

THE FINANCIAL SITUATION.

The Tax Revision Bill was submitted in the House of Representatives at Washington on Monday evening by the Ways and Means Committee, and is being rushed through in accordance with a pre-arranged program. A final vote on it is to be taken this (Saturday) afternoon, after which it goes to the Senate, where it will be referred to the proper committee, and then both Senate and House are to take a recess of several weeks. The thoughts of the members of both houses are centred entirely on this recess, they being anxious to obtain some kind of a respite from the irksomeness of summer work, and it is only in deference to the wishes of the President that they are being kept in Washington to pass the measures deemed urgently necessary by Mr. Harding. Revision of taxation is certainly one of these urgent measures. But in the form in which the bill stands in the House there is no need for haste whatever, for in the matter of the income taxes, which are choking enterprise and from the burdens of which there is need of speedy relief, the wishes of the President have been entirely disregarded, and relief is to be *postponed*.

The Ways and Means Committee had arranged for the repeal of the excess profits taxes on corporations and a reduction of the surtaxes on personal incomes as of January 1, 1921, but a caucus of the Republican members of the House, held Monday, upset this arrangement, and decreed that these income tax changes should not become effective until January 1, 1922. Thus the taxes on the income of the calendar year 1921, and which are payable in four quarterly installments in 1922, are continued at the old oppressive rates now in force, and hence as far as these income taxes are concerned absolutely nothing can be gained from the new bill at the moment, and legislation might as well be deferred for three months, or six months, or even a year, for whatever the tax rates to be levied on the incomes of 1922 the taxes derived from the same will not be payable until 1923.

It would hence be far better to have no tax legislation at all at this time, rather than accept the results of ill-considered action like that embodied in the House bill. In other respects, also, the bill is largely devoid of merit. As previously pointed out by us, onerous though the existing taxes are, business men would be willing to bear them another year, provided there were then assurance of genuine and permanent relief. But this bill, while providing for the repeal of the excess profits taxes only after another year, even then does not grant the boon undiminished, but raises the normal tax on corporations 25% by increasing the rate from 10% to 12½%. What would be gained in one direction would accordingly be lost in another. Certainly if the Government is to have the benefit of the excess profit yield for another year, then business ought thereafter to be wholly freed from such extra tax without the impairment of the benefit through an increase in the regular tax. Then the treatment of the surtaxes on personal incomes is equally lame. These surtaxes being, like the excess profits taxes, retained for another year, are then cut, but only moderately, leaving them still as high as 32%, and no provision is made for their ultimate complete elimination. In no direction is tax revision so imperative as in the removal of the income taxes,

for the income that now goes to pay taxes is needed to start business a-going, and no enduring recovery in business can be counted upon until this income is once more returned to its old uses in widening and extending trade. By reason of business depression, profits and incomes are going to be heavily reduced anyway, and the Government should not further encroach upon them by excessive levies. The other defects of the bill are that it removes the very taxes that there is the least warrant for taking off in existing circumstances—that is the luxury taxes, soda water and the like. These are the least harmful and the least objectionable of the "consumption" taxes. Then the personal exemptions are extended still further—that of the head of a family from \$2,000 to \$2,500. There is already too much exemption, the grand aggregate reaching into billions, and now it is proposed to add still further to the amount. The further exemption will be at least \$750,000,000. We think all efforts ought to be directed to the complete elimination of the personal income tax, but so long as there is to be any income tax at all no one ought to be exempt. The tax on the smaller incomes should, of course, be light, but a levy of only one per cent, which would not be a hardship on anyone, would yield a perfectly enormous sum. In numerous other directions this Fordney bill simply shifts taxes, a manufacturers' tax, for instance, replacing stamp taxes.

In brief the bill under consideration does not provide for genuine tax revision—revision downward through repeal and reduction. The most burdensome taxes are left untouched or replaced by others equally burdensome. In the direction where immediate relief is especially urgent, relief is postponed instead of being advanced. Generally speaking, the bill is a make-shift, framed to appeal to the masses, and a sham. Possibly the Senate will change the bill for the better, but in the absence of such improvement, the best thing that could happen would be for Congress to go home and stay home. It will be better to let tax legislation at this stage fail than that the present grave tax problem shall not be settled in the right way, in accord with economic needs. And if revision of the income taxes is not to become effective until another year, it will not matter anyway, even if months are allowed to elapse before new legislation is enacted. Delay at least would give opportunity for more deliberate action and for leisurely consideration, besides allowing time for public sentiment to make itself felt.

Transvaal gold mining operations for July 1921 failed to maintain the slight improvement in per diem output noted in June, although the aggregate yield was heavier than in any preceding month of 1921, or, in fact, than for any such period since August 1920. At the same time, however, it compares unfavorably with July of earlier years, and for a smaller total we must go back to 1913. Briefly, as announced by cable, the 1921 July production is stated as 689,555 fine ounces, against 736,099 fine ounces last year, 725,497 fine ounces two years ago, and 736,199 fine ounces in 1918. The high record for the period was 770,355 fine ounces in 1915. The seven months' product, at 4,618,056 fine ounces, moreover, falls below that of all years since 1910, contrasting with 4,831,945 fine ounces last year, 4,872,981 fine ounces in 1919, and the high mark of

5,392,954 fine ounces set in 1916. In connection with this July statement of yield, it is of interest to observe that cablegrams from Johannesburg indicate that the threatened strike of South African miners has been averted, through an agreement under which they have accepted a reduction in wages of 1s 6d per shift. The agreement runs to October 1, after which wages will be adjusted quarterly upon the basis of the cost of living for the second preceding period. In communicating the strike settlement to the Department of Commerce, Mr. Stevenson, U. S. Trade Commissioner at Johannesburg, remarked that South African business interests believed it would not merely stabilize the mining industry but have great weight in stabilization of other industries.

On Thursday of this week Adolph S. Ochs completed the 25th anniversary of his acquisition of the New York "Times," and it is a superb record of achievement he has to his credit. Under his guidance the "Times" has attained to eminence and distinction of a kind and in a way that is absolutely unique. In his conduct of the paper Mr. Ochs has not only maintained the best traditions of journalism, but has set new high standards. He has kept both the news and the editorial columns of the paper untarnished. Withal he has displayed enterprise of a rare type, devoting all he had of money, skill and ingenuity, in unstinted fashion, in the endeavor to make his paper as nearly perfect in all its departments as it is possible for man to do. And he has succeeded. The "Times" is a truly wonderful paper—one of the greatest, if not *the* greatest, in the world. Mr. Ochs may well take pride in what he has accomplished. And the whole community will rejoice with him.

Building operations in the United States in July 1921, reflecting the consistent efforts being made to relieve the shortage of housing accommodations in the country as a whole, exhibits considerable expansion over the same time a year ago, this notwithstanding the high figures at which labor costs still rule, and the failure of materials in most cases to show the decline in prices that had been looked for. In most sections, in fact, the contracts entered into during the month covered estimated expenditures in excess of the corresponding period of 1920, and in the aggregate for all cities the outlay contemplated was only a little under that for June, and theretofore has been exceeded to any material extent only in April of 1920.

In connection with the present comparative activity in building operations, and having in mind the utmost economy in cost of dwelling-house construction at this time of manifest shortage, the Building Code Committee of the U. S. Department of Commerce is seeking information as to whether 8-inch brick walls can safely be used in the construction of dwelling houses and small commercial buildings not in excess of three stories in height. With this purpose in view, the National Board of Fire Underwriters has been asked whether they would consider 8-inch walls for the type of buildings mentioned reasonably safe construction from a fire protection standpoint. Prof. Ira H. Woolson, Consulting Engineer of the National Board of Fire Underwriters, who has been appointed a member of the Building Code Committee by Secretary of Commerce Hoover, has pointed out that an examination of building codes

discloses the fact that a large number of cities now permit 8-inch walls for one and two-story, and in some cases three-story, buildings, irrespective of location. It is claimed by advocates of this kind of construction that the walls are amply strong, are serving their purpose satisfactorily, and contend, therefore, that possibly the requirement of any greater thickness for such buildings is an uneconomical waste of materials. Questions on the subject have been addressed to all rating bureaus and underwriting organizations, as well as to members of the National Board, with the view of determining how far the requirements of the National Board's building code can be modified without jeopardizing structural or fire safety. The Building Code Committee, in fact, is appealing for information from every source from which it can be reliably secured, with the purpose of unifying and standardizing structural requirement specifications in the interest of the economical use of building materials.

The building permits issued in July in 171 cities of the country call for only a moderately smaller outlay than was required for the 214 cities included in our June compilation, and, moreover, the expenditure arranged for is well above that for the like period of last year, with 105 out of the 171 cities included showing expansion in operations. At some points, in fact, very notable activity is exhibited—these including New York, Chicago, Detroit, Minneapolis, Omaha, Seattle, Jersey City, Denver, Dallas, Toledo, Atlanta, Oklahoma City, Pasadena, East Orange and Lawrence, but at a number of other points the opposite is the case, and particularly so at Cleveland, St. Louis, St. Paul, Boston, Baltimore, Akron, New Bedford, Duluth and Rochester. It is to be said, however, that great activity characterized the course of operations at those cities in 1920. The current total for Greater New York at \$45,737,445 compares with only \$18,646,976 in 1920, all boroughs showing important increases. Outside of New York the work contemplated under the contracts entered into involves an approximate outlay of \$104,713,336, which contrasts with \$100,060,508 a year ago, and including New York, the aggregate for 171 cities is \$150,450,781, this comparing with \$118,707,484 last year, 141 millions in 1919, and less than 50 millions in 1918.

Preparations are going forward for the disarmament conference in Washington in November. Secretary of State Hughes is to head the American delegation, and it is expected that he will be the presiding officer. Premier Briand of France has sent word to the State Department through Ambassador Herrick that he is planning to attend. Opposition to this decision has developed in his own country. Apparently Premier Lloyd George is awaiting further developments before deciding whether he will head the British delegation. Unquestionably he is planning to come if possible. The Chinese Government has sent formal acceptance of President Harding's invitation "to participate in the coming conference on Pacific and Far Eastern questions." Premier Lloyd George delivered an address in the House of Commons, in which he urged the merging of the alliance of Great Britain with Japan into a greater understanding with the United States—in fact a tripartite entente on Pacific issues. In part he said: "If the alliance with Japan could emerge into a greater understanding with Japan and the

United States on all problems of the Pacific, that would be a great event which would be a guarantee for the peace of the world. The United States, Japan, the British Empire and China—these four great countries are primarily concerned in having a complete understanding with regard to the Pacific. The surest way of making a success of the disarmament conference is first to have such an understanding. We were all agreed in the Imperial Conference in the desire to have complete friendship with the United States of America and to make arrangements which would remove every conceivable prospective obstacle to such friendship. Nothing would please the British Dominions, as well as the mother country, more than a settlement which would make them feel that the British Empire and the United States could work side by side in common partnership for the preservation of peace and for guaranteeing the peace of the world. I do not know any guarantees that would be equal to that—the United States of America and the British Empire in common agreement on the principle on which a world policy ought to be based. I am still hopeful that such an understanding as would make us feel that this partnership could be established will ensue as a result of the coming conference in Washington."

Premier Lloyd George returned to London from Paris a week ago last night, where he had been for a week attending sessions of the Allied Supreme Council. He at once proceeded to his official residence in Downing Street, "where he had interviews with the Chief Secretary for Ireland and other Ministers." These interviews were preliminary to a meeting of the full Cabinet the next morning. Nothing definite or authoritative relative to Eamonn de Valera's reply to Premier Lloyd George was obtainable in London, even up to that time. According to an Associated Press cablegram from Dublin a week ago last evening, "the letter from Eamonn de Valera, Irish Republican leader, delivered to Premier Lloyd George yesterday, is neither an acceptance nor a rejection of the Irish peace proposals, it was learned here to-day. It raises various questions to which an answer is necessary. The answer may serve to facilitate future dealings, it was said, and is not expected to lead to a break in negotiations."

The British Cabinet met last Saturday morning, and was in session two hours, according to London dispatches. There were in attendance, also, Viscount Fitz Alan, the Lord Lieutenant of Ireland; General Sir Neville McCready, Commander-in-Chief of the British forces in Ireland, and General Tudor, Commander of the Royal Irish Constabulary Auxiliaries. The Cabinet drafted a reply, "and after signing it in the afternoon, Premier Lloyd George motored out to Chequers, where he expects to remain till Monday morning." The London correspondent of the New York "Times" added that "it is of much significance that shortly before his departure the Prime Minister decided to issue to the press copies of a letter which General Smuts addressed to De Valera before sailing for South Africa." The letter was a long document. It revealed the British offer to the leader of the Irish Republic. In a word, it urged the Sinn Fein "to accept freedom under Dominion status and await unity later."

Naturally there was considerable speculation as to the character of the British reply, but it did not

become known in London until Sunday night and in this country Monday morning. The reply of both De Valera to a former offer of the British Government and the Cabinet's second reply were both made public. The London representative of the Associated Press outlined the two documents in part as follows: "Eamonn de Valera, leader of the Irish Republicans, has refused to accept the proposals of the British Government, constituting Dominion Government, and having as their basis the bringing about of peace in Ireland, declaring that the conditions sought to be imposed constitute interference in Irish affairs and control which cannot be permitted. On the other hand, Mr. Lloyd George has informed Mr. De Valera that there can be no compromise on the question of the right of Ireland to secede from her allegiance to the King." The offer of Great Britain was summarized as follows: "1. Full status as a British dominion. 2. Complete autonomy in taxation and finance. 3. Right of Ireland to maintain her own home defense force, constabulary and police. 4. Right to maintain her own postal and educational systems and to control all her own industrial affairs." What Great Britain insisted on follows: "1. Control of the seas around Ireland by the British navy. 2. Keeping of Irish territorial forces within reasonable limits as to numbers. 3. Granting to Great Britain of air defense and communications facilities. 4. Ireland's agreement that there shall be no tariffs or trade restrictions between the islands. 5. Assumption by Ireland of a share of the United Kingdom's present debt, to be fixed by arbitration."

At the same time that the correspondence between Premier Lloyd George and Eamonn de Valera was made public, a note to the Premier from Sir James Craig, the Ulster leader, was given out. The Associated Press said that "this note, after declaring the loyalty of the people of Ulster to the Empire, says that in the interest of peace they consented to the establishment of a Parliament in Northern Ireland and now are carrying out their part of that compact, while the Southern Irishmen 'have chosen to repudiate the Government of Ireland Act and press Great Britain for wider powers.' It adds that to join in such pressure would be repugnant to the people of Northern Ireland." It became known that Dail Eireann would meet on Monday "to take up the Premier's answer."

What was spoken of in a Dublin cablegram Monday afternoon as "an informal meeting of the Irish Republican Parliament" was held in the Mansion House in that city at noon of that day. The Dail Eireann held its first public session on Tuesday to consider the British peace proposals. In his opening address Eamonn de Valera "reiterated Ireland's claim for separation from Great Britain and declared the only Government the people recognized was the Ministry of the Dail Eireann, the Irish Republican Parliament." According to the Associated Press account of the meeting, the Irish Republican leader, "referring to the peace negotiations with David Lloyd George, said there were people who desired to negotiate in order to save their faces. The Sinn Fein, however, would negotiate only to save possible bloodshed and for right and principle. He declared that the Cabinet in refusing the proffer of a Dominion form of Government by Mr. Lloyd George had taken this step because it considered his proposals unjust." One correspond-

ent added that "the address of Mr. De Valera was listened to attentively by the 130 members of the Dail Eireann gathered from all parts of Ireland. It was delivered after Professor John MacNeill had been chosen as Speaker of the Parliament. Mr. De Valera promised that at the session to-morrow he would outline the negotiations he had carried on with Mr. Lloyd George, and afterwards the Parliament might consider the situation behind closed doors." That it was feared the situation might not work out satisfactorily was shown by the issuance of an order by General Headquarters in Dublin, "recalling to their units all soldiers on leave from the Irish command." It was added that "a large proportion of the Irish military forces had been allowed to go on leave after the signing of the truce on July 11." It was understood that "the order does not include the police." Announcement was made in Dublin Wednesday afternoon that the public meeting of the Dail Eireann had been "adjourned to an indefinite date." It was added that "private sessions will be held in the meantime, beginning to-morrow." The Associated Press correspondent said that "it was pointed out in political quarters here that, although Mr. De Valera has announced definitely that the Sinn Fein would not accept the Government's offer of what the British term Dominion status, an outstanding feature of his Parliament speech was his expression of willingness to go a long way to meet Ulster, and to make sacrifices to meet her, not only in her interest, but in her sentiment."

Speaking before the Dail Eireann in Dublin on Tuesday, De Valera "unequivocally declared that Premier Lloyd George's proposals for a settlement of the Irish question would be rejected." After admitting the necessity of co-operation, he made the following statements, which were regarded as specially significant: "But it is not likely that we will seek a combination, if it is simply a combination, with our enemy, hitherto our greatest despoiler, that she may seek by such a combination to despoil us further. Still, an association that will be consistent with our right to see that we are the judges of our own interests and not others—a combination of that kind would, I believe, commend itself to our colleagues. But it must be a combination amounting to 'free and friendly' co-operation with which Great Britain herself describes co-operation with her other dominions. 'Free and friendly' is one thing; 'forced' co-operation is another."

