
15,000	Lees S. D. 10, Stutsman Co. Building	June 2 1919	June 2 1934
2,400	Sandy Cr. S. D. 67, Williams Co. Building	May 13 1919	May 15 1939
2,500	Sandy Cr. S. D. 67, Williams Co. Building	May 20 1919	May 20 1939

NORTH END SCHOOL DISTRICT, Imperial County, Calif.—BOND OFFERING.—Sealed proposals will be received until 2 p. m. Aug. 4 by M. S. Cook, Clerk of Board of Supervisors, for \$30,000 6% school-building bonds. Denom. \$1,000. Date July 10 1919. Prin. and semi-ann. int. payable at the office of the County Treasurer. Due \$3,000 yearly from 1924 to 1933, inclusive. Certified or cashier's check for 5% of the amount of bonds bid for, payable to the Chairman of Board of Supervisors, required. Purchaser to pay accrued interest. Tax valuation of district, 1918-19, \$993,202.

OAKLAND, Pottawattamie County, Iowa.—BOND SALE.—This city recently sold an issue of \$25,000 water bonds.

OGDEN SCHOOL DISTRICT (P. O. Ogden), Weber County, Utah.—BOND SALE.—An issue of \$200,000 4 1/4% 10-20-year (opt.) bonds was recently purchased by the Harris Trust & Savings Bank of Chicago. Denom. \$1,000. Date July 1 1919. Int. J. & J. The above is part of an issue voted at the election held April 15.—V. 108, p. 1850.

Financial Statement.

Assessed valuation for taxation	\$34,086,328
Total debt (this issue included)	\$575,000
Less sinking fund	6,000
Net debt	\$569,000
Population, estimated, 36,000; 1910 Census, 25,580.	

ORANGE COUNTY (P. O. Santa Ana), Calif.—BOND SALE.—On July 15 the \$116,000 5% 12-year (aver.) school bonds were awarded to W. R. Staats Co. for \$117,258.50 (101.084)—V. 109, p. 96. Other bidders: State Board of Control \$1,001.50 Bank of Italy \$326.00 First Nat. Bank, Santa Ana 800.00 Security Trust & Sav. Bank 1,235.00 Torrance, Marshall & Co. 383.00 Rollins & Son 800.00 Lumbermen's Trust Co. 713.00 McDonnell & Co. 688.00

OREGON (State of).—BOND OFFERING.—Bids will be received until 11 a. m. Aug. 5 by Roy A. Klein, Secretary of State Highway Commission, for \$1,000,000 4 1/4% State highway bonds. Denom. \$1,000. Date Aug. 1 1919. Prin. and semi ann. int. (A. & O.) payable at the office of the State Treasurer. Due \$25,000 each six months from Oct. 1 1924 to April 1 1944, incl. Certified check for 5% of the amount of bonds bid for, payable to the Oregon State Highway Commission. The legality of this issue has been approved by Story, Thordilke, Palmer & Dodge of Boston, whose approving opinion will be furnished purchaser. Assessed valuation 1918, \$987,633,896.97.

BOND SALE.—On July 14 the \$800,000 4% highway bonds.—V. 109, p. 96—were sold.

OSHKOSH, Winnebago County, Wis.—BOND SALE.—The \$200,000 4 1/4% bridge bonds offered on March 31.—V. 108, p. 1313—were awarded to the Commercial National Bank of Oshkosh.

OXFORD GRADED SCHOOL DISTRICT (P. O. Oxford), Granville County, N. C.—BOND SALE.—The \$60,000 5 1/4% 30-year coupon school-building bonds, dated July 1 1919 (V. 109, p. 96), were sold to the Wachovia Bank & Trust Co. of Wilmington at 104.612 and interest.

PALMERTON SCHOOL DISTRICT (P. O. Palmerton), Cargon County, Pa.—BONDS VOTED.—At a recent election the voters approved of the issuance of \$90,000 4 1/4% 1-30-year (opt.) coupon tax-free grade-school-building erection bonds. Denoms. 200 for \$100 and 80 for \$500. Date July 1 1919. Principal and semi-annual interest (J. & J.) payable at the First National Bank, of Palmerton. Due July 1 1949, subject to call July 1 1929. Bonded debt July 1 1917, \$88,800. Sinking fund, \$20,000. Assessed valuation 1919, \$4,628,998. Total tax rate per \$1,000, \$23.00.

PARADISE, Cache County, Utah.—BOND SALE.—An issue of \$14,400 20-year water bonds has been awarded to Benwell, Phillips, Este & Co., Denver. Dated June 1 1919. Int. J. & D. Denominations \$500 and \$100.

Financial Statement.

Actual valuation, officially estimated	\$300,000
Assessed valuation	140,000
Total debt, all for water	14,000
Population (1910 Census), 620.	

PARK COUNTY SCHOOL DISTRICT NO. 2 (P. O. Powell), Wyo.—BOND OFFERING.—Up to 2 p. m. Aug. 9, W. A. Graham, Clerk of the Board, will receive bids for \$21,750 6% 25-year school bonds.

PARKER COUNTY (P. O. Weatherford), Tex.—BOND SALE.—The \$800,000 5% 1-30-year serial road-improvement bonds offered without success on June 10 (V. 109, p. 96), were recently awarded to Stern Bros. & Co. of Kansas City at 100.117.

PATOKA SCHOOL TOWNSHIP (P. O. Princeton), Gibson County, Ind.—BOND OFFERING.—Proposals will be received until 1 p. m. Aug. 7 by W. A. Dill, Township Trustee, for \$30,000 4 1/4% school bonds. Date July 1 1919. Int. M. & N. Due each six months beginning July 1 1920.

PHILADELPHIA, Pa.—BOND OFFERING.—Additional information is at hand relative to the offering on Aug. 6 of the \$2,000,000 4 1/4% 50-year coupon and registered tax-free improvement bonds (V. 109, p. 307), being part of an issue of \$12,970,000 authorized by the City Council on July 11. Proposals for these bonds will be received until 12 m. on that day by Mayor Thomas B. Smith, City Controller John M. Walton, and City Solicitor John P. Connelly. Registered bonds issued in denominations of \$100 and multiples thereof; coupon bonds in denominations of \$1,000 and multiples thereof. Date July 16 1919. Principal and semi-annual interest (J. & J.) payable at the office of the city's fiscal agent. Due July 16 1969. Certified check or certificate of deposit for 5% of amount of bonds bid for, payable to the "City of Philadelphia," required. Bonds (or interim certificates) to be delivered and paid for by 3 p. m. Aug. 13 at the City Treasurer's office. Bids must be on prescribed blanks furnished upon application to the Mayor's office. Purchaser to pay accrued interest.

The official notice of this bond offering will be found among the advertisements elsewhere in this Department.

PHILLIPSBURG SCHOOL DISTRICT (P. O. Phillipsburg), Montgomery County, Ohio.—BOND OFFERING.—Ralph Dayvenport, Clerk Board of Education, will receive proposals until 12 m. Aug. 2 for \$20,000 5 1/4% school-building (assessment) bonds. Auth. Sec. 7625-o 7628, Gen. Code. Denom. \$1,000. Date Sept. 1 1919. Principal and semi-annual interest (M. & S.), payable at the Citizens' Bank, of Phillipsburg. Due \$1,000 each six months from March 1 1947 to Sept. 1 1956, inclusive. Certified check on a solvent bank or trust company, for 3% of amount of bonds bid for, payable to the Board of Education, required. Bonds to be delivered and paid for by Sept. 1.