In an Associated Press dispatch from Dublin Thursday evening it was asserted that "the peace negotiations between the British Government and the Irish Republican leaders were not mentioned during this morning's secret session of the Dail Eireann, or Irish Republican Parliament, it was announced officially this afternoon. It was the general belief that the Dail Eireann would not break off the negotiations with Great Britain, and it was thought that some action might be taken to approach Ulster in an effort to secure her co-operation in carrying on the conversations with London." Announcement was made in London on Thursday that Parliament would be adjourned until Oct. 18, and in the meantime will be held in readiness to act in the Irish situation, whatever the decision of the Sinn Fein may be. Speaking in the House of Commons yesterday morning, Lloyd George declared that the Government had gone the limit in its offers to the Sinn Fein.

According to dispatches from Riga a week ago this morning, Secretary of State Hughes had cabled Walter L. Brown, European Director of the American Relief Administration, who had arrived in Riga, to proceed with negotiations with Maxim Litvinoff, the Soviet Envoy, relative to the distribution of food to sufferers in Russia. This was taken as evidence that "the United States regarded the release of the Americans who already have crossed the frontier, and M. Litvinoff's promises that all Americans now in Russia would be given every opportunity to leave, as satisfactory assurance that the Soviet was carrying out its part of the bargain to obtain relief for famine sufferers." It was added that "a conference between Mr. Brown and M. Litvinoff was immediately called." The Associated Press representative in Riga asserted that "an absolute guaranty of the protection of food supplies sent into Russia was asked of the Russian Government in a draft agreement presented to Maxim Litvinoff, representative of the Soviet Relief Committee, by Walter L. Brown, European director of the American Relief Administration, this afternoon." He further declared that "in addition to the regular requirements for the receipts of American Relief Administration supplies special proposals are included in Mr. Brown's draft agreement. These are based generally on the uncertainty of Russian conditions. Mr. Brown proposes that the Relief Administration deliver goods at ports, from which the Soviet Government in Russia is to transport them to the famine districts. An absolute guarantee of freedom of travel and communication for Relief Administration workers in Russia also is requested."

Dispatches from Riga Sunday morning told of two long conferences between Director Brown and Envoy Litvinoff the day before. It was said that following the first meeting, which lasted two and a half hours, Mr. Brown had nothing to report, but that after the second meeting, which lasted for three hours, he was in a position to make public an outline of the agreement that had been reached. The essential features were said to have been the following: "Free entry, exit and movement, with diplomatic privileges at the frontiers and power to introduce all supplies necessary, with the exception of alcohol, are guaranteed to the American personnel. Alcohol can only be obtained by a doctor's certificate. The Soviets accept the American Relief Administration principle that it is to deliver supplies at ports and that thereafter they are to be handled by the Soviet authorities at their own expense to final consumption. They also accepted the important principle that all ownership and title remains vested in the American Relief Administration until the food is actually handed out for consumption. The Soviets agree to replace or reimburse the cost of any supplies that fail to reach their destination. They guarantee priority of transit over everything except their own relief supplies, which enjoy equal privilege. They have agreed to limit the usage of foods to children and sick persons 'without distinction of sex, race, creed or political color,' and that it is not to go to adults, the army, etc." Announcement was made in Riga at that time that "if full agreement is reached relief work will begin at the earliest possible moment in Moscow and Petrograd."

In spite of the foregoing statement of a general agreement having been reached, the dispatches

from Riga during the next day or two indicated that the negotiations between Director Brown and M. Litvinoff were not proceeding altogether smoothly. The New York "Times" correspondent cabled on Tuesday morning that the negotiations had been suspended the day before, "so that certain mooted points might be submitted to Mr. Hoover in Washington for his personal consideration." He added that "the Soviet attitude is one of acute suspicion. They admit frankly that there is nothing to make them doubtful of the Hoover relief organization in particular, but claim a sort of veto or censorship over local committees as a general principle. The Bolsheviki assert that in the case of other non-American welfare organizations which have worked in Russia, such committees have been used as a medium for counter-revolutionary action." In a cablegram from Riga Wednesday morning it was said that "Walter L. Brown, European Director of the American Relief Administration, to-night received a telegram from Herbert Hoover, reiterating the American Relief Administration's insistence that it have control over food distribution in the famine centres of Russia." Later advices from Riga said that, following the receipt of Mr. Hoover's cablegram, Mr. Brown arranged another conference with Maxim Litvinoff, and that they "reached an agreement on all subjects except the contention of the Bolsheviki for the right to limit the number of American relief workers and to expel any individual among them. The Relief Administration firmly opposes this, and Litvinoff has submitted a modified proposal, which Mr. Brown probably will send to Mr. Hoover. Litvinoff conceded the right of the Americans to select any area in Russia for their work that they desired, with the understanding, however, that it would be where food was needed. Mr. Brown, by way of explanation, said the Relief Administration always permitted Government representation on local committees, which seemed to clear M. Litvinoff's misapprehensions in this respect. The Bolsheviki will be represented on these committees, but the Relief Administration will maintain control of them."

Speaking in the House of Commons Tuesday afternoon, Premier Lloyd George said that "the Russian famine was the most terrible visitation that had afflicted Europe or the world for centuries. It was very difficult to get news," he said, "but such news as they had pointed to most appalling catastrophe. Pestilence was rampant on a gigantic scale."

Secretary Hoover received a cablegram from Walter Lyman Brown late Thursday afternoon that "he had reached an understanding in his conferences at Riga with Maxim Litvinoff, by which everything demanded by the American representative had been conceded."

The final disposition of the Upper Silesian question is in the hands of the League of Nations. It was placed there by the Allied Supreme Council, an executive committee, as it were, of the League, because neither the British and French Premiers nor the Council could reach an agreement. The sessions of that body, at which the matter was discussed actively for the best part of a week, were dominated by those two political leaders and Premier Bonomi of Italy. They will exert a dominating influence in the sessions of the League of Nations at which it will come up. It is rather difficult, therefore, to understand how it

will be easier to reach an agreement in the larger body than it was in the smaller.

Commenting on the failure of the Premiers and the Allied Supreme Council to reach a settlement, a Paris correspondent of the New York "Times" said that "the move maintains the entente between England and France." He added that "two important effects of to-day's action will be, first, to enhance the importance of the League of Nations, and second, to eliminate the United States from the negotiations, since the United States is not a member of the League." Another correspondent in the French capital of the same paper cabled his understanding of the situation in part as follows: "The general impression made by the reference of the Silesian question to the League of Nations was that it was a striking vindication of the need of this organization for such duties, and that from now on the League would grow in importance, recovering from the early effects of American non-participation. While it would be necessary for the United States to come in to secure the full development of the League, as a world agency for peace, the successful handling of the Silesian question by its Council would put the League into business on an important scale, demonstrating its usefulness and making it difficult for America to continue its opposition."

The representative in Paris of the New York "Herald" discussed the matter in quite a different spirit. He said: "The effects of the Allied Premiers to settle the Upper Silesian dispute and to remove it as quickly as possible as a dangerous and disturbing factor in Europe's rehabilitation ended almost farcically to-day. With England and France unable to agree over the attribution of five towns in the Upper Silesian industrial triangle, the whole question was, at the suggestion of the British Prime Minister, Mr. Lloyd George, turned over to the Council of the League of Nations, which only two days ago the Allied Prime Ministers utterly ignored in dealing with the Greco-Turkish war and the neutrality and munition issues involved. This action will postpone a decision in fixing the line separating Polish and German Silesia at least several months. To-day's unexpected action of the Supreme Council in postponing the settlement and leaving it in the hands of a body whose peace making efforts have so far been marked by notorious failures, and which is composed, as is the Supreme Council, of representatives of Great Britain, France, Italy and Japan, with additional delegates from Belgium, Spain, Brazil and China, provoked from the United States 'observing' representative in the Supreme Council, Ambassador George Harvey, a declaration wherein some fine irony was contained." Referring specifically to the part played by the American Ambassador, the correspondent observed that "apparently, everyone save the grave and reverent European statesmen sitting around the table knew that Mr. Harvey had tilted most successfully with the League in America. Consequently, there was great interest when Ambassador Harvey was asked what he had to say before Lloyd George's resolution to refer the Silesian problem was formally adopted. Looking almost quizzically over his spectacles at the proposer of this plan, whom he knew could appreciate the nuances of the English language better than could his French colleagues, Ambassador Harvey, speaking very slowly and solemnly, said: 'The President of the United States has felt from the beginning that the question

was one of distinctly European concern. It will be with a sense of relief, therefore, that he will hear of a confirmation of this view by the Supreme Council in referring the question to a body with which the United States is not associated. Consequently, as the representative of the President of the United States, I shall refrain from participation."

Commenting upon proceedings at the session of the Supreme Council a week ago to-day, the Paris representative of the New York "Times" observed that "the stock of the League of Nations which advanced sharply yesterday when the Supreme Council turned the important Upper Silesia dispute over to it took a further rise to-day when the English, French, Italian and Belgian Governments agreed that all future differences among them over the financial adjustments of the Treaty of Versailles would be submitted to arbitration under the League, provided all parties concerned were not unanimous on the choice of a judge." At that session it was agreed that the economic barriers set up on the Rhine by the Allies should be removed on Sept. 15, if by Sept. 1 the Germans had completed payment of the first 1,000,000,000 marks. This proposal was conditioned also on assurance that "the German boycott of French goods cease, and that the German Government desist from refusing import licenses for French goods." Lord Curzon of the British delegation "suggested that the troops be also withdrawn from Dusseldorf, Duisburg and Ruhrort. Premier Briand then asked that this debate go over to the next meeting of the Supreme Council, which was agreed to."

Viscount Ishii, President of the League of Nations, and Japanese Ambassador to France, promptly sent out telegrams to the representatives in the Council of the League of Nations, "asking their opinion as to whether the Council would meet in Paris or Geneva, and on what date, or if the Council should await the regular schedule meeting in Geneva on Sept. 1, to consider the Upper Silesian question." It was added that "Viscount Ishii will be unable to decide before he hears from his colleagues." According to cablegrams that came to hand Thursday, it has been definitely decided to hold the meeting of the Council in Geneva on Aug. 29.

Government officials and the people of France generally were greatly upset when they learned that the Inter-Allied Finance Conference had ruled that France should get no part of the first billion gold marks paid by Germany on account of her reparations obligations. Under the terms of the Versailles Treaty, Belgium was given "a priority claim on the first 2,500,000,000 marks paid by Germany." It was also true that "the cost of the armies of occupation must be reimbursed first." The New York "Times" correspondent said that "when the accounts were reckoned up last week England claimed that she had expended 1,200,000,000 marks gold, for her army of occupation, which was 100,000,000 less than France's bill, with ten times as many troops. Belgium had been paid by deliveries in kind by Germany for her cost of occupation, and so had Italy." The correspondent added that "it was not a matter of dividing up the billion. The English and Italian delegates held that France should be credited with the value of the Sarre coal mines to the total extent of what she would get in the next fifteen years that she will hold them. In other words, the value of all coal France will extract for the whole

term of the tenure of the Sarre Basin should be considered as already paid. This figure was fixed at 300,000,000 to 400,000,000 gold marks. England had received about 300,000,000 gold marks and claimed 900,000,000 more, while France claimed the balance due, some 300,000,000, which she wanted from the first 1,000,000,000. But the majority of the experts held that she had nothing coming to her on her Army of Occupation account because she had the Sarre Basin. It was decided to pay England 100,000,000 gold marks and let Belgium have the balance on her priority account." Paris dispatches stated that the newspapers of that city were strongly against the decision of the Commission.

The British Government on Aug. 15 did what the United States Government did on Feb. 29 1920—turned back the railroads of the country to their owners. The British properties had been under Government control since Aug. 4 1914, "the day on which she entered the World War," a period of seven years and eleven days. The railroads of the United States were in the hands of the Government for two years and two months. According to London dispatches the undertaking was costly for the British Government, as it certainly was for our Government. The correspondent in that centre of the Philadelphia "Public Ledger" said that according to official figures compiled up to Aug. 13, only two days before the end of Government control, "the net cost of operation, when all is paid, will be something more than £150,000,000." This correspondent added that "although the railroads are being returned to private ownership, in no sense will they go back to pre-war conditions." It seems that the grouping system is to be put into effect, as is proposed in the Transportation Act, under which the railroads of the United States are being operated. In England there are to be four geographical groups. In explaining the new plan for the railroads further the "Ledger" correspondent said: "The British Ministry of Transport, although a war-time creation, is to be continued as a peace-time Ministry. Although a number of the functions will be eliminated with the attendant dismissal of a large number of employees, which will save the country several million pounds, the new railway bill gives it definite and useful functions. Among those various functions are supervisory work connected with docks, harbors and terminals, the public health, canals, the regulation of traffic in London, safety appliances and temporary regulations along the railways' right of way which formerly were scattered among local Government boards."

Official discount rates at leading European centres continue to be quoted at 5% in Berlin and Belgium; 5½% in Paris and London; 6% in Rome, Denmark, Sweden, Norway and Madrid; and 4½% in Holland and Switzerland. In London private discount rates are now quoted at 4½% for short bills and 4⅞% for three months, in comparison with 4⅝% and 4¾% a week ago. Open market discounts in Paris for long and short bills are still reported at 5%, and Switzerland at 4½%. Money on call in London is still at 4%, the same as last week. No reports have been received by cable of open market rates at other centres, so far as we have been able to ascertain.

A small gain in gold was reported by the Bank of England in its weekly statement, amounting to £26,426.

Furthermore, note circulation was again reduced—£1,329,000—so that the total reserve increased £1,356,000 to £20,622,000, which compares with £16,686,566 last year and £27,217,910 in 1919. The proportion of reserve to liabilities was further advanced to 14.75% as against 14.54% a week earlier and 12.52% a year ago. Other changes included a reduction in public deposits of £973,000, and an increase in other deposits of £8,350,000. Loans on Government securities expanded £7,625,000, but loans on other securities were curtailed £1,582,000. The Bank's gold holdings aggregate £128,407,080. A year ago the total was £123,081,476 and £88,268,000 in 1919. Circulation is now £126,235,000 in comparison with £124,844,910 in 1920 and £79,500,770 a year earlier. Loans amount to £79,526,000. Last year the total was £76,116,925 and in 1919 £83,014,743. Clearings through the London banks for the week totaled £615,294,000, which compares with £648,722,000 last week and £697,264,000 a year ago. No revision has been made in the Bank's minimum discount rate, which continues at 5½%. We append herewith a tabular statement of comparisons of the principal items of the Bank of England return:

BANK OF ENGLAND'S COMPARATIVE STATEMENT.

	1921.		1920.		1919.		1918.		1917.	
	Aug. 17.	Aug. 18.	Aug. 20.	Aug. 21.	Aug. 20.	Aug. 21.	Aug. 21.	Aug. 22.	Aug. 22.	Aug. 22.
	£	£	£	£	£	£	£	£	£	£
Circulation	126,235,000	124,844,910	79,500,770	56,748,580	39,933,515					
Public deposits	17,285,000	16,114,575	23,397,012	33,697,898	44,700,857					
Other deposits	122,548,000	117,134,568	95,219,451	135,996,495	127,244,116					
Government securities	57,740,000	58,508,475	26,418,356	58,422,014	56,483,328					
Other securities	79,526,000	76,116,925	83,014,743	98,950,731	100,889,240					
Reserve notes & coin	20,622,000	16,686,566	27,217,910	30,366,098	39,933,515					
Coin and bullion	128,407,080	123,081,476	88,268,680	68,664,678	54,152,640					
Proportion of reserve to liabilities	14.75%	12.52%	22.9%	17.90%	19.00%					
Bank rate	5½%	7%	5%	5%	5%					

The Bank of France in its weekly statement reports a further small gain of 272,100 francs in the gold item this week. The Bank's gold holdings now total 5,521,868,875 francs, comparing with 5,590,036,980 francs at this time last year and with 5,572,284,949 francs the year before; of these amounts, 1,948,367,056 francs were held abroad in 1921 and 1,978,278,416 francs in both 1920 and 1919. During the week, silver gained 245,000 francs, Treasury deposits rose 4,914,000 francs and general deposits were augmented by 19,909,000 francs. Bills discounted, on the other hand, fell off 70,477,000 francs, while advances were reduced 11,830,000 francs. Note circulation registered a contraction of 242,547,000 francs, bringing the total outstanding down to 36,983,253,000 francs, which compares with 37,899,776,195 francs on the corresponding date last year and with 35,064,119,045 francs in 1919. Just prior to the outbreak of war, in 1914, the amount 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 1920 and 1919, are as follows:

BANK OF FRANCE'S COMPARATIVE STATEMENT.

	Changes of Week	Status as of—		
		Aug. 18 1921.	Aug. 19 1920.	Aug. 21 1919.
	Francs.	Francs.	Francs.	Francs.
Gold Holdings—				
In France	Inc. 272,100	3,573,501,819	3,611,758,564	3,594,006,533
Abroad	No change	1,948,367,056	1,978,278,416	1,978,278,416
Total	Inc. 272,100	5,521,868,875	5,590,036,980	5,572,284,949
Silver	Inc. 245,000	276,193,495	254,202,329	297,685,317
Bills discounted	Dec. 70,477,000	2,442,623,298	1,980,083,369	912,436,511
Advances	Dec. 11,830,000	2,181,940,000	1,963,508,122	1,264,432,046
Note circulation	Dec. 242,547,000	36,983,253,000	37,899,776,195	35,064,119,045
Treasury deposits	Inc. 4,914,000	44,329,000	129,838,835	56,899,323
General deposits	Inc. 19,909,000	2,661,755,000	3,202,750,551	2,969,321,678

The Federal Reserve Bank statement, which was issued at the close of business on Thursday, was of the same general tenor as all other statements issued in

recent weeks; that is, gold continues to pile up while the system is still reducing the volume of its obligations. For the week under review a gain of \$25,000,000 in gold reserves was reported. The total of bills on hand is \$1,554,000 or \$17,000,000 less than a week ago and only a little more than a half of the total of bills outstanding last year. Earning assets are likewise smaller, \$32,000,000, and Federal Reserve notes in circulation have been brought down \$17,000,000. As a result of this showing and despite an increase in deposits of \$9,000,000, the ratio of reserve gained slightly to 65.8, against 65.0% last week. In the New York bank conditions are similar. An addition of \$29,000,000 to the gold reserves is reported. Bills discounted secured by Government obligations fell \$6,000,000, all others \$13,000,000. Total bills on hand have been reduced \$25,000,000, to \$388,000,000. The shrinkage in this item is even more striking than for the twelve banks combined, since in the corresponding week of 1920, the volume of bills outstanding was \$997,700,000. There was a decline in deposits of \$2,000,000. As a result of this and the steady inflow of gold the bank's reserve ratio advanced 2.3% to 72.2.

Saturday's bank statement of New York associated members was chiefly interesting by reason of a further drawing down in the item of loans and investments, which declined \$41,246,000, reducing the total to \$4,418,252,000, or a total reduction of \$168,000,000 since July 1 and of \$694,000,000 as compared with the corresponding week of August a year ago. This showing is especially significant when taken in conjunction with the recent declines in deposits. This week net demand deposits increased \$11,231,000, but Government deposits decreased \$15,299,000. The total of demand deposits is \$3,562,347,000, which is exclusive of Government deposits of \$142,080,000. In net time deposits there was a gain of \$318,000, to \$208,056,000. Other changes were relatively unimportant and included a decrease of \$600,000 in cash in own vaults of members of the Federal Reserve Bank, to \$72,370,000 (not counted as reserve), a reduction in reserves in own vaults of State banks and trust companies of \$70,000, and an increase of \$366,000 in reserves kept in other depositories by State banks and trust companies. Member banks reduced their reserves with the Reserve Bank \$2,739,000, and this, together with the expansion in deposits, caused a decrease in surplus reserves of \$3,976,340, so that the total of excess reserves now on hand is \$15,803,950, against \$19,780,290 a week earlier. The above figures for surplus are based on reserves above legal requirements of 13% for member banks of the Federal Reserve System, but not including cash in vault to the amount of \$72,370,000 held by these member banks in their own vaults last Saturday. The bank statement in fuller detail will be found on a subsequent page of this issue.

The local call money market did not show any real sign of relaxation, until the last hour of business Thursday afternoon, when the rates dropped from 6 to 5½%. This was the first recession from the 6% level for some time. On the Stock Exchange 5½% was the prevailing rate yesterday but it was reported that loans were made outside as low as 5%. Bankers say that the greater part of money that they are offering just now is for the account of out-of-town

institutions. There has been no change in the discount rate of the New York Federal Reserve Bank, as had been predicted for this week. The same statement applies to the Bank of England rate. According to one cablegram from London yesterday an advance in that rate is looked for by some authorities rather than another reduction. The money market continues just about as puzzling as it has been for a long time. The position of the Federal Reserve banks, as disclosed by the statements from week to week, is steadily strengthening. One might be led to think from the figures of these institutions that cheaper money in this country might be expected for an indefinite period. The simple fact is that it does not come. Special significance was not attached to the drop of $\frac{1}{2}$ of 1% in the quotation for call money here late in the week. The end of the month is only a little more than ten days away. During that period increased firmness rather than ease would seem logical, in view of the disbursements that will be made on Sept. 1. Gold continues to pour into this country in large volume and at a rapid rate. Although some uneasiness was expressed in local banking circles over the erratic character of the foreign exchange market and the severe declines in some currencies, there was general satisfaction over the announcement that the German Government would meet its Aug. 31 reparations installment some days in advance of that day. It was reported that the payments that are to be made here have already been arranged. There is not much happening in the general business of the country having a very pronounced effect upon the money market one way or the other.

Referring to the more detailed money rates, loans on call this week covered a range of $5\frac{1}{2}$ @6%, as against a flat rate of 6% a week ago. For the first three days, namely, Monday, Tuesday and Wednesday, the 6% level was maintained without change and all transactions were put through at this figure. Thursday call money, for the first time in nearly two weeks, eased off a trifle and the minimum was $5\frac{1}{2}$ %, although the high was still 6% and renewals were negotiated at this level. On Friday there was a further decline to $5\frac{1}{2}$ %, which was the only rate quoted, being the high, low and ruling for the day. Toward the end of the week call loans were placed outside of the Exchange as low as $4\frac{1}{2}$ %. Funds were in freer supply. For fixed date funds also the undertone was reported as easier and offerings were more plentiful, with the result that the range for all periods from sixty days to six months, after having ruled at $6@6\frac{1}{2}$ % in the first part of the week, relaxed to $6@6\frac{1}{4}$ %, as compared with 6% the previous week. In the case of call funds the above rates apply to mixed collateral and all-industrials alike. For time money all-industrial money, whenever dealt in, was quoted at about $\frac{1}{4}$ of 1% above the rates here given. Although trading was still quiet, loans were put out for moderate amounts. The increase in the supply was said to come from interior institutions, as a result of liquidation in the stock market.

Commercial paper rates remain at 6% for sixty and ninety days' endorsed bills receivable and six months' names of choice character, unchanged, while names not so well known stand at $6@6\frac{1}{4}$ %, the same as heretofore. A fair demand was reported, but supplies of the best names continue light.

Banks' and bankers' acceptances have ruled firm, though without quotable change. A better inquiry was noted, especially toward the end of the week when quite liberal orders were received from corporations and country banks. For call loans against bankers' acceptances the posted rate of the American Acceptance Council is now $5\frac{1}{2}$ %, against 6% last week. The Acceptance Council makes the discount rates on prime bankers' acceptances eligible for purchase by the Federal Reserve Bank $5\frac{1}{4}$ bid and 5% asked for bills running 120 days; $5\frac{1}{8}$ @5 for ninety days; $5\frac{1}{8}$ @5 for sixty days and $5\frac{1}{8}$ @5 for thirty days. Open market quotations are as follows:

SPOT DELIVERY.			
	90 Days.	60 Days.	30 Days.
Prime eligible bills.....	$5\frac{1}{8}$ @5	$5\frac{1}{8}$ @5	$5\frac{1}{8}$ @5

FOR DELIVERY WITHIN THIRTY DAYS.	
Eligible member banks.....	$5\frac{1}{4}$ bid
Eligible non-member banks.....	5% bid
Ineligible bank bills.....	$5\frac{1}{4}$ bid

There have been no charges this week in Federal Reserve Bank rates. The following is the schedule of rates now in effect for the various classes of paper at the different Reserve banks:

DISCOUNT RATES OF THE FEDERAL RESERVE BANKS IN EFFECT AUGUST 19 1921.

Federal Reserve Bank of—	Discounted bills maturing within 90 days (including member banks' 15-day collateral notes) secured by—			Bankers' acceptances disc'd for member banks	Trade acceptances maturing within 90 days	Agricultural and live-stock paper maturing 91 to 180 days
	Treasury notes and cert. of indebtedness	Liberty bonds and Victory notes	Other-wise secured and unsecured			
Boston.....	$5\frac{1}{4}$	$5\frac{1}{4}$	$5\frac{1}{2}$	$5\frac{1}{4}$	$5\frac{1}{4}$	$5\frac{1}{4}$
New York.....	$5\frac{1}{4}$	$5\frac{1}{4}$	$5\frac{1}{2}$	$5\frac{1}{4}$	$5\frac{1}{4}$	$5\frac{1}{4}$
Philadelphia.....	$5\frac{1}{4}$	$5\frac{1}{4}$	$5\frac{1}{2}$	$5\frac{1}{4}$	$5\frac{1}{4}$	$5\frac{1}{4}$
Cleveland.....	$5\frac{1}{4}$	$5\frac{1}{4}$	$5\frac{1}{2}$	$5\frac{1}{4}$	$5\frac{1}{4}$	$5\frac{1}{4}$
Richmond.....	$6\frac{1}{2}$	6	6	6	6	6
Atlanta.....	6	6	6	6	6	6
Chicago.....	6	6	6	6	6	6
St. Louis.....	6	6	6	$5\frac{1}{2}$	6	6
Minneapolis.....	6	6	$6\frac{1}{2}$	6	$6\frac{1}{2}$	$6\frac{1}{2}$
Kansas City.....	6	6	6	6	6	6
Dallas.....	6	6	6	6	6	6
San Francisco.....	$5\frac{1}{4}$	$5\frac{1}{4}$	$5\frac{1}{2}$	$5\frac{1}{4}$	$5\frac{1}{4}$	$5\frac{1}{4}$

The sterling exchange market has been more or less in neglect this week with attention centring chiefly upon the gyrations in Reichsmarks. Therefore, trading during the greater part of the time was dull and devoid of special feature, while quotations ranged at not far from the levels prevailing at the close on Friday last. Some irregularity was noted, however, and although fluctuations were generally narrow, the trend was downward. Cable quotations from London were heavy and almost from the start there was renewed selling, presumably incidental to reparations settlements. On Tuesday sterling rates broke nearly 3 cents in the pound as a result of the influences noted above, but trading remained inactive and later on part of the loss was regained in consequence of moderate short covering operations. At the extreme close profit taking sales induced a fractional lowering and the final quotation was $3\ 65\frac{3}{8}$.

Detailed inquiry in the financial district regarding the foreign exchange outlook reveals the same diversity of views as has existed for such a prolonged period, although most bankers seem to feel that while no really important change is likely for the present at least in the international monetary situation, violent fluctuations in exchange prices are almost inevitable under current conditions. Despite relaxation at some points in the political tension in European affairs and a moderate increase in trade activity abroad, there is not apparently a great deal upon which to base hopes of either a rapid or

permanent recovery in currency values. Not a few financiers as well as economists look with disapproval upon the continued outpouring of gold from Europe to this country, claiming that it is draining Europe's resources in no purpose since America can have no possible use for such vast supplies of the precious metal, while its presence is apt to tend eventually toward dangerous inflation. Moreover, little or no progress is being made in the way of improving the international credit situation.

News that the Treasury Department contemplated the calling of an international conference of financiers to formulate plans for the stabilization of foreign exchange during the Disarmament Conference in November came in for considerable discussion, though it developed subsequently that Government officials were not in favor of the scheme. It appears that while private interests advocate Government intervention, Washington authorities claim the United States cannot possibly benefit by such a step.

Referring to the day-to-day rates, sterling exchange on Saturday of last week was quiet and fractionally lower, with demand at $3\ 65\frac{3}{4}$ @ $3\ 66\frac{1}{2}$, cable transfers at $3\ 66\frac{1}{4}$ @ $3\ 67\frac{1}{8}$ and sixty days at $3\ 60$ @ $3\ 60\frac{7}{8}$. Monday's market was a dull affair and rates consequently moved within narrow limits at almost unchanged levels; the range was $3\ 65\ 13-16$ @ $3\ 66\frac{1}{2}$ for demand, $3\ 66\ 5-16$ @ $3\ 67$ for cable transfers and $3\ 60\ 1-16$ @ $3\ 60\frac{3}{4}$ for sixty days. Weakness developed on Tuesday and rates ran off nearly 3 cents, with demand at $3\ 63\frac{3}{4}$ @ $3\ 65\frac{1}{4}$, cable transfers at $3\ 64\frac{1}{4}$ @ $3\ 65\frac{3}{4}$ and sixty days at $3\ 58$ @ $3\ 59\frac{1}{2}$; renewed selling and lower London quotations were responsible for the slump. On Wednesday sterling failed to share in the improvement in marks and there was a further slight decline to $3\ 62\frac{3}{4}$ @ $3\ 64\ 1-16$ for demand, $3\ 63\frac{1}{4}$ @ $3\ 64\ 9-16$ for cable transfers and $3\ 57$ @ $3\ 58\ 5-16$ for sixty days; trading was inactive. Dulness characterized Thursday's dealings, although the undertone was steady and demand was a shade firmer at $3\ 63$ @ $3\ 64$, with cable transfers at $3\ 64$ @ $3\ 65$ and sixty days at $3\ 57$ @ $3\ 58$. On Friday the market ruled quiet but somewhat firmer; hence demand bills moved up to $3\ 64\frac{3}{8}$ @ $3\ 66$, cable transfers to $3\ 64\frac{7}{8}$ @ $3\ 66\frac{1}{2}$ and sixty days at $3\ 58\frac{7}{8}$ @ $3\ 60\frac{1}{4}$. Closing quotations were $3\ 59\frac{5}{8}$ for sixty days, $3\ 65\frac{3}{8}$ for demand and $3\ 65\frac{7}{8}$ for cable transfers. Commercial sight bills finished at $3\ 65\frac{1}{4}$, sixty days at $3\ 60$, ninety days at $3\ 57\frac{1}{8}$, documents for payment (sixty days) at $3\ 60\frac{1}{4}$ and seven-day grain bills at $3\ 64$. Cotton and grain for payment closed at $3\ 65\frac{1}{4}$. Gold arrivals continue heavy. The week's receipts include:

22 boxes of bar gold on the Berengaria from Southampton; 55 boxes of bar gold on the Lapland, also from Southampton; 20 cases of gold on the Niagara from Havre; 2 cases of gold on the Noordam from Rotterdam; 136 pkgs. of bar gold on the Stockholm from Gothenburg and 44 cases of gold valued at \$1,700,000 on the Paris from France. Smaller miscellaneous amounts from South America and elsewhere were received as follows: 10 pkgs. on the Hellas from Colombia; 43 pkgs. gold on the Vauban from Montevideo, valued at \$1,072,900; 8 pkgs. on the Yucatan from Vera Cruz; 1 box gold and silver currency and 1 box white gold on the Antonio Lopez from Spain; 34 cases gold and silver bullion and one silver bar and two gold and silver bars on the Quique from Nicaragua. Brown Bros. state that they have received Turkish gold and English sovereigns valued at \$60,000 from Haifa. Consignments of the precious metal now on the way are numerous, among them being approximately \$800,000 from India, \$250,000 from France on the Paris and the Ro-

chanbeau. Gold is also coming from Uruguay, Sweden and from London. A cable from Consul-General Skinner at London states that the British Government has agreed to receive shipments of gold exported by the Russian Soviet Government in parcels of not under 25,000 ounces, consigned to the Bank of England. J. P. Morgan & Co. have received 80 cases of gold coin from the Reichsbank. It is valued at about \$2,800,000 and is to be applied on the German reparations account. The Equitable Trust Co. has received word that the Rotterdam is bringing 31 boxes of gold from Amsterdam. The Sudbury, which brought the German gold for J. P. Morgan & Co., also had one consignment of about $3\frac{1}{2}$ million ounces of silver bullion, valued at about \$2,500,000, for the International Acceptance Bank, Inc., and another of 135 cases, valued at 65,000,000 paper marks for the Equitable Trust Co.

Trading in the Continental exchanges was featured by a sensational decline in Berlin marks, which under heavy selling pressure broke to 1.05 for checks, a new low record for the current year and the lowest since January 1920, when the quotation was down to 1.01. The weakness emanated from London where Berlin exchange sold off to 330 to the pound sterling, as against a parity of 24.02, but soon spread to this market as a result of persistent selling by several large banking institutions having German connections. This, of course, was mainly in response to preparations for meeting reparations payments, but was also in some measure due to the recent abnormally heavy expansion in note circulation at the Reichsbank, which is now reported as 77,600,000,000 marks, or an increase of more than 5,000,000,000 marks in the past month. Trading in this class of currency was active and excited for a time and vast quantities of mark exchange changed hands both here and abroad; so much so that according to cable advices received at this centre, the Berlin Bourse was forced to close for a couple of days for the purpose of enabling members to settle up accounts. This, however, was not regarded as an occasion for alarm, since it is claimed that there has been a tremendous amount of speculation in both exchange and stocks on the recent decline and it is simply a precautionary measure to allow operators to fill their orders. Before the close there was a recovery to $1.20\frac{3}{4}$ for checks. Still another influence in depressing mark quotations is said to have been sales of marks by Western packers and grain dealers who are accepting marks in payment for commodities, but with the proviso that the mark in which payment is made fetch a certain stipulated amount in United States currency. Such transactions are said to be of almost daily occurrence. Mark quotations have been extremely erratic since the armistice, having been the object of more than one speculative onslaught during that period.