PIERCE COUNTY SCHOOL DISTRICT NO. 12, Wash.—BOND SALE.—On July 5 the \$8,000 school bonds were awarded to the State of Washington at par on 5 1/4% bonds (V. 109, p. 97).

PITTSBURGH, Pa.—BOND SALE.—On July 25 the four issues of 4 1/4% (coupon or registered) bonds aggregating \$889,000.—V. 109, p. 197—were awarded. It is stated, to the Peoples Trust & Savings Co. of Pittsburgh for \$916,923.82, equal to 103.141.

POCATELLO, Idaho.—BOND SALE.—On July 7 \$102,000 5% 10-year (opt.) general improvement bonds dated July 15 1919 and due July 15 1939, were awarded to Sidlo, Simons & Fels Co., Denver, Colo., at 100.81 and interest (V. 108, p. 2655).

PONTIAC SCHOOL DISTRICT (P. O. Pontiac), Oakland County, Mich.—DESCRIPTION OF BONDS.—The \$1,000,000 tax-free 15-year school bonds which were disposed of on June 3.—V. 108, p. 2457—were coupon bonds in the denomination of \$1,000, are dated July 1 1919, mature July 1 1934 and bear interest at the rate of 4 1/4%, payable semi-annually on Jan. 1 and July 1 at the First National Bank of New York.

Financial Statement (As Officially Reported).

Assessed valuation for taxation	\$27,028,299
Total debt (this issue included)	1,490,000
Population, estimated	30,000

PORTER COUNTY (P. O. Valparaiso), Ind.—BOND OFFERING.—Proposals will be received until 10 a. m. July 31 by E. J. Gardner, County Treasurer, for the following 4 1/4% highway improvement bonds: \$20,000 Westchester Twp. Waverly Beach Road bonds. Denom. \$1,000. Due \$1,000 each six months May 15 1920 to Nov. 15 1929, incl. 10,000 Westchester Twp. Henry Helm Road bonds. Denom. \$950. Due \$950 each six months from May 15 1920 to Nov. 15 1929, incl. 15,800 Westchester Twp. F. E. Peterson Road bonds. Denom. \$790. Due \$790 each six months from May 15 1920 to Nov. 15 1929, incl. 31,400 Porter Twp. Wm. A. Kenworthy Gravel Road bonds. Denom. \$1,520. Due \$1,520 each six months from May 15 1920 to Nov. 15 1929, incl. 23,200 Pleasant Twp. John G. Benkie Gravel Road bonds. Denom. \$1,160. Due \$1,160 each six months from May 15 1920 to Nov. 15 1929, incl. Date July 16 1919. Int. M. & N.

PORTLAND, Me.—TEMPORARY LOAN.—A temporary loan of \$100,000 issued in anticipation of taxes, dated Aug. 1 1919 and maturing Oct. 2 1919, was awarded on July 24 to S. N. Bond & Co. of New York on a 4.35% discount basis, plus a premium of \$1.25.

PRAIRIE COUNTY SCHOOL DISTRICT NO. 103 (P. O. Crowley), Mont.—BOND SALE.—An issue of \$2,800 6% 5-10-year (opt.) school bonds was sold during June to the State and Board at par. Denoms. 5 for \$500 and 1 for \$300. Date June 15. Int. J. & D.

PRICE, Carbon County, Utah.—BOND SALE.—An issue of \$170,000 6% 15-20-year (opt.) water works extension bonds was recently sold (V. 108, p. 1314). Dated June 1 1919. Int. J. & D. Denom. \$1,000.

Financial Statement.

Real valuation, estimated	\$2,500,000
Assessed valuation, 1918	1,729,142
Total bonded debt, including this issue	215,000
Water debt, included in above	\$182,000
Sinking fund on hand	8,000
Net debt	25,000
Population, estimated, 3,000.	

PRINCETON HARVARD HIGHWAY DISTRICT (P. O. Moscow), Latah County, Ida.—BONDS VOTED.—By a vote of 234 to 91 the question of issuing \$110,000 highway bonds carried at the election June 28.—V. 108, p. 2651.

PULASKI, Giles County, Tenn.—BOND OFFERING.—Sealed bids will be received until 12 m. July 29 by Low Jones, City Recorder, for \$22,000 6% coupon bonds. Denom. \$1,000. Date July 1 1919. Int. J. & J. Due \$1,000 yearly on July 1 from 1920 to 1941, incl. Bonded debt (incl. this issue), \$62,500; floating debt, \$23,000. Total debt, \$84,500; sinking fund, \$5,000. Assessed valuation, 1918, \$1,209,975. Total tax rate per \$1,000, 1918, \$32.50.

RED RIVER PARISH ROAD DISTRICT NO. 1 (P. O. Conshetta), La.—BOND SALE.—On July 2 the Peoples State Bank of Conshetta were awarded the \$150,000 5% 1 to 40-year serial road bonds dated March 1 1919, at 100.334 and interest.—V. 108, p. 2655.

RICHLAND COUNTY (P. O. Mansfield), Ohio.—BOND OFFERING.—F. Fisher, County Auditor, will receive proposals until 12 m. Aug. 1 for \$5,000 6% bridge bonds. Auth., Sec. 5038, Gen. Code. Denom. \$500. Date Sept. 1 1919. Principal and semi-annual interest (M. & S.), payable at the County Treasurer's office. Due \$1,000 each six months from March 1 1920 to Sept. 1 1923, inclusive. Certified check on a reliable bank of Mansfield, or New York draft, for 5% of amount of bonds bid for, payable to the County Treasurer, required. Bonds to be delivered and paid for at the County Treasurer's office, on Sept. 1. Purchaser to pay accrued interest.

ROANOKE, Roanoke County, Va.—BIDS.—The following bids were received for the \$40,000 4 1/4% school building bonds offered on July 19.—V. 109, p. 198: Humberletta & Co., Baltimore, 97.107 W. R. Compton & Co., N. Y. 95.5102 Eldredge & Co., N. Y. 96.69 Field, Richards & Co., N. Y. 95.5102 Baker, Watts & Co., Balt. 96.28 Estabrook & Co., N. Y. 95.05 A. Brown & Son, Baltimore 95.673 Seasongood & Mayer, N. Y. 94.125 Frudden & Co., Toledo 95.552

ROANOKE RAPIDS SCHOOL DISTRICT, (P. O. Roanoke Rapids), Halifax County, N. C.—BOND OFFERING.—Reports state that J. L. Patterson, Secy. of School Board, will receive bids until 6 p. m. Aug. 11 for \$85,000 30-year school bonds not to exceed 6% int. Cert. check for 10% of the amount of bonds bid for required.