Apart from the activity and excitement in German marks, trading in Continental exchange was dull and the volume of business comparatively small. French and Belgian francs moved irregularly, with alternate losses and gains, and the range for the week 7.65 @ $7.81\frac{1}{2}$ for the former and 7.51 @ 7.61 for the latter-named currency. Lire, on the other hand, were heavy practically throughout and ruled around 4.38 for sight bills, as against a high point of 4.54 last week. Greek drachma, after a decline to 5.45, rallied and advanced to 5.60, apparently on the successes attending Greece's military campaign against Turkish Nationalists. Exchange on the Central European Republics was sluggish and without important change.

The official London check rate on Paris closed at 47.40, against 46.90 last week. In New York sight bills on the French centre closed at 7.73, against 7.81 $\frac{3}{4}$; cable transfers 7.74, against 7.82 $\frac{3}{4}$; commercial sight bills at 7.66, against 7.79 $\frac{3}{4}$; and commercial sixty days 7.66, against 7.73 $\frac{3}{4}$ a week ago. Closing quotations on Antwerp francs were 7.58 for checks and 7.59 for cable transfers, in comparison with 7.59 $\frac{3}{4}$ @7.60 $\frac{1}{4}$ the week previous. Reichsmarks finished at 1.17 $\frac{1}{4}$ for checks and 1.18 $\frac{1}{4}$ for cable transfers, which compares with 1.21 and 1.22 last week. Austrian kronen, after remaining almost motionless during the week, closed at 00.11 $\frac{1}{2}$ for checks and 00.12 $\frac{1}{2}$ for cable remittances. Last week the close was 00.11 $\frac{1}{2}$ and 00.12 $\frac{1}{2}$. For lire the final range was 4.29 $\frac{1}{2}$ for bankers' sight bills and 4.30 for cable transfers, against 4.39 and 4.40 in the preceding week. Czecho-Slovakian exchange closed at 1.24, against 1.25; Bucharest at 1.25, against 1.31 $\frac{1}{2}$; Poland at 4 $\frac{5}{8}$, against 5 $\frac{1}{2}$, and Finland at 1.50, against 1.60. Greek exchange finished at 5.55 for checks and 5.60 for cable transfers.

In the former neutral exchanges very little animation was discernible and rate variations were correspondingly limited. Guilders moved within narrow limits, ranging between 31.15@30.85 for checks, and the same is true of Swiss francs, which after an advance to 16.92, sagged off to 16.81. Scandinavian exchange displayed some irregularity, although here weakness in the initial dealings was followed later on by gains of from 20 to 30 points, though all on light trading. Spanish pesetas were firm and weak by turns and fluctuated between 12.98 and 12.84.

Bankers' sight on Amsterdam finished at 31.00, against 31.05; cable transfers 31.05, against 31.10; commercial sight at 30.95, against 31.00, and commercial sixty days 30.59, against 30.64 on Friday of a week ago. Swiss francs closed at 16.87, for bankers' sight bills and 16.89 for cable remittances. A week ago the close was 16.87 and 16.89. Copenhagen checks finished at 16.35 and cable transfers 16.40, as contrasted with 15.85 and 15.90. Checks on Sweden closed at 21.30 and cable transfers at 21.35, against 20.95 and 21.00, while checks on Norway finished at 13.00 and cable transfers 13.05, against 12.90 and 12.95. Spanish pesetas closed at 12.94 for checks and 12.96 for cable remittances. This compares with 12.95 and 12.97 the preceding week.

As to South American exchange weakness has again been in evidence and Argentine rates declined to 29 $\frac{3}{8}$ for checks, with the close 29 $\frac{5}{8}$, and cable transfers 29 $\frac{3}{4}$, which compares with 30 $\frac{3}{8}$ and 30 $\frac{1}{2}$ last week. For Brazil the quotation was a small fraction firmer at 12 $\frac{3}{8}$ for checks and 12 $\frac{1}{2}$ for cable transfers, against 12.00 and 12.12 $\frac{1}{2}$ the week previous. Chilean exchange finished at 10.35, against 10 $\frac{3}{8}$, the previous quotation, but Peru remains at 3.80, unchanged.

Far Eastern rates were as follows: Hong Kong, 51@51 $\frac{1}{4}$, against 51 $\frac{3}{4}$ @52; Shanghai, 71 $\frac{1}{2}$ @72 $\frac{1}{2}$, against 71 $\frac{1}{4}$ @71 $\frac{1}{2}$; Yokohama, 48 $\frac{5}{8}$ @49, against 48 $\frac{1}{4}$ @48 $\frac{1}{2}$; Manila, 48 $\frac{1}{2}$ @48 $\frac{3}{4}$, against 48 $\frac{1}{4}$ @48 $\frac{1}{2}$; Singapore, 42 $\frac{3}{4}$ @43 $\frac{1}{4}$, against 42 $\frac{3}{4}$ @43; Bombay, 25 $\frac{1}{4}$ @25 $\frac{1}{2}$, against 25 $\frac{1}{2}$ @25 $\frac{3}{4}$, and Calcutta, 26 $\frac{1}{4}$ @26 $\frac{1}{2}$, against 25 $\frac{3}{4}$ @26.

Reserve Bank is now certifying daily to the Secretary of the Treasury the buying rate for cable transfers on the different countries of the world. We give below the record for the week just past. The Federal Reserve Bank does not proclaim the rates until the morning of the following day, and therefore the latest figures it is possible to include in our table are those for Thursday noon, announced on Friday:

CABLE BUYING RATES FIXED BY FEDERAL RESERVE BANK, AUG. 12 TO AUG. 18 1921, INCLUSIVE.

Country and Monetary Unit.	Noon Buying Rate for Cable Transfers in New York. Value in United States Money.					
	Aug. 12.	Aug. 13.	Aug. 15.	Aug. 16.	Aug. 17.	Aug. 18.
EUROPE—						
Austria, krone.....	.001255	.001231	.00123	.001208	.001192	.0012
Belgium, franc.....	.0761	.0759	.07609	.7549	.07527	.0761
Bulgaria, lev.....	.0087	.0086	.0087	.0088	.0089	.0089
Czecho-Slovakia, krone.....	.012431	.0124	.012188	.01172	.011906	.0122
Denmark, krone.....	.1593	.1584	.1593	.1634	.1640	.1638
England, pound.....	3.667375	3.665	3.664125	3.64925	3.6375	3.6656
Finland, markka.....	.0153	.0150	.0150	.01509	.0149	.0151
France, franc.....	.078265	.07806	.078055	.07734	.07667	.0777
Germany, reichsmark.....	.01215	.01174	.011655	.01093	.0117	.0120
Greece, drachma.....	.0559	.0559	.05529	.0554	.0554	.0557
Holland, florin or guilder.....	.3113	.3111	.3114	.3097	.3083	.3108
Hungary, krone.....	.002794	.00268	.00263	.0026	.002575	.0026
Italy, lira.....	.043905	.04386	.04384	.04333	.04301	.0435
Jugoslavia, krone.....	.0062	.0061	.005988	.0059	.00577	.0059
Norway, krone.....	.1295	.1292	.1293	.1306	.1300	.1303
Poland, Polish mark.....	.000508	.0005	.0005	.0005	.0005	.0005
Portugal, escuda.....	.0983	.0978	.1013	.1003	.0979	.0959
Rumania, leu.....	.01291	.01285	.0128	.0120	.0119	.0125
Serbia, dinar.....	.0248	.0244	.02395	.0237	.0231	.0237
Spain, peseta.....	.1296	.1291	.1292	.1289	.1284	.1300
Sweden, krona.....	.2100	.2101	.2108	.2120	.2123	.2139
Switzerland, franc.....	.1691	.1690	.1691	.1689	.16825	.1694
ASIA—						
Hongkong, dollar.....	.5015	.50025	.49975	.5015	.5025	.5025
Shanghai, tael.....	.6775	.6750	.6760	.6785	.6820	.6820
Shanghai, Mexican dollar.....	.4950	.49125	.4931	.4944	.4950	.4988
India, rupee.....	.2372	.23758	.2405	.23758	.2388	.2418
Japan, yen.....	.48475	.4838	.4842	.48375	.48358	.4850
Java, florin or guilder.....	.3050	.3073	.3060	.3058	.3050	.3063
Manila, peso.....	---	---	---	---	---	---
Singapore, dollar.....	.4192	.4200	.42	.42	.4200	.4200
NORTH AMERICA—						
Canada, dollar.....	.899792	.899479	.899479	.897708	.89792	.9003
Cuba, peso.....	.9933	.993542	.9933	.994375	.994375	.9944
Mexico, peso.....	.48708	.48792	.48542	.48458	.48125	.4831
SOUTH AMERICA—						
Argentina, peso (gold).....	.66951	.6673	.6645	.6644	.6607	.6598
Brazil, milreis.....	.11636	.1188	.11926	.11984	.1198	.1191
Uruguay, peso.....	.6454	.6451	.6481	.6489	.6507	.6474

The New York Clearing House banks, in their operations with interior banking institutions, have gained \$6,141,270 net in cash as a result of the currency movements for the week ending Aug. 18. Their receipts from the interior have aggregated \$7,145,570, while the shipments have reached \$1,004,300, as per the following table:

CURRENCY RECEIPTS AND SHIPMENTS BY NEW YORK BANKING INSTITUTIONS.

Week ending Aug. 18.	Into Banks.	Out of Banks.	Gain or Loss to Banks.
Banks' interior movement.....	\$7,145,570	\$1,004,300	Gain \$6,141,270

As the Sub-Treasury was taken over by the Federal Reserve Bank on Dec. 6, it is no longer possible to show the effect of Government operations on the Clearing House institutions. The Federal Reserve Bank of New York was creditor at the Clearing House each day as follows:

DAILY CREDIT BALANCES OF NEW YORK FEDERAL RESERVE BANK AT CLEARING HOUSE.

Saturday, Aug. 13.	Monday, Aug. 15.	Tuesday, Aug. 16.	Wednesday, Aug. 17.	Thursday, Aug. 18.	Friday, Aug. 19.	Aggregate for Week.
\$39,200,000	\$58,800,000	\$39,400,000	\$8,100,000	\$47,200,000	\$40,100,000	Cr. 272,500,000

The foregoing heavy credits reflect the huge mass of checks which come to the New York Reserve Bank from all parts of the country, in the operation of the Federal Reserve System's par collection scheme. These large credit balances, however, show nothing as to the results of the Reserve Bank's operations with the Clearing House institutions. They represent only one side of the account, as checks drawn upon the Reserve Bank itself are presented directly to the bank and never go through the Clearing House.

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

Pursuant to the requirements of Sec. 403 of the Emergency Tariff Act of May 27 1921, the Federal

Banks of	Aug. 18 1921.			Aug. 19 1920.		
	Gold.	Silver.	Total.	Gold.	Silver.	Total.
England	£ 128,407,050	---	128,407,050	£ 123,081,476	---	123,081,476
France a	142,940,073	11,040,000	153,980,073	144,470,342	10,160,000	154,630,342
Germany	64,577,700	604,250	55,181,950	54,579,550	347,200	54,926,750
Aus.-Hun.	10,944,000	2,369,000	13,313,000	10,944,000	2,369,000	13,313,000
Spain	99,744,000	24,929,000	124,673,000	98,096,000	24,068,000	122,164,000
Italy	33,131,000	3,001,000	36,142,000	32,101,000	2,999,000	35,100,000
Netherl'ds.	50,497,000	899,000	51,396,000	1,298,000	---	54,316,000
Nat. Belg.	10,663,000	1,606,000	12,269,000	10,660,000	1,075,000	11,735,000
Switzerland	21,778,000	4,428,000	26,206,000	21,687,000	3,609,000	25,296,000
Sweden	15,838,000	---	15,838,000	14,516,000	---	14,516,000
Denmark	12,649,000	206,000	12,855,000	12,658,000	143,000	12,801,000
Norway	8,115,000	---	8,115,000	8,187,000	---	8,187,000
Total week	589,290,853	49,082,250	638,373,103	584,088,368	46,068,200	630,156,568
Prev. week	588,939,693	49,211,350	638,151,043	583,724,164	46,059,700	629,783,864

a Gold holdings of the Bank of France this year are exclusive of £77,934,682 held abroad.

WHAT SHALL WE DO WITH OUR MILLIONAIRES?

A book has recently been published advocating the "limitation of fortunes, especially those fortunes in possession of heirs," and an amendment to the Constitution is suggested to accomplish this purpose. There is nothing new about the proposal. It has long been a common thing to hear men say: "Oh, I believe no man should be allowed to accumulate over a hundred thousand dollars"—or some such sum far short of a million. No consideration, usually, is given by the ordinary advocate to the effect of such a policy on our economic advance. In truth—it is a mere sentiment induced through the common clamor against the imagined evils of concentrated wealth "in the hands of the few." All sorts of estimates would appear as to what a "man ought to have." And there is complete disregard of the fact that an equal division would leave all men "poor."

Just why death, which usually provides for some sort of division of fortunes, should be singled out for the period at point at which further accumulation should cease, and heirs be deprived of legacies above a certain sum, we do not know. Nor do we know where the surplus could go unless to the State. In this event we would establish a form of socialism—and the confiscation of unusual sums by heavy inheritance taxes is already tending in that direction. We discern, however, one gratifying admission in this suggestion to amend the Constitution, and this is that under our present form of Government a man *has* the right to have and to hold all the property, wealth, the "millions," he may acquire by his own exertions in the field of free business. Bolsheviks in Russia are ready for seizure willy nilly.

Now, it is our belief that there are few men who would not like to be millionaires. There are some who would dread the responsibility of caring for so large an ownership. Many would be *satisfied* with less; though few would refuse to have more if honestly acquired. And very, very many men are convinced they cannot acquire such a property, for divers reasons—lack of opportunity, lack of ability, lack of courage in enterprise. But a "million" is set as a goal that represents practically the acme of independence—a sum at which personal enjoyment of life *must* be at its full. And since it is so far beyond the hope of the majority, it has come to be set forth as an attainment which prevents the poor from rising—an evil in itself—one that should be abolished.

Time and again it is shown in rebuttal that this million is not in money, but in capital, and this capital invested in going enterprises that employ labor and afford opportunity. It is rehearsed over and over that the little properties added to the big, by

means of corporate stocks, afford us great industries we could not otherwise possess. It is repeated and re-repeated that there is really no point at which in safeguarding ambition accumulation can stop—and that the man with fifty thousand dollars would want the hundred thousand man to stop at his station. But all this does not seem to stop men from holding up the millionaire as a type to be prohibited by law. From "shirt-sleeves to shirt-sleeves" impresses them not—they just *know* that no man *should be allowed* to accumulate such a sum.

Funny, isn't it, that there should be a law to prevent men from doing what so few are ever liable to do? All these undeveloped resources of ours for the next generation to exploit, all the past progress we have made, where every man had and has his "chance," and yet "the millionaires" are the greatest danger to civilization we have! When the present crop dies confiscate their fortunes—and amend the Constitution so that no more of them can ever infest the country! Is there any envy in this *sentiment* against the accumulation of great wealth—that like a small secret voice whispers, "if you have a million I ought to have one also? And since I have no hope, you should be deprived of opportunity—or, if some of us must be poor let us all be poor together?"

Really, how could we ever have banks, factories, mines, railroads, unless there were somewhere *some* large accumulations of capital? If all had equal possessions mathematics sufficiently proves they must be small—and so small they could not be readily combined. Pass by the dead level of society wherein everybody is poor, by comparison with these "few" millionaires, the utter lack of authority in business undertakings, the apathy and hopelessness of men (and women, now) condemned to poverty, how could we institute and operate our institutions and industries? And for that matter, how could a mythical State under Socialism do so? Why, then, allow this fantasy of equal property accumulation longer to poison our minds?

Oh, but these "few" millionaires control the lives and destinies of the people! Well, suppose this were true, though it is not. Millionaires die, but their "millions" do not. And not one of these rich men but has investments in many stock concerns. They know enough of the uncertainty of millionaires holding on to their invested millions not to carry all their eggs in one basket. But the poor millionaires of yesterday receive no consideration by those who would pull down what is really a house of cards—namely great wealth! Why, these millionaires do not control even the saving and perpetuity of their fortunes. They are just plain men, we may concede ability, leaving out luck, who, adventuring to "make money" in the midst of interacting, self-operating commercial forces, have won, and must continue to operate or lose!

THE SPIRIT OF ECONOMY.

While Congress is wrestling with the problem of lowering taxes it is pertinent to ask how far the people themselves exhibit a spirit of economy. We do not refer to the matter of personal saving. That is being forced upon many by the course of events, by conditions that cannot be escaped. But are the people of this country willing to forego for a time certain "improvements," so-called, that cost money? Let us say, broadly, that we need "better roads."

Can we "get along" without them until we can more easily appropriate funds to build them? Let us say we need "water-ways"; is this the time to expend vast sums to secure them? We approve, in general, the principle and policy involved in certain gigantic plans, but can we not wait a more opportune time, husbanding our resources?

The popular desire, in certain classes, for Utopia may be scotched, but is it killed? The high cost of living may slowly recede in certain productive industries, but is the clamor for Governmental help stilled? There is believed to be a demand for the lessening of expenditures for war, but does it take any definite form? We talk "economy" very loudly, but we think intensively upon "prosperity" that is to come through vast new works we have no money to exploit. Have we really the true spirit of economy? On analysis it is much to be doubted. What does the individual do when the money is gone? Plainly, he must "do without." Just what as a people are we willing to "do without"—that can be by any manner of means be procured by Government?

Suppose we agree that our boasted "progress" shall halt for a few years, what would it mean to us? In the first place, it would mean more work for less pay. Enterprise, or business, if you will, would become more stable, because capital would seek the largest production at the least outlay. And wages would become more certain, because the cost of the use of capital would be reduced and could be more intensively applied. Larger production at less cost would lower prices. The hysteria of sudden riches would correspondingly disappear. We would simply meet conditions with sounder minds and braver hearts. But while we continue to want the most and best of everything, by reason of a feverish activity to "forge ahead," there is no chance for conservatism to work its will.

It is a fact that the burdens of the war are fastened upon us. We cannot escape them. Putting the very best side possible upon it, we must be willing to take some "chance" on peace if we are to practice it—and we cannot practice it without faith in ourselves, and hope in and for humanity. Nor can we "economize" in this ample field until we do have and cultivate faith and hope. No one will dispute that here is our present great opportunity. But of what use to demand of Congress reduction in outlay for army and navy while we continue to talk ultra-preparedness? But even were this done, can we expect to proceed with a brass band on the highway of "better times," as if we were going to a picnic?

We cannot reach the true spirit of economy as a people until we are content to live on the plane of the "simple life." You may say this is pleading for a reduction in the volume of business. In one sense this is true. In a more important one it is not. It does force us to do without many luxuries. This increases the output of essentials. It results in transforming luxuries into taxes. When we have our full of essentials, without feeling the burdens of taxation, we are stable and prosperous. The increase of capital becomes certain in proportion to our constancy in work and trade. Time works its cure. We do not pay high rates to engage in extensions that often carry "business" into fields of loss. Sufficient unto the day is the economy thereof.

Summed up in a single statement, the true spirit of economy demands that the American people must have more self-reliance, must show less dependence upon Government, before we can expect or procure national economy. Take the matter home to any class, any industry, any single "business." Are we willing to respond to tax-need by holding our efforts down to essentials, down to needed service; willing to work harder that we may produce more at less cost; willing to refrain from doubtful profits to insure fixed ones; willing to think economy for the Government as well as talk it? Can we eat our cake and have it? Can we conquer the world on an empty treasury?

SCHEMES TO PUT UNITED STATES BONDS TO PAR.

It is of course not desirable that Liberty bonds should be at a discount, and on Tuesday Congressman Herrick of Oklahoma introduced a bill providing that any holder of a Liberty bond or a United States Certificate of Indebtedness shall receive the full face amount in currency on presentation. The first objection to this is that the Treasury has not the funds to carry it out, and it is not many weeks since the cash bonus scheme was with some difficulty halted for the present by a grim statement of the financial labors which will come before the Treasury within the next few years. Of course no action will be taken on Mr. Herrick's proposal, and it will be speedily forgotten, but his is not the first wild thing of the kind, for in February of 1918 Congressman Cordell Hull, then a member of the House Ways and Means Committee, and the putative author of the income tax law of 1913, introduced a bill for keeping Liberty bonds at par by setting aside a fund equal to 1% of the bonds already authorized and issued, but not to exceed 60 millions, to be used in purchasing in the open market and canceling the bonds "whenever the market price of such bonds falls below the issue price."

"If the true value of these bonds," then said Mr. Hull, "were less than the issue price, in the light of conditions present and prospective, the proposed legislation to prevent depreciation would not be so fully justified; the truth is, however, that in point of safety and a fair return on the investment there is not a more desirable investment anywhere to-day than these bonds, when the tax-exemption privileges are considered." True enough, yet the bonds are lower in market now than they were then, and what is deemed "desirable" depends on many factors. The Victory issues are higher than the Liberties, because of a better interest rate and of their near-maturity date; the same is true of the temporary certificates. An issue of 6s by the city of Paris, maturing October 15 next, has sold in small lots of late at a point or so under par, although nobody doubts that they will be met; presumably, some holders want immediate cash so much that they are willing to take a slight cut. Many considerations other than the faith in redemption at maturity enter into the market price of securities, and "desirability" has many qualifications in the circumstances and minds of sellers and buyers.

If any direct statutory intervention could put up the price of Liberty bonds that might be accomplished forthwith by the other part of Mr. Herrick's proposition, whereby any person or corporation offering to sell the bonds for anything under par shall

be liable to a fine up to \$10,000 for each offense. Incidentally, one might inquire why there should not be a like prohibition of offering to *buy* at any discount, since offers to buy and offers to sell are alike temptations to do an assumed wrong. But Mr. Herrick is not the first to offer foolish propositions to this desirable end, for in August of 1917 a bill actually appeared in the House proposing to make it unlawful for the head of any Executive department, or for any Congressman, to buy or own Liberty bonds. In explanation of this queer proposal, the introducer said he assumed that most Congressmen had patriotically bought some of the bonds, as private citizens had done, but inasmuch as they were convertible into any later issue bearing a higher rate and such a rate was expected, Congressmen might have to vote on a matter in which they were personally interested, and this would embarrass them, would it not? And early in 1918 there was an almost unnoticed news dispatch from Washington, consisting of a single brief sentence: "Compulsory purchase of Liberty bonds by property owners, with the alternative of a pro rata tax on all property to be levied at the time of each loan, is provided in a bill introduced in the House to-day by Representative Green of Iowa."

The limit to the foolishness and childishness of proposed legislation still seems undiscovered, and the lesson of the attempt, more than fifty years ago, to legislate the gold premium out of existence, seems to have been long ago forgotten. The huge volume of the Liberty bonds, notwithstanding the unquestioned certainty that they will be met at maturity and will gradually rise to par as their dates draw near, is one reason why they are depressed now, but only one reason, the competition of other issues at higher rates and the almost profligate handling of Governmental finances in the past being prominent among the others.

Congressmen who really desire to help appreciate the public credit (and with that to improve the credit of many other securities than Governmental) have a clear path before them to take and adhere to. Dismiss to oblivion such reckless schemes as that of a cash bonus; reduce taxation; as indispensable to that reduction cut and cut and still cut down expenses; turn the greater part of the army of tax-eaters into producers; bring business sense and business responsibility into all operations of Government. Then let Government leave private business more alone, while it heals itself.

THE ERIE AND OUTSIDE REPAIR SHOPS.

The labor problem, as respects transportation especially, had a new angle of view presented to public consideration by the action of the Erie in Marion, Ohio, when the Railway Service Company took over, on Monday, the operation of the company's shops and roundhouse in that city. The new company takes a lease of the Erie's property heretofore used for repair purposes, and undertakes to do all repair and like work heretofore done there by the road's own employees. The former workers are offered continuance of employment on the former terms, and they are promised "fair treatment in accordance with the practice of the extensive manufacturing concerns of Marion."

To the men this appears to mean, and according to the prevalent practice in Marion it naturally appears to mean, the open shop; but it also means,

as the men see it, an attempt to escape what they think the friendly but what to the outsider really looks more like a malign influence of the Labor Board. A request has been sent to the head of the railway workers' department of the Federation of Labor that he obtain from the Board a definition of the status of Erie employees who do not accept employment with the new company. The Board, it is announced, promptly took notice of the matter, apparently admitting that it does not clearly come under the Board's jurisdiction, according to the Transportation Act, but dropping a hint that if any disposition to follow this line of escape is shown by railroads generally it may attempt to intervene. But President Underwood disclaims any thought of undertaking private operation, saying that about 600 out of the 1,400 normal shop force have declined to continue employment under existing rules as to physical examinations and necessary occasional work on Sundays and holidays, so that when an association of business men in Marion voluntarily offered to undertake the work the assistance was gladly accepted.

Any power of intervention in such a contingency would apparently be discoverable only by an exercise of inferential interpretation akin to that which, in some cases already pointed out by the "Chronicle," has been lately applied to the Federal Constitution. The company which takes over the Erie's repair work in Marion is not a carrier in any sense, and the Transportation Act aims at and deals with common carriers alone. If it were said that repair work is an indispensable adjunct to common carrying, that is quite true, but building locomotives and cars and making steel rails are equally essential to it, and the list might be extended farther; if whatever is closely related to transportation can be drawn under the cover of a law which clearly did not foresee or intend anything of such sort, where on earth should the impassable line be found?

This question, however, need not be answered now; it can wait. The Service Company is organized by local manufacturers and business men, many of them already in the membership of the Marion Employers' Association, a body where the open shop is held to be the only safe and the ultimately destined rule of industrial work, and it is not reasonably possible to suspect them of anything more or less than a desire to get necessary work done on a feasible basis. The road's management puts this very tersely and admirably when it says that it has long held the belief that "the most favorable results to both the railroad and the community it serves can be best obtained by the fullest co-operation and amalgamation of interests as far as possible." If this be deemed a mere generalization to which nobody can object, how of the following remark that the road "recognizes that its duty to the public and the communities along its line is that of furnishing transportation, and that all the energies of its employees and officers should be directed, as far as possible, solely to this end"?

Certainly nothing can be more indisputable, more fundamental, and more ridiculously simple as well, than this. The sole duty of a common carrier is to carry. The part of a railroad begins and ends with "furnishing transportation." It must employ labor, it must purchase and replace material, it must pay wages, it must do any and every act which forms a part of this service; but it does not itself exist in

order to furnish employment or pay anybody a living wage. Heretofore we have been talked, and threatened, and frightened, into forgetting what railroads are for. All through that long and miserable course of ostensible arbitration of the regularly recurring demand of employees for more wage, the arbitrators put aside, as at once aliunde and ultra vires, the two questions whether the roads could afford to pay any more and whether the current wage rate were not as high as the general industrial market warranted, and considered what the men "ought" to have. Railroads are no more an instrumentality for keeping up the wages of labor than insurance companies are organizations for supplying housing to the people. It would clarify our minds considerably if we would dismiss collateral and incidental uses and concentrate upon the purposes for which carrying and insurance corporations are formed and exist.

How the Labor Board will attempt to deal with this plan of "outside repair shops" (not an absolutely new thing, by the way), and whether any evidence will be suspected of "a concerted plan" by which to slip in some degree from the control of the Board need not be considered now. Yet does not this suggest anew the unnatural and mischievous tendency of all attempts at Governmental or outside intervention in industrial disputes, especially of that worst form of the evil, the attempt to regulate such matters from one central authority? A referee or arbitrator, voluntarily accepted by the parties to a dispute and chosen by them, is a familiar and feasible instrument for avoiding trials in court; to set up an outside body to which the parties to disputes must go, and to which either contestant may drag the other, is a quite different matter.

WARNING AGAINST TAX EVASION—TAX REDUCTION THE SOVEREIGN REMEDY.

Probably the general public hardly noticed a recent Washington press item concerning income tax "experts," yet there is really a warning suggestion in it as to the defectiveness of what is miscalled a "system" of taxation in this country. The dispatch said that the newly inducted Internal Revenue Commissioner, Mr. Blair, had issued a warning against "fake" experts on that subject. Seeing revised legislation in immediate prospect, he thinks these professed experts, if they adhere to their practice in the past, are preparing to offer to taxpayers advice on making up their next tax returns, and so he deems a warning to be timely and proper. The evils resulting from the activity of these practitioners must and will be stamped out, he avers. "Persons who knowingly offer advice or suggestions by which the income tax law may be evaded, and which eventually lead the taxpayer into difficulties with the Government will be dealt with in accordance with the extreme penalties provided by law." During the last 30 days, he added, over forty attorneys and agents for taxpayers had been disbarred from practice before the Treasury; a new system of enrollment for such practice has been adopted, and all applicants must satisfy a committee as to their ability to render to their clients any valuable service; persons appearing for claimants must also produce a power-of-attorney from their principals.

This last-named requirement is ordinary and proper, for proof of authority to appear in the case is a just preliminary; but whether the agent is ca-

pable of rendering the principal any real service is for the principal's own determination, and this proposed inquiry into qualifications resembles the catechising of an applicant for a license to act as broker in insurance as to his ability to handle that subject so as to benefit anybody. In that matter, as in this of tax-collecting, even a benevolent intervention may be pushed too far, since everybody must be allowed the right to select his own lawyer, provided the person employed has not been disbarred for proven misconduct in the past.

Stories appear in the newspapers about tax-dodging. These are usually vague generalizations, but we are told that vast sums are lost to the revenue and the Treasury is periodically just ready to begin a great "drive" by which the delinquents will be rounded up and duly squeezed, all this stuff being greedily received and unhesitatingly believed by the large number of persons to whom the alleged misconduct of the rich seems to be a large cause of the world's troubles. The tone of this announcement from the official whose part it is to collect income taxes carries the implication that persons of large incomes are dodging their just share of tax and are hiring agents of keen wits and dull consciences to teach them how to do it safely. Such an implication, however, is plainly unwarranted. When a man employs a lawyer to draw his will, or to prepare or pass upon a mortgage or some other business instrument, it is not to be inferred that he means to defraud somebody, but that he wants aid in complying with statute and carrying out his own intentions without hazard of interference; men employ lawyers, as they employ physicians, that they may have experienced advice on specialties. Moreover, a large individual or corporate taxpayer cannot afford to spend time upon details, or to do personally what another can be set to do; on the very considerable task of making out income tax returns, lawyers (or professional accountants) are employed for the same reason that stenographers and private secretaries are employed, and the intent is presumably innocent in all these cases alike.

The truth most essential in this matter (and the truth we wish to especially press home) is that such announcements as this from the collecting agency are really a very strong indictment of the income tax as we have it. A moderate, simple, and just tax scheme, expressed in an intelligent and easily comprehended manner, would neither offer temptation and opportunity for dodging nor require so much expert counsel in order to be sure of not robbing one's self by failing to note or understand the allowed exemptions, and, on the other hand, to be sure of not unwittingly becoming subject to heavy penalties. It might be an interesting inquiry (were it practicable) how many "Chronicle" readers have ever read the income tax law from start to finish, and how many of those who have read it conceived that they quite understood it, or even how many did not cast it aside with a half-fear lest further poring over it might unsettle the intellect. As a piece of unjust, involved, verbose and unintelligible statutory chowder, it is certainly the most triumphant success of our day. If its authors had deliberately intended to make it difficult of comprehension and provocative of just wrath, they could hardly have more skillfully done their work. Did they know what they meant to exact? Does anybody know now? Of course, every tax return that

has been filed has been made on an assumption that the party had somehow gone through the mess and reached the end; but that is only assumption, and to expect general concurrence as to any except the simplest cases would be like expecting the doctors to agree on the cause and the cure of rheumatism.

If this seems like unjust or flippant criticism, remember that when this law was first enacted there came almost a flood of pamphlets, carefully compiled and with the most helpful intentions, from various financial institutions and large investment firms, containing digests and summaries of the meaning and also the complete text of the law. The number of these offered aids proves the occasion for them, and still more elaborate treatises were published. Before us is an advertisement of one of these, a 1,600-page manual, entitled, "Income Tax Procedure 1920, Excess Profits Tax Procedure," the author being an attorney and a public accountant. As a special point, he announced that his work covered both the Federal and the New York tax, with "tables for working out both returns together." It was "definite, specific advice in plain English," and it was complete in two volumes for the low price of \$9. Was this offered counsel presumably intended to teach rich persons how to wriggle out of the mess without being caught and duly scalded?

The lately retired Collector of Internal Revenue, "Big Bill" Edwards, once told the newspaper men (so they said) that some business men, to his knowledge, had got aid from their wives in making out their tax returns, which was, of course, not necessarily an unwise thing to do. More remarkable was the story he told of one wealthy surtax target, who made out a schedule of his gross income by items, then inclosed this, together with a check signed in blank, with a line to the effect that he could not fix up the thing, and he wished the Collector would do it for him and then fill out and deposit the check and it would be honored for whatever amount was called for. Was this a bit of sarcasm on the rich man's part, or a confession that he was not an expert at every mundane problem, or just the result of a wish to get rid of the whole matter in the quickest and easiest manner? Perhaps a mixture of all three, but the story is not incredible. For, while we know that responsible business men do not issue checks signed in blank, is not this income tax, when one seriously reflects upon it, practically equivalent to demanding that all persons bad enough to have taxable incomes shall do exactly that thing? To tell the citizen to sign a blank check and mail it, for filling out in the tax office, and to claim and exercise the power to take any or all of the income of every citizen, are not essentially unlike. To thrust a hand into the pocket and extract a man's wallet, and to compel him to extract it and turn it over with his own hand, differ in regularity and courtesy of procedure, but the wallet is taken in either case.