ROOSEVELT SCHOOL DISTRICT, Los Angeles County, Calif.—BOND OFFERING.—Bids will be received until 2 p. m. July 28 by Roy W. Dowds, Clerk of Board of County Supervisors, for \$3,500 5 1/4% school bonds. Denom. \$500. Date July 1 1919. Int. semi-ann. Due \$500 yearly on July 1 from 1920 to 1929, incl. Certified check for 5% of the amount of bonds bid for required. Purchaser to pay accrued interest.

ROUNDUP, Musselshell County, Mont.—BOND SALE.—On July 8 the \$12,000 6 1/2% 16-21-year (opt.) gold coupon water-works construction bonds dated July 1 1919 were awarded to the Merchants Trust & Savings Bank, St. Paul, Minn., for \$12,001 (107,508) and int. Other bidders were: Drake-Bidwell Co. \$12,900 (107,501); Palmer Bond & Mtgs. Co. \$12,625 (105,208); John F. Sissons Co. \$12,500 (105), and John Nuvern & Co. \$12,471 (103,925).

RUSSELL TOWNSHIP (P. O. Novelty), Geauga County, Ohio.—BOND SALE.—On July 17 the \$15,550 5% 1-10-year serial coupon highway imp. bonds, dated July 1 1919—V. 108, p. 2655—were awarded to the Chagrin Falls Bank Co. for \$15,601, equal to 100.012.

ST. BERNARD SCHOOL DISTRICT (P. O. St. Bernard), Hamilton County, Ohio.—BOND OFFERING.—Proposals will be received until 12 m. Aug. 5 by Sebastian Voiz, Clerk Board of Education, for \$35,000 5 1/4% coupon site-purchase and improvement bonds. Auth., Sec. 7625, Gen. Code. Denom. \$500. Date July 1 1919. Principal and semi-annual interest payable at the Citizens' Bank of St. Bernard. Due \$1,000 yearly on Jan. 1 from 1921 to 1955, inclusive. Certified check for 5 1/4% of amount of bonds bid for, required. Purchaser to pay accrued interest.

ST. JOHN, Stafford County, Kans.—BOND SALE.—An issue of \$50,000 5% water works imp. and electric plant bonds was awarded on June 11 to Brown Crummer Co. of Wichita. Denom. \$1,000. Date July 1 1919. Int. J. & J. Due \$2,000 yearly from 1925 to 1949, incl.

ST. MARY PARISH ROAD DISTRICT NO. 1 (P. O. Franklin), La.—BOND SALE.—The \$500,000 5% 30-year road bonds offered on May 23 (V. 108, p. 1745) were awarded on that day to Wm. R. Compton Co.

SAN ANGELO, Tom Greene County, Tex.—BOND ELECTION PROPOSED.—It is reported that the proposition of issuing \$100,000 hospital bonds will soon be voted upon.

SAN BERNARDINO SCHOOL DISTRICT, San Bernardino County, Calif.—BOND OFFERING.—Bids will be received until 11 a. m. Aug. 4 by Harry L. Allison, Clerk Board of County Supervisors, for \$250,000 5% school bonds. Denom. \$1,000. Date July 1 1919. Principal and semi-annual interest (J. & J.) at the office of the County Treasurer. Due \$7,000 yearly on July 1 from 1924 to 1958, inclusive, and \$5,000 July 1 1959. Certified check or cash on some solvent bank for \$1,000, payable to the Clerk Board of County Supervisors, required. Bonds to be delivered and paid for within 20 days from time of award. Purchaser to pay accrued int.

SAN FRANCISCO, Calif.—BOND SALE.—The Harris Trust & Sav. Bank of Chicago recently purchased and are now offering to investors \$20,000 4 1/2% water system bonds. Denom. \$1,000. Date July 1 1919. Int. J. & J.

Financial Statement. Assessed valuation, real and personal property... Operative properties... Total... Total debt, including this issue... Less water debt... Less sinking fund... Net bonded debt... Population (estimated), 500,000; population 1910 Census, 416,912.

SANDUSKY COUNTY (P. O. Fremont), Ohio.—BOND OFFERING.—Proposals will be received until 12 m. Aug. 1 by the Board of County Commissioners, for the following 5% coupon road bonds: \$5,000 Henry Tille Road bonds. Denom. \$500. Due \$500 each six months from Mar. 15 1920 to Sept. 15 1927, incl. 4,500 Orville-Denschroeder Road bonds. Denom. \$250. Due \$250 each six months from Mar. 15 1920 to Sept. 15 1928, incl. 9,500 Albert Wendler Road bonds. Denom. \$500. Due \$500 each six months from Mar. 15 1920 to Mar. 15 1928 and \$1,000 Sept. 15 1928. Auth. Sec. 6929, Gen. Code. Date Aug. 1 1919. Int. M. & S. Bonds to be delivered and paid for within 10 days from date of award. Purchaser to pay accrued interest.

SANDY TOWNSHIP, Clearfield County, Pa.—BOND SALE.—On July 7 the Du Bois National Bank, of Du Bois, was awarded an issue of \$30,000 4 3/4% 5-30-year (opt.) building bonds at 100.05. Denom. \$500. Date July 1 1919. Int. J. & J. Due July 1 1949.

SAN JUAN COUNTY SCHOOL DISTRICT (P. O. Monticello), Utah.—BOND SALE.—"The Desert News" reports that the Utah State Land Board has purchased the \$32,500 5% school bonds.

SCHENECTADY, N. Y.—CERTIFICATE OFFERING.—Leon G. Dibble, City Comptroller, will receive bids until 11 a. m. July 29 for \$75,000 certificates of indebtedness, issued in anticipation of taxes and revenue. Date July 30 1919. Due Jan. 2 1920 in New York exchange at the City Treasurer's office, or at the Importers & Traders National Bank of New York, where the certificates will be delivered to the purchaser, if desired. Cert. check on a solvent bank or trust company for 1% of amount of certificates to be delivered and paid for within 10 days from date of award. Bidders must state rate of interest desired.

SCOTLAND NECK, Halifax County, N. C.—BOND OFFERING.—Henry T. Clark, Town Clerk, will receive bids until 11 a. m. Aug. 1 for \$10,000 6% funding bonds. Denom. \$1,000. Date July 15 1919. Int. semi-ann. Due \$1,000 yearly on July 15 from 1920 to 1929, incl. Bids must be unconditional Certified check on a Scotland Neck bank for \$500 required.

SCURRY COUNTRY SCHOOL DISTRICTS, (P. O. Snyder), Tex.—BONDS VOTED.—We are advised that \$3,000 Ennis school district and \$2,500 Canyon school district bonds were recently voted.

SHELBY COUNTY (P. O. Shelby), Mo.—BOND ELECTION.—We are advised that an election will be held July 26 (not July 12, as reported in V. 109, p. 198), to vote on the question of issuing \$1,000,000 road bonds.

SHELBY COUNTY (P. O. Memphis), Tenn.—BOND SALE.—On July 18 the \$300,000 5% 20-year school bonds—V. 109, p. 198—were awarded to Caldwell & Co. of Nashville. Date July 1 1919. Int. semi-ann. Assessed value, 1918, \$101,000,000. Total bonded debt, 2,767,000. Sinking fund, 66,000. Population, 1910, 191,000; present (estimated), 250,000.