About four years ago the highest court of North Dakota, in an action involving inheritance taxes, announced the extreme doctrine that no relative or legatee has any vested interest in the property left by a deceased person, but that everything rightfully reverts to the State; "the heirs," said this decision, "are purely donees, and take by the bounty of the State," so that they should gratefully receive and never utter a whimper of complaint. Similarly, our income tax laws seem to assume that all incomes belong to the nation and whatever Government re-

frains from taking is by an exercise of grace. Figures of the 1919 tax, now published, do not controvert this, for 65 especially nefarious persons confessed to incomes of a million or more, of which Government "gave" them something over one-third, retaining a little over 99 out of a total of about 152½ millions. Now if this 99 millions had been thus diverted from yachts and other luxurious superfluities, the net effect upon the country's industries and welfare would have been less bad than it really was; but the unhappy fact is that this money is mainly just so much capital forcibly withheld from investment in production and trade instruments, so that it is not merely taken, it is largely and in a multiplying sense wasted. The same is true, on a smaller scale, of the taking from other incomes, down to the smallest which are touched. The number of personal returns filed was only 5,332,760, but the overwhelming majority of the people make a very hurtful mistake in assuming that the "rich" pay it all and they themselves are not hit, so they can chuckle in satisfaction over it. Their satisfaction is unstable based on ignorance of the fact that taxes diffuse themselves and are re-collected again and again, of the whole mass of consumers, this being most true of taxes which largely go off into wastes, as in supporting an army of place-holders who chiefly hold down desk-lids and go out to lunch. The per capita net income in this State, according to the enumerated population in 1920, was \$330.89, and it is a hard and fundamental fact that every one of those mathematical net incomes bore some share in the taxes gathered and again scattered.

Now we talk dislike of taxation, but we do not act it. We squirm and squeal when the thrust reaches us, but we do not resist and resent it. We look on, like unconcerned spectators at a play, when a possible half-dozen billions more as a bonus is talked of in a Senate some of whose members say that will not mean any felt additional tax, as if it were to be gathered out of the breezes or the dew. We receive with half-amused incredulity the accounts of the efforts now being made in Washington for real retrenchment, but we do not openly second them. Tax reduction is impossible without reducing the squander, but we act as if we did not believe it or were not interested enough to keep it in mind and be influenced by it. We wait to see whether Congressmen will really cut down taxation, and how they will manage to do it; we do not tell Congress that it *must* be done somehow. As well expect to go out, uncovered, into the rain and not be wetted as to permit expenditures to continue on the present scale and then expect lighter taxes. Yet we wait upon Congressional action, when we should send a peremptory order for action—for less idle talk and impracticable proposition and some definite procedure for reducing expenses and reducing them not by a few paltry millions, *but by the billions.*

Unpleasant experience is the world's best teacher, and burdensome taxation ought to cure itself by moving its subjects. Is it to prove so, or not? Will the country awake, bestir itself, and issue a mandate which will be self-interpreting?

IS AMERICA GOING UP OR DOWN?

There is an optimism that is supreme folly; it is that which refuses to look facts in the face. And there is a pessimism that may inspire; it is the so-called "pessimism" that demands attention to existing evils.

The "tides in the affairs of men" are unquestionably running heavily to-day, and cross-currents are many and strong. Drifting is easy and easily justified, even for communities and States. Great nations and highly developed civilizations have risen and fallen and disappeared; and there is no reason to think that the experience has ended, or that the human forces then operating have ceased to exist, or have lost their power.

It has been the habit of historical students to regard these forces as chiefly biological and economic, and many interesting facts have been brought to light, though their conclusions have not been held convincing. To-day wider and more satisfying knowledge is sought in anthropological lines; and already we have a group of valuable studies of the forces to be found in humanity itself which are universal and permanent, and which are more immediately effective in the history of the race than those forces which have hitherto been made prominent. The results have been recently presented in a course of lectures given in the Lowell Institute of Boston by Prof. William McDougall of Harvard, and are now gathered in a volume entitled "Is America Safe for Democracy?" published by Scribner.

While recognizing the importance of certain biological facts, like the principles of physical heredity, and what has been adduced by the students of political, economic or social science, he finds that "the social stratification which exists to-day in industrial communities is positively correlated with a corresponding stratification of innate moral and intellectual quality," or, in other words, a far larger number of persons with superior natural endowments is contained in the higher strata of humanity than in the lower. A truth sufficiently obvious, but in its national significance little understood.

Much has been made of the leading characteristics of certain great races, and the influence of the distinctive traits of the three groups into which those who have settled Europe are divided, the Nordic, the Alpine, and the Mediterranean, is readily traced both in their history and the various resulting populations. But these groups are more or less composite, and no one of them gives evidence of power to perpetuate the institutions or the social status it has produced. Whatever forces have created the great civilization in which we live the question is, Will it endure; and is it ascending or declining?

Our author holds that the answer is to be sought in the character of the institutions which a nation possesses, in which the innate mental qualities of the people are revealed, and in the use which at any given time the people make of them. These institutions in our modern civilization are the family, the right of property, individual liberty in the organized state, the rule of law, with the practice of morality and the recognition of religion in worship and the ordering of life. These with the customs and habits connected with them constitute the means and the materials with which our civilization has been created. They are the *mores*, upon which Prof. Sumner of Yale used to lay such stress as the basic materials of society.

Human nature, that is the sum of the various innate impulses and desires which called these institutions and habits into being, does not change, and belongs to the race. The biologists consider it proved that the great instincts common to most of

the higher animals were evolved long before mountain ranges such as the Alps assumed their present form; and they may well survive when all the mountains that we know shall have worn away. The higher elements which appear in man are certainly as enduring. Early descriptions of the moral qualities of the inhabitants of Europe, the Gauls, for instance, which have come down to us from Tacitus, Cæsar and others, correspond to the peculiarities which mark them now, and have played their parts in determining the forms of their art, their customs and their institutions.

The progress of the race and the existence of civilization depend upon the preservation of this institutional inheritance and, more particularly, upon the continuing strength of the moral and mental qualities of the men to whom they belong. As the larger proportion of men so endowed will be found in the upper strata of society the future is in their hands. Individuals will continually arise in the lower strata with exceptional native endowment who will consequently pass up into the class of the leaders. The function of the community will be always to provide every facility for such exceptional individuals; but its chief concern must be to see that the number of special groups who may be expected to be born with the native gifts which make them capable to become the leaders and teachers and inspirers of the community, not only does not diminish in the increase of the population, but that they appreciate their responsibility and fit themselves for their task.

Just here is where the situation arises which marks our peril to-day. It is so real that our author opens his book with this sentence: "As I watch the American nation speeding gaily, with invincible optimism, down the road to destruction, I seem to be contemplating the greatest tragedy in the history of mankind."

The justification of this statement is the purpose of his book. It lies in two directions; the men and women upon whom the responsibility rests are not fulfilling their task; and meanwhile their number proportional to the growth of the population is rapidly diminishing. The wide diffusion of wealth, the growth of luxury and the breaking up of established habits, with the recklessness incident to the war, have spread a spirit of irresponsibility. While in connection with the increase of luxury the development of the physical sciences which has brought to man's use innumerable newly mastered forces of nature available for his advantage, and the growing complexity of modern life combine to absorb the attention of successful men and make them indifferent to the welfare of the State. To succeed, they say, their business must have all their time. The character of the public men who find it so easy to win control and perpetuate themselves in office is an illustration; and the confusion in the minds of the public as to what ought or ought not to be tolerated in the customs of society as it exists to-day is another.

Even more important, if that is possible, is the feeble birth-rate among the well-to-do and the well educated, compared with the fecundity of the less favored groups. Here the facts are presented in eloquent tables and in convincing variety and extent. We can only give a few.

We start with the fact that no one can as yet fully appreciate the terrible destruction wrought by the

war among the younger of the abler class in every nation that was involved. Multitudes of children to be born in these nations will have fathers of a class distinctly lower in virility and capacity than would have been the case apart from the war. The application of the new doctrine of eugenics is distinctly limited; and it already begins to appear that the widely heralded birth-control not only does not reach the lower classes, where large families prevail, but is increasing the restriction of children among the well-to-do, where bachelor maids and bachelor men were already over abundant.

Meanwhile the social ladder which enables men easily to pass up and down the social scale, and must be provided if talent is to find due scope, and natural leaders in every form of activity are to arise, is lifting the better material in the lower classes into the class where children are few. The towns are having a similar influence in drawing the best element away from the rural districts and likewise putting them in conditions where small families are the rule.

The widely recognized fact is that the upper strata of society have become relatively infertile, and do not sustain their own ranks, whatever the cause, whether late marriage, celibacy, intentional restriction of parentage, or still others. Meanwhile the lowest strata continue to breed at a normal rate, and, as a matter of fact, the birth rate is highest among the actual mental defectives.

For further particulars we must refer our readers to the book itself, limiting ourselves to quoting a single statement: "At the present rate of reproduction 1,000 graduates of Harvard College will have only 50 descendants 200 years hence. On the other hand, recent immigrants and the less effective descendants of the earlier immigrants will continue to have large families, so that from 1,000 Rumanians now in Boston, at the present rate of breeding, will come 100,000 after the same space of time." This from "one of the highest authorities on these matters."

"The Harvard graduate has on the average seven-tenths of a son, the Vassar graduate one-half a daughter" (Prof. J. McK. Cattell). "The prolific quarter of the population of Great Britain produces 50% of the children of each generation" (Prof. K. Pearson).

The prominent features of our American life to-day seem to unite to accelerate the movement toward the attainment of the climax of our progress and the subsequent decline, all save one. That one is the increasing knowledge of human nature and human society and of the condition which make for its flourishing. Keen workers, investigators, educators and sociologists are increasing and spreading this knowledge, and there is a strong general tendency to accepting and applying it.

Herein, our author believes, lies the hope of the future. It is virtually a new factor in history. It furnishes the test by which every wide measure of social legislation, every social custom and institution must be appraised. Prohibition, immigration, marriage and divorce, educational systems, the relation of labor and capital, State interference with personal liberty, the distribution of population between town and country, the type of the city, all have a profound effect upon the quality of the inhabitants.

Most important of all is the acceptance of individual responsibility in all these matters in their relation to the public, and the clear realization of the actual situation. The future will be determined by the sum of the individual choices and conduct as these are made to-day. The situation would be hopeless, on the basis of the analysis of this author, were it not for the enthusiasm with which so many of our young people, especially those coming out of our colleges and universities, are devoting themselves to public service, not only studying the great social problems, but eager to have some part in solving them.

CANADIAN MUNICIPALITIES AND THE METHOD OF COMPUTING THEIR DEBTS.

Ottawa, Canada, Aug. 19 1921.

For some months past a rather clarifying form of discussion has been proceeding between the organized bond dealers of Eastern Canada and representatives of prairie province municipalities. The points at issue are of such interest and importance that the daily press has joined in the controversy, and finance commissioners of the criticised administrations have added their bit to the sum of fiscal theory. Since the failure of a few Western towns to pay bond interest, and the refusal of the Provincial Governments to stand the loss, a general criticism has been made concerning the proper method of estimating the solvency of an organized community.

It was contended by certain of the Toronto bond houses that if a city's gross debt per capita is within reasonable bounds the city's position may be taken as sound. As a matter of fact, very many of the summaries of municipal finances in this country deal only in figures of gross debt. Now come the leaders of the prairie province municipalities, demanding that in their cases municipal ownership and operation of utilities has proceeded rapidly and that the listing of gross debt for paying utilities gives the investor erroneous information. One city, they argue, may have a source of revenue from its capital investments, with a flourishing sinking fund; a neighboring city may have no utilities, or have put its funds into losing ventures, with a starved sinking fund, but in too many instances the distant investor is not given this data on which to found his opinion. The city of Edmonton, capital of Alberta, for example, has a very high per capita gross debt, but makes money from its utilities, and its finance commissioner asserts that these utilities could be sold any day to a private company for the money invested less the sinking fund and depreciation already raised.

On the other hand, the cardinal mistake of many Western towns has been the investment of bond money in local improvements, which oftentimes had no prospect whatever of giving a return in taxes. Municipal ownership has caused trouble for the Western bond holder at times, it is true, but the commonest manacle on the treasury of the overnight town is excessive investment in pavements, sewers and roads. Unlike the successful municipal railway, which is a liquid and tangible asset, the local improvement debt is a definite liability.

Underlying the controversy as to whether a comparison of municipal gross debts per capita is fair to the municipality or the investor is the fact that no uniform method of computing a financial state-

ment has yet been worked out by Canadian local governments, so that the bond dealer and his clients have to use a clumsy and inaccurate basis of comparison. This constitutes one of the reforms which undoubtedly will be brought about in the near future through enactments of the Provincial Governments.

FOREIGN TRADE OF UNITED STATES IN 1920-21.

We have awaited the receipt of full details before reviewing the foreign trade figures for the fiscal year ending June 30. A not unexpected development of that year was an important decrease on both the export and import sides of the account, in the value of the foreign trade of the United States, leaving the export total, nevertheless, the heaviest of any twelve months period prior to 1918-19, and the import total second only to 1919-20. We say a not unexpected development because with the war in Europe at an end a long time before and urgent necessities for some commodities and supplies a thing of the past, it was certain the high prices prevailing could not be maintained and that consequently the aggregate value of the exports would necessarily fall off. For a time, as it happened, fulfillment of expectations in that regard was delayed in the face of depression in trade both here and abroad and the accompanying gradual deflation in prices of many classes of goods, the outward and inward movements of commodities both continuing of very full volume for several months, furnishing, in each case, for the half year ended Dec. 31 new high record aggregates for the period. Thereafter, however, the totals, month by month, exhibited a more or less marked shrinkage from recent earlier years and a final outcome as indicated above. At the same time, as the falling off in imports in the late year was almost as heavy as in exports, the favorable balance of trade shows only a very moderate decline as compared with that built up in 1919-20, although dropping decidedly below the net credit that accrued to us in 1918-19, when the gain in trade was almost wholly on the export side.

We have referred above to deflation as a factor in our foreign trade in 1920-21 and, without attempting to definitely determine its potency, it is interesting to follow its course in a general way and point out its effect in specific instances. For many articles of export the zenith in prices was reached in the closing month of the fiscal year 1919-20, or a little earlier. This is true of such commodities as corn, rice, coffee, cotton, most fruits, leather, the majority of items in the meat and dairy products schedule, naval stores, and a large number of articles of lesser prominence in our foreign trade. Wheat and flour, however, did not reach the top until a little later, the same is true of copper, the general run of cotton goods, tobacco, some classes of wood and iron and steel, while in a number of other articles the drop has been inappreciable. Still, taking commodities as a whole, the price basis now is well below what it was a year ago and has, therefore, been a considerable factor in the contraction in the value of the year's merchandise outflow, although quantitative decrease has also in many cases contributed to the same end. Indicating specifically the decline that has occurred in some commodities within the year we note that the official export price of cotton in June 1920 was 40.8 cents

per pound and at the same time this year 12.1 cents. During the same interval the recession in corn was from \$1 94 per bushel to 75.2c; rice, 11.8c. per pound to 3c.; wheat, \$2 92 per bushel to \$1 58; flour, \$11 42 per barrel to \$7 14; copper, 19.8c. per pound to 13.3c; sole leather, 53.5c. to 39.2c.; leaf tobacco, 57.2c. to 30c.; cotton goods reduced about one-half generally, provisions noticeably lower as a rule, and dairy products, vegetables and fruits likewise.

The most striking shrinkage in the value of exports of a commodity in the late fiscal year was in cotton, due to the very decided decline in price. In fact, while the quantitative outflow was some 20% less than in 1919-20, the value fell over 56%. We have to note, furthermore, that despite gains in quantitative efflux there was a falling off in value in oleo oil, lard, spirits, turpentine, cottonseed oil, fertilizers, linseed cake and meal and many other articles as well, while instances of an increase in value in face of a lesser quantity sent out are practically confined to a few commodities such as tin plate, crude oil, illuminating oil, salt and pine wood. Passing further comment along these lines, it is to be stated that breadstuffs shipments for the 12 months of 1920-21, reflecting a very large increase in the outflow of wheat, were 263 million dollars greater than those of 1919-20; but meat and dairy products exhibit a drop of 368 millions, and cotton 781 millions. In mineral oils, however, a gain of 109 million dollars is indicated. Other losses of more or less importance were in leaf tobacco, 35 millions; cotton manufactures, 124 millions; leather and manufactures, 193 millions; fruits, 50 millions; vegetable oils, 58 millions; copper, 59 millions; chemicals, 48 millions; fish, 23 millions; sugar, 88 millions; cars for railways, 27 millions; wool manufactures, 35 millions, and (in amounts running from 2 to 20 millions) confectionery, rubber tires, naval stores, oil cake and meal, glucose, hides, furs and fur skins, wood and manufactures, tobacco manufactures, paints, paraffin, hops, eggs, photographic goods, corn starch, malt, automobiles and parts, seeds, fertilizers, vegetables, coffee and miscellaneous vehicles. With such a formidable list of decreases there is no difficulty in realizing that the general decline has been 1,592 million dollars even though there were noteworthy increases in a few articles such as coal, 180 millions; iron and steel manufactures, 105 millions; electrical machinery, 32 millions; explosives, 18 millions, and smaller amounts in agricultural instruments, brass, coke, earthen stone and chinaware and paper.

Reference already made to prices in this article has had to do with the comparison of the level at specific times—June 1920 and 1921—and not with the averages for the fiscal years, as disclosed by the official export totals. These latter, however, while not showing such radical differences, reflect in no uncertain way the downward trend of prices. From the returns for the twelve months we find that the average export price of raw cotton in 1920-21 was only 21.4c. per lb., against 38.9c. in 1919-20; of rice, 4 $\frac{3}{8}$ c., against 10 $\frac{1}{2}$ c.; hides and skins, 18 2-3c., against 44c.; sole leather, 44.3c., against 49.4c., and a similar comparison for sugar is between 7 $\frac{1}{2}$ c. and 9c.; butter, 45.9c. and 57c.; cheese, 26.7c. and 33c.; copper, 16c. and 20.6c.; barley, per bushel, \$1 23 and \$1 56; corn, 90c. and \$1 65; wheat, \$2 35 and \$2 50; flour, per barrel, \$9 55 and \$11 11; fertilizers, per ton, \$21 75 and \$29 44; boots and shoes, per pair, \$3 53 and \$3 85; rosin, per barrel,

\$11 82 and \$18 80; spirits of turpentine, per gallon, \$1 16 and \$1 49; calf upper leather, per square foot, 51c. and 76c.; kid, 50c. and 64½c.; apples, per barrel, \$7 and \$9 10; all dried fruit, except raisins, lower, and the same is true of provisions, oil cake, vegetable oils and many other articles of lesser prominence. Coal, on the other hand, ruled higher at \$10 38 per ton for anthracite against \$8 62, and bituminous \$8 77 against \$5 76. Tobacco, too, belongs in the same category at 49¼c. per lb., against 42 1-3c., as also cement, most items in the iron and steel schedules, mineral oils and some varieties of chemicals and lumber.

One noteworthy change in our foreign outward trade in 1920-21 was the decreasing prominence of Europe therein. In the past our shipments in that direction have made up much the greater part of the export total, standing at 60% or over for a series of years prior to the war, and advancing to 70% or more during 1914-15, 1915-16 and 1916-17. The proportion receded somewhat in the next two years, however, and went down to 60% in 1919-20, while for the fiscal year just closed the European percentage has dropped very close to 50. And this serves to draw attention to the immense expansion made in recent times in our trade with other quarters of the globe, and especially since the war in Europe furnished the opportunity which the United States was not slow in grasping. Only ten years ago—in 1910-11—our exports to all countries outside of Europe reached a value of only 749 million dollars, but, advancing quite steadily, had risen to 1,334 millions in 1915-16 and to 1,966 millions in 1916-17. High prices assisting, the 2,000 million mark was crossed in 1917-18, the 2,500 million line in 1918-19, and the total reached no less than 3,245 millions in 1919-20. In 1920-21, with the grand total showing a contraction of 1,592 millions, the decline in this particular portion of it was but 137 millions. As regards our trade with Europe in 1920-21, the most striking losses are shown in the shipments to the United Kingdom, France and Belgium. On the other hand, with more or less amicable relations restored, we have to note a decided increase in the outflow to Germany. For the twelve months of the fiscal year 1920-21, it is to be pointed out that the exports of goods to Germany, in fact, rose from a value of 202 million dollars in 1919-20 to 382 millions. Contrariwise, the shipments to Denmark fell from 125 to 63 millions; Belgium, from 317 to 184 millions; France, from 717 to 432 millions; Italy, from 397 to 302 millions; Greece, from 49 to 38 millions; Norway, 115 to 58 millions; Russia, 65 to 17 millions; Sweden, 129 to 77 millions; United Kingdom, 2,151 to 1,326 millions; Turkey, 30 to 19 millions and Japan 453 to 189 millions. As against these decreases, we have gains in Cuba from 396 to 403 millions; South America, as a whole, 491 to 523 millions; China, 120 to 138 millions; the East Indies, 127 to 165 millions; and Africa, 128 to 134 millions. Sufficient to offset to only a moderate extent the large falling off elsewhere, but at the same time indicative of continued expansion of our trade in the newer fields.

For the purpose of denoting the changes in the foreign trade totals, we subjoin a compilation showing the imports, exports and balances of merchandise, month by month, and quarter by quarter, and quarterly aggregates of gold and silver for the last two fiscal years:

FOREIGN TRADE MOVEMENT IN 1919-20 AND 1920-21.

	1919-20		1920-21	
	Exports	Imports	Exports	Imports
Mds.—July	\$508,687,315	\$243,746,070	\$571,118,971	\$224,941,445
August	646,054,429	307,243,077	651,138,478	314,017,507
September	595,214,296	338,761,347	513,111,488	305,071,293
October	\$1,609,053,306	\$1,088,487,895	\$1,834,005,398	\$1,413,590,760
November	\$1,498,985,306	\$1,304,617,179	\$1,504,194,344	\$1,317,375,196
December	128,913,011	5,898,612	123,104,389	63,988,055
Total first quarter	\$1,073,808,182	\$1,113,691,124	\$1,194,452,859	\$1,505,242,695
Second quarter	\$1,015,549,349	\$1,310,219,229	\$1,171,534,310	\$1,303,209,055
Third quarter	\$1,404,067,602	\$1,330,319,817	\$1,504,339,055	\$1,317,375,196
Fourth quarter	681,143,999	380,710,333	720,286,774	206,107,443
Total	\$2,053,048,033	\$1,207,365,745	\$2,148,026,455	\$1,227,564,199
Mds.—second quarter	\$1,916,957,210	\$1,350,803,210	\$2,054,567,824	\$1,439,374,236
Gold, second quarter	142,286,725	20,280,431	62,869,253	15,811,926
Total, second quarter	\$2,257,224,405	\$1,353,072,009	\$2,228,819,135	\$1,153,336,894
Mds.—January	\$222,093,790	\$478,823,869	\$283,239,621	\$46,271,423
February	645,144,223	\$67,402,357	486,281,597	208,796,989
March	\$19,596,997	\$29,369,256	\$29,680,939	\$24,362,980
Total, third quarter	\$2,187,837,010	\$575,595,482	\$839,202,217	\$177,431,392
Mds.—second quarter	\$2,187,837,010	\$575,595,482	\$839,202,217	\$177,431,392
Gold, second quarter	137,889,835	33,476,133	104,413,702	13,569,043
Total, second quarter	\$2,325,726,845	\$609,071,615	\$943,615,919	\$190,990,435
Mds.—April	\$2,379,098,233	\$1,329,354,796	\$3,158,330,884	\$1,072,482,241
May	\$684,319,362	\$49,738,571	\$1,188,580,821	\$40,474,434
June	745,228,223	\$31,004,914	\$1,144,562,597	\$15,751,917
Total, fourth quarter	\$3,808,645,818	\$1,390,098,281	\$5,487,474,302	\$1,528,687,592
Mds.—first quarter	\$2,059,219,372	\$1,479,349,040	\$2,721,615,627	\$1,528,687,592
Second quarter	\$2,721,615,627	\$1,528,687,592	\$3,158,330,884	\$1,072,482,241
Third quarter	\$2,325,726,845	\$609,071,615	\$2,325,726,845	\$609,071,615
Fourth quarter	\$3,808,645,818	\$1,390,098,281	\$5,487,474,302	\$1,528,687,592
Total	\$12,923,338,012	\$8,270,268,521	\$14,700,000,000	\$8,270,268,521

* Excess of Imports.

The total value of the merchandise exports for the fiscal year 1920-21, it will be observed, was only \$6,516,324,146, as against the high record aggregate of \$8,108,988,663 for 1919-20, and \$7,232,282,686 for 1918-19. The decline from a year ago is, of course, heavy, but at the same time the sum of the twelve months' exports is still over 4 billion dollars in excess of the heaviest pre-war total—that of 1912-13. Much of this gain naturally finds its explanation in the higher prices now prevailing, as compared with these earlier years, but the recent expansion in the value of our trade with Latin America, Asia, other than Japan, and Africa has been so great as to leave a good margin of quantitative increase after allowing therefor. The imports of 1920-21, at \$3,654,449,430, also exhibit a decided decrease from 1919-20, comparison being with the peak total of \$5,238,352,114, but there is an increase of 559 millions over 1918-19. The balance of exports in the latest fiscal year was, nevertheless, but little smaller than a year earlier, although very much below two years ago, and quite well under 1916-17, \$2,861,874,716 contrasting with \$2,870,636,549 and \$4,136,562,618 and \$3,630,693,209. The total foreign trade of the country (imports and exports combined) was in 1920-21 a little over 10 billion dollars (\$10,170,773,576), against no less than \$13,347,340,777 in 1919-20 but comparing with only 3,576 millions a decade ago.

While lower prices were a contributing factor in the decrease in the value of the imports, as in the exports, the chief cause of the contraction in the import total was the falling off in quantity in many commodities. In illustration we would draw attention to the drop in the inflow of such leading items as hides and skins of some 446 million pounds. India rubber 276 million pounds, raw cotton 220 million pounds, soya bean oil 147 million pounds, wool, undressed furs and cocoa each about 100 million

pounds, hemp, &c., 44,000 tons and smaller but important losses in coffee, copper, fish, tin, tobacco, nuts, millinery materials, &c. As against these decreases there were no quantitative gains worthy of special mention aside from the expansion in the imports of wheat from Canada and crude oil from Mexico. Analyzing the data for the twelve months by values we note a few exceptions to the quite general rule in that due to the higher average price paid, sugar imports show a loss of only 23 million dollars, with quantity quite a little decreased. Imports of sugar from Cuba, our chief source of supply, decreased materially, but the shortage was in great measure offset by shipments sent here from Hawaii, Philippine Islands, South America, &c., when prices ruled very high. A proportionately greater increase in value than in quantity also occurred in crude oil, wood pulp and printing paper. The decreases are in many instances strikingly heavy. The list comprises raw silk, 256 millions, hides and skins 210 millions, India rubber 162 millions, wool 135 millions, coffee 134 millions, raw cotton 112 millions, vegetable oils 87 millions, diamonds and other precious stones 72 millions, furs and fur skins 62 millions, seeds 58 millions, fibers and manufactures 60 millions, cocoa 42 millions, fruits and nuts 40 millions, silk manufacturers 32 millions, tin 31 millions, and in addition animals, chemicals, copper, fertilizers, fish, hats and bonnets, leather and manufactures, tea and vegetables in amounts ranging from 6 to 20 million dollars. Many of these items, if not all, showed large increases in 1919-20 over 1918-19.

The gold movement of the twelve months was very appreciably heavier than in either of the three preceding fiscal years, but was quite a little smaller than in 1916-17. It netted, however, a considerable gain to the United States. July and August 1920 showed small net exports, but in each month thereafter the inflow exceeded the outflow, and largely so in most instances. In the final month the imports reached \$43,842,126, with exports of only \$773,603, leaving a net influx of \$43,068,523. For the twelve months of 1920-21 the aggregate of imports was \$646,139,948, of which there came from Great Britain direct about 315 million dollars, from Canada 29 millions, France 123 millions, Sweden 44 millions, the Netherlands 17 millions, the Far East 75 millions, South America 21 millions, and Mexico and the West Indies 11 millions. The gold exports were \$133,537,902, of which approximately 92 millions went to Japan, 12 millions to China, 9 millions to Hong Kong, 4 millions to Canada and 3 millions to Mexico. The net influx of the metal at \$512,602,046 compares with an adverse or export balance of \$315,880,406 the preceding year, \$54,211,802 in 1918-19 and \$66,438,741 in 1917-18, but with net imports of no less than \$685,254,801 in 1916-17 and import balances also, though much less in amount, in the two previous years. In the seven years since the breaking out of the war in Europe, our net gold imports have reached the stupendous total of \$1,190,086,258. Exports of silver for the twelve months were much less than in any recent preceding year, having reached only \$52,536,171, of which 15½ millions to China, 13 millions to Hong Kong and 9 millions to Great Britain. Against this there were imports of \$59,432,631, Mexico contributing 36 millions and South America 12 millions. The net silver inflow for the year was, consequently, \$6,896,460, which contrasts with a net efflux of \$76,137,226 in 1919-20 and of \$222,349,284 in 1918-19.

RAILROAD GROSS AND NET EARNINGS FOR THE SIX MONTHS ENDING JUNE 30.

In reviewing the earnings of United States railroads for the first half of the current calendar year, the feature which stands out with commanding pre-eminence is that the country's rail carriers during this period made substantial progress towards better results from their conduct of the transportation business. The conditions were exceedingly trying—in some respects more trying even than in the year or two immediately preceding, when the roads were called upon to endure hardships which it was supposed would never again be repeated. Two main difficulties confronted them. On the one hand intense business depression prevailed, involving a tremendous shrinkage in the volume of traffic moved over the roads and preventing them from getting the benefit of the advances in rates authorized the previous July and put in force in August, and which were intended to place them once more on a satisfactory income basis. On the other hand, their expenses were running very heavy by reason of the further big boost in wages made by the United States Railroad Labor Board the previous summer, and also by reason of unfavorable labor conditions—conditions destructive of economy of operations and efficiency of management—inherited from the period of Government administration of the roads.

The business depression with its resulting loss of traffic was beyond the control of the managers of the roads and accordingly their efforts had to be directed towards cutting down the expenses. We shall presently see how difficult this was. The effects of the shrinkage in traffic are seen in a falling off of \$67,476,090 in the gross earnings for the half-year as compared with the first six months of 1920, notwithstanding the much higher rates in force in accordance with the authority granted the previous summer as already mentioned. These rate advances were of large proportions, the roads in Eastern territory having been granted authority to raise their freight rates 40% (on top of previous advances), those in the Southern and the Mountain Pacific groups 25%, and those in the Western group 35%, besides which the carriers received permission to advance passenger fares 20%, Pullman rates 50%, and excess baggage and milk rates 20%. It was estimated at the time that these rate increases were authorized that they would add \$1,500,000,000 to the annual gross revenues of the roads, or \$125,000,000 per month. This estimate was predicated on the idea, of course, that the volume of traffic would be maintained on the 1920 level. That it was not maintained is evident from the fact that instead of the \$750,000,000 increase in gross earnings for the six months on that basis, we have now an actual falling off in the gross earnings, according to the tabulations appearing further below, of \$67,476,090, and the wide disparity in these two results attests the severity of the depression through which the country is passing.

With gross earnings declining when large gains had been counted upon, the necessity for getting control of the expenses with the view of effecting drastic reductions became all the more imperative, and here a large measure of success attended the efforts of the managers. There would obviously have been a heavy augmentation in the expenses had the volume of traffic been maintained at the old level. The wage award of 1920, it had been figured,

would add (on the same volume of traffic) not less than \$600,000,000 to the annual payroll of the roads, or, say, \$300,000,000 for the half-year. Instead our tables show a reduction in expenses in amount of \$209,284,120. The falling off in traffic, with the decrease in the force of employees required to handle it, was of course one factor in the reduction in expenses—and a very important one. But in addition operating efficiency was practiced in every direction. The managers discerned very early in the year that with gross earnings receding and costs of operations continuing high, aided by the further increases in wages made by the Labor Board, there was danger of general insolvency unless expenses were taken actively in hand. They sought, of course, to avert such a catastrophe and succeeded in the effort, even though handicapped by the rulings of the Labor Board and the hostility and opposition of the employees.

The carriers sought to have the so-called national agreements put into effect during the period of Government control and continued in force by the Labor Board (pending further consideration of the question) abrogated. These national agreements prescribed uniform scales of wages at high figures all over the country and also embodied working conditions which added still further to the cost of operations. The railroads wanted these national agreements abolished so that they could avail of the much lower wage rate for common labor prevailing in the respective localities of the different roads. But the Labor Board would not listen to suggestions of this kind. The situation rapidly getting desperate, a great many of the carriers then undertook to make wage reductions on their own account without consulting the Labor Board. Again the Labor Board intervened and prevented the carrying out of the movement. The Board said this could not be done without its consent except on agreement with the employees themselves, and of course the employees would not and did not agree. The Erie arranged to reduce wages in this way at the very beginning of February, and the Pennsylvania, the New York Central, the New Haven and numerous other roads undertook to make reductions in March, but in all cases the move was thwarted by the Labor Board and non-agreement of the employees.

On April 14, however, the Railroad Labor Board promulgated an order providing for the abrogation of the national agreements for the hiring of unskilled labor, but did not make the order effective until July 1. Under the order each carrier was left free to settle with its own employees beforehand so much of the rules question as could be agreed upon between them. The decision affected all railroad employees except those in the train service, these latter being under separate agreements between the individual railroads and the four big brotherhoods. Unfortunately few roads found it possible to reach agreements with their own employees and accordingly on June 28, the Labor Board issued an order providing for the further continuance of the national agreements until the Board could announce its own conclusions with reference to the agreements.