SHERMAN, Grayson County, Texas.—BOND SALE.—On June 30 the two issues of gold 5% bonds, aggregating \$150,000 (V. 108, p. 2656) were awarded to the Mississippi Valley Trust Co. and the Detroit Trust Co. on a 4 1/4% interest basis; \$100,000 public school bonds dated July 14 1919 and due \$2,500 in odd years from 1921 to 1939 incl.; \$2,500 yearly from 1940 to 1949 incl.; and \$5,000 yearly from 1950 to 1959 incl.; \$50,000 public street improvement bonds dated June 14 1919 and due \$1,000 in even years from 1920 to 1938 incl.; and \$2,000 yearly from 1940 to 1959 incl.

SHOSHONE HIGHWAY DISTRICT, Lincoln County, Ida.—BOND OFFERING.—Bids will be received until 12 m. to day (July 26) by the Board of Highway Commissioners for \$120,000 10-20 year (opt.) coupon highway bonds not to exceed 6% interest. Denoms. not more than \$1,000 and not less than \$100 each. Date July 1 1919. Principal and semi-annual interest at the office of the District Treasurer. Certified check for 2% of the amount of bonds bid for, required. Purchaser to pay accrued interest.

SLESNOW HILL, Worcester County, Md.—BOND SALE.—On July 1 \$1,000 5% water-extension bonds were awarded to Isaac W. Townsend of Snow Hill at 101.70. Denom. \$1,000. Date July 1 1919. Interest J. & J. Due July 1 1939.

SOLOM TOWNSHIP (P. O. Solon), Cuyahoga County, Ohio.—BIDS REJECTED.—BONDS TO BE RE-OFFERED SHORTLY.—All bids received for the \$30,000 5% bonds offered on July 23—V. 109, p. 307—were rejected. E. D. Rhoads, the Clerk of the Board of Township Trustees, advises us that these bonds will be re-advertised.

SOLVAY, Onondaga County, N. Y.—BOND OFFERING.—E. M. Hall, Village Clerk, will receive proposals until 8 p. m. July 29 for \$30,000 5% coupon or registered street imp. and fire-alarm system bonds. De-

nom. \$1,000. Date Aug. 1 1919. Prin. and semi-ann. int. (F. & A.), payable at the Metropolitan Trust Co. of New York. Due \$1,500 yearly on Aug. 1 from 1923 to 1942 incl. Cert. check for \$1,000, payable to the Village Treasurer, is required if the entire issue is bid for; if only a part is bid for, a certified check for 5% of amount of bid is required. Bonds to be delivered and paid for within 10 days from date of award.

SOUTH SAN JOAQUIN IRRIGATION DISTRICT, San Joaquin County, Calif.—BONDS VOTED.—By a vote of 347 to 71, the question of issuing \$500,000 improvement bonds carried at an election held July 15. Int. J. & J.

SPADRA SCHOOL DISTRICT, Los Angeles County, Calif.—BOND OFFERING.—Bids will be received until 2 p. m. July 28 by Roy W. Dowds, Clerk Board of County Supervisors, for \$11,000 5 1/4% school bonds. Denom. \$1,000. Date July 1 1919. Int. semi-ann. Due \$1,000 yearly on July 1 from 1920 to 1930, incl. Cert. check for 3% of the amount of bonds bid for, payable to the Chairman Board of County Supervisors required. Purchaser to pay accrued interest.

SPAUDLING COUNTY (P. O. Griffin), Ga.—BOND SALE.—The \$350,000 5% road bonds offered on July 25 (V. 109, p. 198) were sold to the Trust Co. of Georgia for \$358,148 77, equal to 101.756.

SPRING HOPE, Nash County, N. Caro.—BOND OFFERING.—P. R. Moss, Attorney will receive bids until 12 m. Aug. 5 for \$45,000 water imp. \$20,000 sewerage system and \$25,000 street and sidewalk 5 1/4% 30-year coupon bonds. Date July 1 1919. Int. semi-ann. Deposit of \$1,500 required.

SUGAR CREEK SCHOOL DISTRICT (P. O. Sugar Creek), Jackson County, Mo.—BOND SALE.—It is reported that \$50,000 school house bonds have been sold subject to the approval of the voters at an election to be held to-day (July 26).

SUMTER COUNTY, (P. O. Americus), Ga.—BOND OFFERING.—H. D. Watts, Co. Clerk, will receive bids until Aug. 4 it is stated for \$232,000 5% 8-yr. average road bonds.

TACOMA, Wash.—BOND SALE.—During the month of June 1919 the city issued \$6,442 6% Special Imp. Dist. No. 5046 water main bonds. Date June 16 1919. Due June 16 1924.

TARRANT COUNTY SCHOOL DISTRICT NO. 5, Tex.—BONDS OFFERED BY BANKERS.—The Hanchett Bond Co., of Chicago are offering to investors at a price to yield 5%, \$40,000 5% Washington Heights school bonds. Denom. \$500. Date Dec. 10 1918. Int. A. & O. Due Dec. 10 1958.

TATE TOWNSHIP, (P. O. Bethel), Clermont County, Ohio.—BOND SALE.—On July 19 an issue of \$600 6% cemetery bonds was awarded to the First National Bank of Bethel at par and interest. Denom. \$300. Date June 15 1919. Int. semi-ann. Due June 15 1924.

TAYLOR COUNTY ROAD DISTRICT NO. 6, Tex.—BOND SALE.—An issue of \$25,000 5% 1-25-year serial road bonds was awarded on June 26 to H. C. Burt & Co., of Houston at 95 and int. Denom. \$1,000. Date Apr. 14 1919. Int. A. & O.

TEHAMA COUNTY (P. O. Red Bluff), Calif.—BONDS SOLD AT PRIVATE SALE.—The three issues of 5% court house, bridge and highway bonds aggregating \$807,000 voted at the election July 1—V. 109, p. 199—have been sold at private sale to the Anglo London Paris National Bank of San Francisco for \$818,459 50 (101-420) and int.

TOLEDO, Lucas County, Ohio.—BOND OFFERING.—According to reports, James S. Martin, Director of Finance, will receive proposals until 12 m. Aug. 12 for \$290,000 5-30-year (opt.) and \$220,000 1-10 year serial 5% street bonds. Cert. check for 2% required.

BONDS PROPOSED.—Local newspapers report that City Engineer McClure will ask the City Council to issue \$700,000 Ten Mile Creek Intercepting Sewer bonds.

TONAWANDA, Erie County, N. Y.—BONDS VOTED.—By a vote of 94 to 10 the issuance of \$60,000 school bonds was authorized at an election held July 15.

TRUMBULL COUNTY (P. O. Warren), Ohio.—BOND OFFERING.—In addition to the \$77,000 5% 1-9-year serial Youngstown-Conneaut Road bonds, dated Aug. 1 1919—V. 109, p. 308—M. H. Evans, Clerk Board of County Commissioners, will receive proposals until 1 p. m. July 28 for \$28,000 5% Liberty Road No. 350 imp. bonds. Auth. Sec. 6056 to 6056, Gen. Code. Denom. \$500. Date Aug. 1 1919. Prin. and semi-ann. int. (A. & O.) payable at the County Treasurer's office. Due \$1,500 each six months from April 1 1920 to Oct. 1 1927, incl., and \$2,000 April 1 and Oct. 1 1928. Certified check for \$300, payable to Evan J. Thomas, County Treasurer, required. Purchaser to pay accrued interest.

TULARE, Tulare County, Calif.—BOND SALE.—On July 10 the \$80,000 auditorium bonds—V. 109 p. 93—were awarded to the Bank & Trust Co. of Fresno at 102.345.

TUNICA COUNTY, (P. O. Tunica), Miss.—BOND OFFERING.—The Board of Supervisors Turner Williams, Clerk, will sell at public auction at 12 m. Aug. 4 an issue of \$50,000 5% Supervisor's District No. 1 road bonds. Denom. \$1,000. Date Sept. 1 1919. Int. semi-ann. Due \$10,000 yearly. Mar. 1 from 1932 to 1936, incl. Cert. check for \$1,000 required. Bids shall include cost of lithographing or engraving, to be paid by purchaser.

UNION COUNTY, (P. O. Marysville), Ohio.—BOND SALE.—On July 21 the County Commissioners awarded it is stated \$73,100 5% 2 1/2-year (aver.) road bonds to Sidney Spitzer & Co., of Toledo, at par.

UNION PARISH HIGH SCHOOL DISTRICT NO. 5 (P. O. Farmville), La.—BONDS OFFERED BY BANKERS.—The Hanchett Bond Co. of Chicago is offering to investors \$11,000 5% school bonds. Denom. \$1,000. Date July 1 1918. Int. J. & J. Due \$1,000 yearly on July 1 from 1933 to 1943 incl.

Financial Statement. Estimated value of all property... Assessed valuation for taxation... Total bonded debt... Population, 2,500.

VIGO COUNTY (P. O. Terre Haute), Ind.—BOND OFFERING.—Proposals will be received until 10 a. m. July 29 by E. E. Messick, County Treasurer, for \$94,000 4 1/4% John L. Smith et al. Harrison Twp. highway imp. bonds. Denom. \$1,175. Date June 10 1919. Int. M. & N. Due \$4,700 each six months from May 15 1920 to Nov. 15 1929 incl.

WABASH COUNTY, (P. O. Wabash), Ind.—BOND OFFERING.—It is reported that Valentine Frelsing, County Treasurer, will receive proposals until 5 p. m. Aug. 1 for \$16,000 John T. McGuire road and \$18,000 Terrah Templin road 10-year bonds.

WACO COUNTY SCHOOL DISTRICT NO. 12, (P. O. Dallas), Ore.—BOND OFFERING.—Bids will be received until 5 p. m. Aug. 4 by Maude Eddon, Clerk for \$35,000 5% bonds. Date July 1 1919. Int. J. & J. Due \$3,500 yearly on July 1 from 1930 to 1939 incl. Cert. check for 5% of the amount of bonds bid for required.

WALLA WALLA COUNTY SCHOOL DISTRICT NO. 11 (P. O. Walla Walla), Wash.—BOND OFFERING.—Reports state that bids will be received by the County Treasurer until 2 p. m. Aug. 2 for \$4,000 1-5-year serial school bonds.

WALPOLE, Norfolk County, Mass.—BOND OFFERING.—The City Treasurer, it is stated, will receive proposals until 2 p. m. July 29 for the following 2 issues of 4 1/4% school bonds: Due \$7,000 yearly from 1920 to 1937, incl., and \$130,000 coupon bonds. Due \$2,000 1938 and 1939. 25,000 bonds. Due \$2,000 yrly. from 1920 to 1931, incl., and \$1,000 1932.

WARREN COUNTY, (P. O. Williamsport), Ind.—BOND SALE.—On July 14 the \$15,000 4 1/2% 1-10 year serial coupon tax-free Liberty Twp. (special assessment) gravel road bonds, dated Apr. 7, 1919—V. 109 p. 90—were awarded to the Williamsport State Bank, and others, at par and interest.

WASHINGTON SUBURBAN SANITARY DISTRICT, Md.—BOND SALE.—On July 21, it is reported, the \$750,000 5% coupon (with privilege of registration) tax-free sewer and water-system bonds—V. 109, p. 199—were awarded to A. B. Leach & Co. of N. Y., and Moorhead & Elmore of Washington at 103.57. Due July 1 1969, subject to call after July 1 1949.

WATERFORD IRRIGATION DISTRICT (P. O. Modesto), Stanislaus County, Calif.—BOND SALE.—The \$205,000 tax-free gold coupon

bonds (V. 108, p. 2555) were sold on July 12 to Schwabacher & Co. of San Francisco at 95.18 on 5 1/4% bonds. Other bidders were J. R. Mason & Co., who bid 96.47 on 6% and 94.23 on 5 1/4% bonds, and Schwabacher & Co., whose other bid was 97.50 on 6% bonds.

**WAUSEON, Fulton County, Ohio.—BOND SALE.**—On July 21 the \$170,000 5% 3-40-year serial coupon water-supply bonds, dated June 1 1919—V. 108, p. 2656—were awarded to Stacy & Braun of Toledo at 101.01.

**WAYNE, Wayne County, Neb.—BOND SALE.**—The \$37,000 5 1/2% 10-year sewer bonds voted June 9 have been sold.

**WAYNE COUNTY (P. O. Wayne), W. Va.—BONDS OFFERED BY BANKERS.**—A syndicate composed of the Provident Savings Bank & Trust Co., Breed, Elliott & Harrison, J. C. Mayer & Co., and the Fifth-Third National Bank, all of Cincinnati, is offering to investors at a price to yield 4.75% \$980,000 5% road bonds. Denom. \$1,000. Date June 1 1918. Prin. and semi-ann. int. (J. & D.) payable in New York. Due part yearly on June 1 from 1920 to 1943, incl.

**WEEHAWKEN TOWNSHIP, Hudson County, N. J.—BOND OFFERING.**—Proposals will be received until 9 a. m. Aug. 4 by Thomas Carroll, Township Clerk, for an issue of 4 3/4% gold coupon (with privilege of registration) school bonds, not to exceed \$24,000. Denom. \$1,000. Date June 1 1919. Prin. and semi-ann. int. (J. & D.) payable at the Township Treasurer's office. Due \$1,000 yearly on June 1 from 1921 to 1944, incl. Cert. check on an incorporated bank or trust company, for 2% of amount of bonds bid for, payable to "Weehawken Township," required. The successful bidders will be furnished with the opinion of Hawkins, Delafield & Longfellow of New York, that the bonds are binding and legal obligations of the Township of Weehawken. The bonds will be prepared under the supervision of the United States Mortgage & Trust Co., of New York, which will certify as to the genuineness of the signatures of the officials and the seal impressed thereon.

The official notice of this bond offering will be found among the advertisements elsewhere in this Department.

**WELD COUNTY SCHOOL DISTRICT NO. 27 (P. O. Greeley), Colo.—BOND SALE.**—An issue of \$2,000 5 1/2% 10-20-year (opt.) bonds have been sold to Benwell, Phillips, Este & Co., Denver. Date June 15 1919. Denom. \$500. Int. (J. & D.).

Assessed valuation 1918.....	\$727,270
Total bonded debt, this issue only.....	20,000
Population, estimated.....	500

**WICHITA, Kan.—BOND SALE.**—The Guarantee Title & Trust Co. of Wichita were awarded recently \$90,000 4 1/4% 10-year pavement and sewer bonds.

**BOND SALE.**—V. H. Brauch of Wichita was awarded recently \$65,000 4 1/4% 10-year city-improvement bonds.

**BOND SALE.**—Brown, Crummer Co. were awarded \$52,000 4 1/4% 10-year city-improvement bonds at par and interest.

**WICHITA COUNTY (P. O. Wichita Falls), Tex.—DESCRIPTION OF BONDS.**—The \$1,500,000 road bonds authorized by a vote of 806 to 63 at the election held June 4—V. 108, p. 2458—bear interest at a rate of 5% and are in denom. of \$1,000. Prin. and semi-ann. int. (A. & O.) payable at the Hanover National Bank, N. Y. Due \$50,000 yearly for 10 years and the remaining \$1,000,000 Oct. 1 1949, with 10-year option clause. Official circular states that there is no litigation pending and that there has never been default in the payment of principal or interest of bonds issued by this county.

Approximate valuation.....	\$100,000,000
Assessed valuation 1919.....	60,000,000
Total bonded debt.....	2,593,000
Approximate population, 50,000.....	

**WILLIAMSON COUNTY (P. O. Georgetown), Texas.—BONDS AWARDED IN PART.**—Of the \$1,500,000 5% 1-30-year serial coupon highway bonds offered on July 15—V. 109, p. 199—\$500,000 have been awarded, it is stated, to three Eastern bonding companies, represented by W. A. Wroe and J. R. Denman of Austin for \$501,805.90 (100.361) and int. It is further stated that another consideration of the bid was 4% interest on daily balances. The depositories of Williamson County pay 2 1/4% on average daily balances on the public funds and these depositories have been requested to grant the amount offered or agree to the county placing the money in accordance with the above bid. The remainder of the bonds, \$1,000,000, will be sold as necessity arises while the work is in progress. It is estimated that several thousand dollars in interest will be saved by disposing of the bonds in this manner.

**WILSON COUNTY (P. O. Wilson), No. Caro.—BOND OFFERING.**—Chas. L. Coon, County Superintendent of Schools, will receive proposals until 12 m. Aug. 7 for \$25,000 6% 20-year Black Creek Twp. school house bonds. Denom. to suit purchaser. Cert. check for 2% of amount of bid required.

**WOOD COUNTY (P. O. Quitman), Tex.—BOND SALE.**—William R. Compton Co. recently purchased and are now offering to investors \$677,000 5 1/2% coupon road bonds. Denom. \$1,000. Date June 1 1919. Int. M. & S.

\$10,000—1920	\$10,000—1921	\$10,000—1922	\$10,000—1923	\$10,000—1924	\$10,000—1925	\$10,000—1926	\$10,000—1927	\$10,000—1928	\$10,000—1929	\$10,000—1930	\$10,000—1931	\$10,000—1932	\$10,000—1933	\$10,000—1934	\$10,000—1935	\$10,000—1936	\$10,000—1937	\$10,000—1938	\$10,000—1939	\$10,000—1940	\$10,000—1941	\$10,000—1942	\$10,000—1943	\$10,000—1944
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Estimated actual value taxable property.....	\$30,000,000
Assessed value (1918).....	9,251,350
Bonded debt, including this issue.....	1,370,000
Population (Government estimate 1910).....	25,451
Population, present estimate.....	30,000

NEW LOANS

\$24,000

Township of Weehawken in the County of Hudson, New Jersey SCHOOL BONDS

Sealed proposals will be received by the Township Committee of the Township of Weehawken in the County of Hudson, New Jersey, UNTIL 9 P. M. MON AUGUST 4TH, 1919, at Township Hall, No. 309 Park Avenue, in the Township of Weehawken, New Jersey, for the purchase of \$24,000 School Bonds of said Township. Said bonds will be dated June 1, 1919, will be of the denomination of \$1,000 each, and \$1,000 of said bonds will mature on June 1 in each of the years 1921 to 1944 inclusive. Said bonds will bear interest at the rate of four and three-quarters per centum (4 3/4%) per annum, payable semi-annually on the first days of June and December in each year. Both principal and interest of said bonds will be payable in gold coin of the United States of America of or equal to the present standard of weight and fineness at the office of the Treasurer of the Township of Weehawken, New Jersey. The bonds will be coupon bonds with the privilege of registration as to principal only or as to both principal and interest.

The amount necessary to be raised at said sale is \$24,000. Unless all bids are rejected said bonds will be sold to the bidder or bidders complying with the terms of sale and offering to pay not less than \$24,000, and to take therefor the least amount of bonds offered, commencing with the first maturity, and if two or more bidders offer to take the same amount of said bonds, then to the bidder or bidders offering to pay therefor the highest additional price. No more bonds will be sold than will produce the sum of \$24,000 and an additional sum of less than \$1,000.

The right is reserved to reject all bids and any bid not complying with the provisions hereof will be rejected.

All bidders are required to deposit a certified check payable to the order of the Township of Weehawken for two per centum of the amount of bonds bid for, drawn upon an incorporated bank or trust company. Checks of unsuccessful bidders will be returned upon the award of the bonds. No interest will be allowed upon the amount of the check of the successful bidder, and such check will be retained to be applied in part payment for the bonds, or to secure the Township against any loss resulting from the failure of the bidder to comply with the terms of his bid.

Proposals should be addressed to Thomas Carroll, Township Clerk, Township of Weehawken, in the County of Hudson, New Jersey, and enclosed in a sealed envelope marked on the outside "Proposal for School Bonds."

The successful bidders will be furnished with the opinion of Messrs. Hawkins, Delafield & Longfellow of New York City, that the bonds are binding and legal obligations of the Township of Weehawken in the County of Hudson.

The bonds will be prepared under the supervision of United States Mortgage & Trust Company, which will certify as to the genuineness of the signatures of the officials and the seal impressed thereon.

By order of the Township Committee.

Dated, July 7, 1919.

THOMAS CARROLL,  
Township Clerk.

W. H. Goadby & Co.

Members New York Stock Exchange  
NO. 74 BROADWAY NEW YORK

NEW LOANS

\$40,000

Lincoln County, Wisconsin  
County Home Hospital Bonds

Sealed proposals will be received by the undersigned, at the office of the County Treasurer of Lincoln County, at the Court House, in the city of Merrill, Lincoln County, Wisconsin, until SATURDAY, AUGUST 9th, 1919, at 11 O'CLOCK A. M., for the purchase of the whole or any part of the above named bonds amounting to Forty Thousand Dollars (\$40,000 00), with interest at 5% per annum, payable annually.

Dated July 1st, 1919.  
Denominations of One Thousand (\$1,000 00) dollar bonds one to four inclusive, due June 1st, 1923, and the balance due at the rate of Four Thousand (\$4,000 00) Dollars per year annually thereafter.

HALL L. BROOKS,  
W. H. KAISER,  
J. N. COTTER,  
Committee authorized by Board  
of Supervisors of Lincoln County,  
Wisconsin, to conduct sale of  
bonds.

\$20,000

City of Belt, Montana  
WATER BONDS

Notice is hereby given that the Council of the City of Belt, Montana, will sell at public auction water bonds of the city for \$20,000 00 6% 20-year, optional after ten years, interest semi-annually—payable in New York City, on the 4TH DAY OF AUGUST, A. D. 1919, at 8 O'CLOCK, P. M., at the Council Chamber in said City. Certified check for \$2,000 00 on National Bank as guarantee.

ELIZABETH McSHANE,  
City Clerk.

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: Chatham & Phenix National Bank of New York, for full payment of said bonds and interest accrued thereon.

FOUNT BOWMAN,  
City Treasurer.

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R. V. KELLEY.....Asst. Cashier

RESOURCES OVER \$40,000,000

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**WORCESTER, Worcester County, Mass.—NOTE SALE.**—On July 21 the \$100,000 revenue notes dated July 22 maturing Nov. 2 1919—V. 109, p. 309—were awarded to S. N. Bond & Co. of Boston on a 4.23% discount basis.

**WORLAND, Washakie County, Wyo.—BONDS OFFERED BY BANKERS.**—The Hanchett Bond Co. of Chicago is offering to investors at a price to yield 5.30% int. \$16,000 6% water-works bonds. Denom. \$500. Date Dec. 1 1918. Int. J. & D. Due Dec. 1 1948.

**CANADA, its Provinces and Municipalities.**

**GLACKMEYER, LAMARCH & BROWER TOWNSHIPS SCHOOL SECTION NO. 3, Ont.—DEBENTURE SALE.**—During the month of June G. A. Stimson & Co. of Toronto were awarded \$2,200 7% 1-20-year serial school debentures at 105.05.

**GLENWOOD RURAL MUNICIPALITY, Man.—DEBENTURES VOTED.**—At the election held July 7 the voters by 100 to 12 authorized the issuance of the \$50,290 5½% 30-installment road debentures.—V. 109, p. 99.

**GRAYSVILLE SCHOOL DISTRICT, Man.—DEBENTURE SALE.**—J. A. Thompson & Co., of Winnipeg, have purchased, it is stated, \$30,000 6¼% 20-year school debentures.

**INGERSOLL, Ont.—DEBENTURES SOLD LOCALLY.**—The Council has disposed of \$20,000 5¼% 10-year factory debentures local purchasers taking up the issue.

**LISTOWEL, Ont.—DEBENTURE SALE.**—On July 21 the \$18,000 6% 20-installment road debentures offered on July 19—V. 109, p. 199—were awarded to Aemilius, Jarvis & Co. of Toronto at 103.55. Other bidders were:

Home Bank of Canada, \$18,603 Brent, Noxon & Co., Toronto \$18,411 G. A. Stimson & Co., Toronto 18,576 C. H. Burgess & Co., Toronto 18,282 National City Co., Toronto, 18,484 A. E. Ames & Co., Toronto, 18,086

**MINIOTA, Man.—DEBENTURE SALE.**—On June 16 A. E. Ames & Co. of Toronto were awarded \$3,500 5¼% 20-year telephone debentures, dated June 1 1919, at 100.55. Denom. \$500. Int. J. & J.

**NORTH BAY, Ont.—DEBENTURE OFFERING.**—Sealed tenders will be received until Aug. 2 by M. W. Flannery, Town Treasurer, for \$25,640 7½ sanitary sewer, \$21,000 water works system, and \$5,859 28 local imp. 6% 20-year installment debentures. Debentures to be delivered at the Royal Bank of Canada, North Bay.

**OKNER CONSOLIDATED SCHOOL DISTRICT, Man.—DEBENTURES SALE.**—An issue of \$25,000 6¼% 20-year school debentures has been bought by J. A. Thompson & Co., of Winnipeg.

**OTTAWA, Ont.—BIDS.**—Other bidders for the entire lot of 5% gold coupon (with privilege of registration) debentures, aggregating \$865,694 66,

awarded on July 18 to Brent, Noxon & Co. of Toronto at 96.315.—V. 109, p. 310—were:  
G. A. Stimson & Co., Toronto, 96.01 C. H. Burgess & Co., Toronto, 94.76 Bank of Nova Scotia, Halifax, 95.57 United Financial Corp., Ltd., 94.69 Aemilius Jarvis & Co., Toronto, 95.50 Wood, Gundy & Co., Toronto, 94.32 National City Co., Toronto, 94.998  
Versailles, Vidralre & Boulals, Ltd., bid 92.28, 95.09 and 93.22, for the 20-year, 10-year and 16-year debentures, respectively.

**OXFORD COUNTY (P. O. Woodstock), Ont.—DEBENTURE SALE.**—On July 19 the \$22,000 5½% 15-installment coupon road imp. bonds dated June 1 1919—V. 109, p. 310—were awarded to the Home Bank of Woodstock at 100.86. Int. June 1.

**RUDELL, Sask.—DEBENTURES AUTHORIZED.**—It is reported that the Local Government Board has authorized the village to issue \$2,000 7¼% 10-year-installment town hall erection debentures.

**SASKATCHEWAN DRAINAGE DISTRICTS, Sask.—DEBENTURE SALE.**—Three drainage districts of the province have sold an issue of \$73,000 5% 30-year debentures at 93.42 a 5.45% basis.

**SASKATCHEWAN SCHOOL DISTRICTS, Sask.—DEBENTURES AUTHORIZED.**—The following according to the "Monetary Times" is a list of authorizations granted by the Local Government Board from June 28 to July 5 1919: Sunnysplain, \$11,000 20-years not ex. 8% annuity; A. E. Ricalton, Bradwell, Stratton, \$3,400 10-years not ex. 8% installment; E. G. Famberton, Loverna, \*Hayland, \$3,000 10-years not ex. 8% annuity; P. Tansfield, Torquay, \*North End, \$500 5-years not ex. 8% installment; A. W. Stephens, Macklin, Harriville, \$2,600 10-years not ex. 8% installment; F. B. Cross, Ethelton, Linden Valley, \$1,200 10-years not ex. 8% annuity; H. F. Ranckman, Kamsack, Baupaume, \$3,000 10-years not ex. 8% annuity; Robt. Clark, Swanson, Webb, \$10,000 10-years not ex. 8% annuity; R. M. McKenzie, Webb, \*Rozlee, \$630 10-years not ex. 8% installment; W. F. Lindsay, Shellbrook, \*Little Boggy, \$900 10-years not ex. 8% installment; M. Rabizak, Cote, \*Wawota, \$12,000 20-years not ex. 8% annuity; T. E. Oliver, Wawota, \*Glen Curren, \$500 10-years not ex. 8% annuity; A. D. Butler, Sybouts, Freeman, \$10,000 10-years not ex. 5% installment; M. Scott, Rheta, Ashford, \$3,000 10-years not ex. 8% annuity; J. B. C. Kennedy, Coteville, Rose River \$2,400 10-years not ex. 8% annuity; H. A. Willems, Waldheim.

\*Being sold by Local Government Board.

**DEBENTURE SALE.**—The following issues are reported sold June 28 to July 5 1919: Glenavon, \$10,000, Turnout, \$2,400, Harris-Read & Co., Regina, Sask.; Springbrook, \$1,500, Grand Meadow, \$3,500, Rose Vale, \$1,700, Great West Life Assurance Co., Winnipeg, Man.; Shannon View, \$2,900, Brada, \$3,000, Waterman-Waterbury Mfg. Co., Regina, Sask.

**WINNIPEG, Man.—PURCHASER.**—Reports circulated about two weeks ago to the effect that \$500,000 5½% 30-year debentures had been purchased by Wood, Gundy & Co., at 100.87 prove to have been incorrect. The issue was awarded to A. E. Ames & Co., of Toronto, who are now offering the debentures at 102.23, a 5.35% int. basis. The issue consists of 5½% gold coupon debentures, dated July 2 1919 and maturing July 2 1949.

FINANCIAL

FINANCIAL

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Reserve Fund	-	45,000,000
Deposits, &c.	-	1,339,832,190
Advances, &c.	-	405,360,670

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Financial

# Atlantic Mutual Insurance Company

New York, January 24th, 1919.  
The Trustees, in conformity with the Charter of the Company, submit the following statement of its affairs on the 31st of December, 1918.

Premiums on Marine and Inland Transportation Insurance from the 1st January, 1918, to the 31st December, 1918.....	\$5,684,891.55
Premiums on Policies not terminated 1st January, 1918.....	1,072,550.96
<b>Total Premiums.....</b>	<b>\$7,757,442.51</b>
Premiums marked off as terminated from 1st January, 1918, to 31st December, 1918.....	\$6,756,508.18
Interest on the investments of the Company received during the year \$418,106.66	
Interest on Deposits in Banks, Trust Companies, etc.....	129,010.84
Rent received less Taxes and Expenses.....	97,634.51
<b>Losses paid during the year.....</b>	<b>\$4,195,973.64</b>
Less: Salvages.....	\$239,186.51
Re-insurances.....	1,947,733.03
<b>Re-insurance Premiums and Returns of Premiums.....</b>	<b>\$1,919,054.05</b>
Expenses, including compensation of officers and clerks, taxes, stationery, advertisements, etc.....	\$1,756,937.01
	<b>\$ 996,019.98</b>

A dividend of interest of Six per cent. on the outstanding certificates of profits will be paid to the holders thereof, or their legal representatives, on and after Tuesday the fourth of February next. The outstanding certificates of the issue of 1917 will be redeemed and paid to the holders thereof, or their legal representatives, on and after Tuesday the fourth of February next, from which date all interest thereon will cease. The certificates to be produced at the time of payment and canceled.  
A dividend of Forty-five per cent. is declared on the earned premiums of the Company for the year ending 31st December, 1918, which are entitled to participate in dividend, for which, upon application, certificates will be issued on and after Tuesday the sixth of May next.

By order of the Board, G. STANTON FLOYD-JONES, Secretary.

TRUSTEES.

- |   |   |   |
|---|---|---|
| EDMUND L. BAYLES,<br>JOHN N. BEACH,<br>NICHOLAS RIDDLE,<br>JAMES BROWN,<br>JOHN CLAPIN,<br>GEORGE C. CLARK,<br>J. WILLIAM CLARK,<br>FREDERIC A. DALLETT,<br>CLEVELAND H. DODGE,<br>CORNELIUS ELDERT,<br>G. STANTON FLOYD-JONES. | PHILIP A. S. FRANKLIN,<br>HERBERT L. GRIGGS,<br>SAMUEL T. HUBBARD,<br>WILLIAM H. LEPPERTS,<br>CHARLES D. LEVETICH,<br>HENRY FORBES MACGREGORY,<br>NICHOLAS F. PALMER,<br>WALTER WOOD PARSONS,<br>CHARLES A. PEABODY,<br>WILLIAM R. PETERS,<br>JAMES H. POST,<br>CHARLES M. PRATT. | DALLAS B. PRATT,<br>JOHN J. RIKER,<br>JUSTUS RUPERTI,<br>WILLIAM JAY SCHIEFFELIN,<br>SAMUEL SLOAN,<br>WILLIAM SLOANE,<br>LOUIS STERN,<br>WILLIAM A. STREET,<br>GEORGE E. TURNURE,<br>GEORGE C. VAN TUYL, Jr.,<br>RICHARD H. WILLIAMS. |
|---|---|---|

CORNELIUS ELDERT, *President.*  
WALTER WOOD PARSONS, *Vice-President.*  
CHARLES E. FAY, *2d Vice-President.*  
WILLIAM D. WINTER, *3rd Vice-President.*

**ASSETS.**

United States and State of New York Bonds.....	\$ 3,403,000.00
Stocks of the City of New York and Stocks of Trust Companies & Banks.....	1,385,500.00
Stocks and Bonds of Railroads.....	3,069,879.85
Other Securities.....	285,410.00
Special Deposits in Banks and Trust Companies.....	1,000,000.00
Real Estate cor. Wall Street, William Street and Exchange Place.....	3,900,000.00
Real Estate on Staten Island (held under provisions of Chapter 481, Laws of 1887).....	75,000.00
Premium Notes.....	663,439.52
Bills Receivable.....	716,783.36
Cash in hands of European Bankers to pay losses under policies payable in foreign countries.....	286,904.00
Cash in Bank and in Office.....	1,972,809.61
Statutory Deposit with the State of Queensland, Australia.....	4,765.09
	<b>\$16,823,491.34</b>

**LIABILITIES.**

Estimated Losses and Losses Unsettled in process of Adjustment.....	\$ 4,557,029.00
Premiums on Unterminated Risks.....	1,000,934.33
Certificates of Profits and Interest Unpaid.....	316,702.75
Return Premiums Unpaid.....	129,017.66
Taxes Unpaid.....	400,000.00
Re-insurance Premiums on Terminated Risks.....	288,508.92
Claims not Settled, including Compensation, etc.....	139,296.10
Certificates of Profits Ordered Redeemed, Withheld for Unpaid Premiums.....	22,592.54
Income Tax Withheld at the Source.....	3,739.93
Certificates of Profits Outstanding.....	6,149,100.00
Balance.....	3,825,570.11
	<b>\$16,823,491.34</b>

Balance brought down..... \$3,825,570.11  
Accrued Interest on the 31st day of December, 1918, amounted to..... 95,390.45  
Rents due and accrued on the 31st day of December, 1918, amounted to..... 23,106.40  
Re-insurance due or accrued, in companies authorized in New York, on the 31st day of December, 1918, amounted to..... 462,184.31  
Note: The Insurance Department has estimated the value of the Real Estate on Staten Island in excess of the Book Value given above, at..... 63,700.00  
The Insurance Department's valuation of Stocks, Bonds and other Securities exceeds the Company's valuation by..... 2,411,384.11  
On the basis of these increased valuations the balance would be..... \$6,881,835.38

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