Late on May 17, there came quite unexpectedly an announcement from the Labor Board with reference to the appeals which had been made to the Board to authorize wage reduction in view of the decreases in wages in other fields and the reduction in the cost of living. The announcement was to the

effect that "prevailing conditions justify to an extent yet to be determined a readjustment downward of the wages of the employees of the carriers which are parties to the disputes already heard by the Board." But it appeared that there was to be further delay in putting the wage reductions in effect. Nevertheless the resolutions adopted by the Board, embodying the announcement referred to, were exceedingly broad in their scope and made it apparent that by the beginning of the second half of the year wage reductions for all classes of railroad employees could be obtained by the carriers if they chose to avail of the opportunity offered instead of obtaining reductions merely in the case of common labor and men in the shop crafts to which the hearings had been confined up to the date of the announcement.

The resolutions pointed out that the Board had now heard the evidence and arguments of both parties to all disputes filed and docketed prior to April 18 1921, but that since that date a large number of applications for decisions on similar disputes had been filed, and there were reasonable grounds for believing that still other applications were about to be filed, and then went on to declare that the Board would on June 1 1921 announce its decision covering the disputes as to wages theretofore heard by the Board, to become effective July 1 1921, and furthermore resolved: "That Monday, June 6 1921, be set as the date when this Board will hear the representatives of the parties to disputes filed since April 18 1921, or which may yet be filed and docketed prior to June 6, it being the purpose of the Railroad Labor Board to make its decision of the disputes heard June 6 1921 effective July 1 1921."

The carriers were not slow in taking advantage of the latitude here allowed of bringing other classes of railroad employees within the purview of the Board, and obtain quick action on the same, and filed the necessary applications to that end where they had not previously done so. On May 31 the Railroad Labor Board announced the extent of the wage reductions in the cases already heard, and it appeared that the decrease averaged 12%, involving a saving in the annual payroll of the carriers of about \$400,000,000.

It is evident from the foregoing that in the half year covered by our present tabulations the carriers received no benefit from the wage decreases authorized by the Labor Board nor from the modifications and changes in the National agreements. They nevertheless got gradual control over their expense accounts. Efficiency of operations was promoted through the restoration of discipline among the employees and by the weeding out of the weak and the incompetent, this being possible because of the large number of idle railroad employees owing to business depression. All this contributed to important reductions in expenses, besides which of course expenses naturally contracted with the shrinkage in the volume of traffic handled. Doubtless, also, maintenance work was carried no further than was absolutely necessary. In addition certain exceptional conditions that had added greatly to the expense account in 1920 were not repeated in 1921. It is in these various ways that a reduction in the operating expenses of \$209,284,120 was effected when if the volume of traffic had not diminished the increase in the labor bill alone for the six months would have caused an addition of \$300,000,000. The final result therefore is that though gross earnings for the

half year were reduced in amount of \$67,476,090, the saving of \$209,284,120 in the operating expenses brought an increase in the net earnings (before the deduction of taxes) of \$141,808,030 or nearly 84%. The comparative totals for the two years are as follows:

Jan. 1 to June 30 (202 roads).	1921.	1920.	Inc. (+) or Dec. (-)
Miles of road.....	235,484	234,723	+761 00.32%
Gross earnings.....	\$2,671,360,048	\$2,738,845,138	-\$67,476,090 2.46%
Operating expenses.....	2,330,478,683	2,569,762,803	-209,284,120 8.14%
Net earnings.....	\$310,890,365	\$169,082,335	+\$141,808,030 83.87%

While the improvement in net earnings here disclosed is extremely gratifying in revealing such marked progress in the right direction, it should not be forgotten that comparison is with very poor totals in the preceding year. There is only one particular in which the roads had an advantage in 1921 which they did not have in 1920. We have reference to the extremely mild winter weather which prevailed. In that respect, indeed, the winter of 1921 was quite unique. In this city the temperature on Feb. 16 reached 63 degrees, a high record for that date. At Chicago the thermometer on the same day registered 64 degrees, and several Middle Western cities reported one of the warmest February days on record. On Feb. 18, however, intelligence was received that a cold wave was on its way from the Northwest. Winnipeg, Manitoba, wired on the same day that a big blizzard was sweeping over the territory and that the Canadian Northwest was virtually cut off for the time being from wire and railroad communication with the rest of the world. This storm reached New York Saturday night, Feb. 19 (just about midnight), and in the ensuing twenty-four hours New York City suffered from an exceptionally heavy fall of snow—the fall reaching a depth of 12½ inches, making it one of the notable storms on record, though it could hardly be denominated a blizzard, since the thermometer did not go below 22 degrees and the wind was not very high. Prior to this storm there had been absolute freedom from snow—at least as far as this city was concerned—and the people had been blessed with really genial weather. As the snowfall was so heavy it took a few days (with the aid of the Street Cleaning Department) to recover from the effects. In a sudden cold wave the thermometer on Feb. 25 dropped to 11 degrees above zero, but this was quickly followed by warm weather again, and on Sunday, Feb. 27, an unusually heavy and prolonged fall of rain washed away the remnants of the great storm of the previous Sunday. Barring these relatively trifling exceptions, there was scarcely any manifestation of winter.

In 1920, on the other hand, the winter was an unusually severe one. Not only that, but so many other adverse influences and conditions existed at the time, all combining to cut down the net, that in our review of the earnings for this half-year period we were prompted to say that it was not likely that we would ever be called upon to record a poorer statement of net earnings of United States railroads for any period of six months than that for the first half of 1920. Rising costs of operation—induced by wage increases, advancing prices for material, fuel, supplies and everything else entering into the operating accounts of the railroads, and by heavy extra expenses arising out of special unfavorable circumstances of one kind or another—it was stated had been a feature of railroad affairs for many years, but in 1920 the movement, unquestionably, might be said to have reached its climax and its apex, many of the roads failing to earn bare operating

expenses. In February and a part of March of that year (and in lesser degree the latter part of January) the severity of the winter weather experienced was an adverse influence of large moment. On account of the depth of the snow over large areas embargoes had to be placed on traffic and altogether the conditions under which transportation had to be carried on were quite unusual. The situation greatly improved in that particular the latter part of March, but in April new difficulties appeared that served further to add to the unhappy lot of the railroad manager. It was during April last year that the "outlaw" strike which had such a paralyzing effect on railroad traffic and railroad transportation originated. The freight situation continued extremely bad throughout April—in fact grew steadily worse and eventually became so desperate that the next month (May 20), on the recommendation of the railway executives themselves, the Inter-State Commerce Commission exercised the emergency powers granted to it under the new Transportation Act and undertook to regulate the distribution of cars without regard to ownership. Altogether the result of this array of unfavorable influences on earnings in the first half of 1920 was that as against a gain in gross earnings of \$358,015,357 our compilations showed an addition to expenses of no less than \$425,461,941, leaving the net diminished in amount of \$67,446,584.

It should be noted, furthermore, that the falling off in net in 1920 was merely one of a long series of losses in net. In the first six months of 1919 the higher rates then in force (as compared with 1918) for the transportation of passengers and freight barely sufficed to meet the great rise in expenses; our compilations then showed \$265,635,870 addition to gross earnings, with a coincident increase in expenses of \$265,952,855, leaving net slightly smaller, namely by \$316,985. In the preceding two years the results were even worse, huge increases in expenses acting to cause heavy losses in the net. For instance, in 1918 the addition to expenses (over 1917) reached the prodigious sum of \$457,054,265, or about 34%, with the result that a gain of \$181,848,682 in gross was turned into a loss of no less than \$275,205,583 in the net, or over 50%. Not only that, but in 1917 a gain of \$205,066,407 in gross was concurrent with an addition of \$212,222,155 to expenses, leaving a loss of \$7,155,748 in net. For the four years combined (1920, 1919, 1918 and 1917) the loss in net aggregated \$350,124,900, and the gain in net now of \$141,808,030 in 1921 represents the recovery of only a part of this antecedent loss. In the following we furnish the half-yearly comparisons back to 1906. We give the results just as registered by our tables each year, but it should be borne in mind that in 1908 and prior years a portion of the railroad mileage of the country was always unrepresented in the totals, owing to the refusal of some of the roads in those days to furnish monthly figures for publication.

Year.	Gross Earnings.			Net Earnings.		
	Year Given.	Year Preceding.	Increase or Decrease.	Year Given.	Year Preceding.	Increase or Decrease.
	\$	\$	\$	\$	\$	\$
Jan. 1 to June 30						
1906	923,554,298	815,486,025	+108,068,243	272,101,047	226,345,855	+45,755,192
1907	990,082,691	884,426,163	+114,656,528	280,697,496	261,423,946	+19,273,550
1908	863,860,965	1038,729,560	-172,868,595	231,254,071	294,738,973	-63,484,902
1909	1,172,185,403	1,051,853,195	+120,332,208	371,591,341	294,951,102	+76,640,239
1910	1,351,570,837	1,172,481,315	+179,089,522	408,380,483	371,562,668	+36,817,815
1911	1,310,580,765	1,339,539,563	-28,958,798	378,852,053	404,569,430	-25,717,377
1912	1,365,355,850	1,309,006,353	+56,349,509	373,370,171	375,407,648	-2,037,477
1913	1,502,472,942	1,368,304,190	+134,168,743	400,242,544	373,442,876	+26,799,668
1914	1,401,010,280	1,486,043,708	-85,033,423	343,835,677	394,495,885	-50,660,208
1915	1,407,465,982	1,447,464,542	-39,998,560	394,683,548	347,068,207	+47,615,343
1916	1,731,480,912	1,403,448,334	+328,032,578	559,476,894	393,225,507	+166,651,381
1917	1,946,395,684	1,741,329,277	+205,066,407	555,683,025	592,838,773	-37,155,748
1918	2,071,937,977	1,839,489,295	+232,448,682	632,705,922	540,911,505	+91,794,417
1919	2,339,759,126	2,074,114,258	+265,635,870	265,007,159	255,324,144	+10,683,015
1920	2,684,672,507	2,326,657,150	+358,015,357	195,582,649	233,029,233	-37,446,584
1921	2,671,360,048	2,738,845,138	-67,476,090	310,890,365	169,082,335	+141,808,030

The part that business depression played the present year in diminishing the tonnage of the railroads, and the intensity of the depression, becomes apparent when we note the great falling off in the production of iron and steel and of coal. The coal traffic, it is certain, suffered a great shrinkage. This is evident from the fact that the United States Geological Survey reports that in the first half of 1921 the output of bituminous coal was only 196,000,000 net tons as against 258,000,000 tons in 1920, 214,000,000 tons in 1919 and 282,000,000 tons in 1918. The shipments of anthracite coal to tide-water make a much better comparison, they having been 35,237,707 tons in the first six months of 1921 against 33,994,850 tons in the first half of 1920. As indicating the depression in the iron and steel industry, the shipments by water of iron ore from the Lake Superior region were only 6,371,227 tons for the season of 1921 up to July 1 as against 16,440,505 tons for the season of 1920 and 16,008,419 tons in 1919. The make of iron in the United States in the first half of 1921 was only 9,530,981 tons against 18,435,602 tons in the first half of 1920. The comparison in the case of the production of steel is much the same. From figures furnished by the American Iron & Steel Institute covering 30 companies it appears that these companies produced only 9,006,855 tons of steel ingots in the first half of 1921 as against 17,634,434 tons in the first half of 1920; 14,862,680 tons in the first half of 1919 and 17,122,056 tons in the first half of 1918.

On the other hand, Western roads and Eastern roads alike appear to have had the advantage of a larger grain movement. For the 26 weeks from Jan. 1 to June 25 the receipts of wheat at the Western primary markets were 141,488,000 bushels as against 109,863,000 bushels in the corresponding period of 1920, and the receipts of corn 157,089,000 bushels as against 115,554,000 bushels. The receipts of oats, rye and barley did not run as heavy as in the previous year, but nevertheless for the five cereals combined the aggregate of the receipts was 407,087,000 bushels in 1921 as against 351,832,000 bushels in 1920. The details of the Western grain movement in our usual form appear in the table we now introduce:

Jan. 1 to June 25.	Flour. (bbls.)	Wheat. (bush.)	Corn. (bush.)	Oats. (bush.)	Barley. (bush.)	Rye. (bush.)
Chicago—						
1921	4,932,000	9,927,000	82,631,000	33,683,000	3,996,000	1,392,000
1920	4,561,000	8,882,000	38,557,000	32,212,000	5,201,000	3,522,000
Minneapolis—						
1921	662,000	8,238,000	9,988,000	5,455,000	3,990,000	2,024,000
1920	297,000	1,881,000	7,717,000	9,647,000	3,873,000	2,237,000
St. Louis—						
1921	1,954,000	18,472,000	15,060,000	13,976,000	292,000	110,000
1920	2,171,000	9,085,000	17,167,000	15,935,000	236,000	167,000
Toledo—						
1921	1,296,000	1,677,000	2,068,000			
1920	1,200,000	1,091,000	1,454,000			
Detroit—						
1921	804,000	715,000	1,546,000			
1920	348,000	731,000	900,000			
Peoria—						
1921	1,172,000	387,000	8,062,000	4,050,000	388,000	355,000
1920	1,554,000	1,755,000	12,906,000	6,919,000	255,000	611,000
Duluth—						
1921	10,822,000	1,751,000	3,432,000	978,000		4,572,000
1920	8,851,000	3,000	311,000	626,000		8,256,000
St. Paul—						
1921	95,000	39,356,000	7,459,000	7,490,000	4,410,000	2,735,000
1920	42,604,000	4,931,000	6,470,000	4,771,000	3,880,000	
Kansas City—						
1921	1,000	41,533,000	8,917,000	2,241,000	50,000	
1920	26,099,000	7,937,000	3,470,000	48,000		
Omaha & Indianapolis—						
1921	10,653,000	20,829,000	9,277,000			
1920	9,258,000	24,514,000	15,314,000			
Totals of All—						
1921	8,816,000	141,488,000	157,089,000	83,218,000	14,104,000	11,188,000
1920	8,583,000	109,963,000	115,554,000	92,632,000	15,010,000	18,673,000

The Seaboard movement of grain also ran heavier than last year, the receipts of wheat, corn, oats, barley and rye combined for the six months of 1921 having been 181,976,000 bushels as against 118,642,000 bushels in the same period for 1920, but comparing with 186,149,000 bushels in 1919, as will be seen by the following:

Receipts of—	1921.	1920.	1919.	RECEIPTS OF FLOUR AND GRAIN AT SEABOARD JAN. 1 TO JUNE 30.	
				1918.	1917.
Flour	11,789,000	10,195,000	19,970,000	12,948,000	11,006,000
Wheat	97,169,000	65,861,000	102,845,000	13,977,000	128,738,000
Corn	40,725,000	8,940,000	6,965,000	13,811,000	35,322,000
Oats	23,452,000	10,270,000	36,197,000	55,796,000	70,851,000
Barley	8,289,000	5,728,000	17,682,000	6,760,000	8,794,000
Rye	12,341,000	27,845,000	22,460,000	7,236,000	6,253,000
Total grain	181,976,000	118,642,000	186,149,000	93,080,000	249,969,000

The livestock movement in the West apparently did not differ greatly from that of the first six months of 1920. At Chicago the receipts comprised 135,996 carloads against 131,748 in 1920, but on the other hand at Omaha they were only 55,778 cars against 58,091 and at Kansas City only 53,988 against 56,691 cars.

In the South, the cotton movement, as measured by the receipts at the Southern outports, ran a trifle lighter than last year, but heavier than in the years immediately preceding. For the six months of 1921 these receipts aggregated 2,800,856 bales against 2,836,475 bales in 1920; 2,775,312 bales in 1919 and 2,089,163 bales in 1918, as will be seen by the following:

Ports—	1921.	1920.	Since January 1		1917.	1916.
			1919.	1918.		
Galveston	291,042	860,567	879,398	537,718	846,706	975,058
Texas City, &c	224,725	210,113	114,985	72,822	61,529	176,173
New Orleans	676,483	713,368	790,569	794,002	496,633	537,515
Mobile	49,034	86,856	67,629	35,460	29,915	88,341
Pensacola, &c	13,807	15,841	7,713	21,437	24,333	48,075
Savannah	306,149	439,661	488,015	406,700	154,674	359,386
Brunswick	4,216	65,337	81,230	41,100	65,670	80,400
Charleston	45,873	264,185	1,91,973	45,908	39,341	63,617
Georgetown	41,239	47,198	81,347	35,081	9,009	78,116
Wilmington	147,265	130,620	186,124	105,900	177,657	314,496
Newport News, &c	1,623	2,729	1,329	3,035	3,738	49,419
Total	2,800,856	2,836,475	2,775,312	2,089,163	1,900,205	2,800,697

The cotton shipments overland for the six months of 1921 were 1,245,165 bales, as against 1,105,534 bales in 1920; 1,250,995 bales in 1919; 1,293,570 bales in 1918; 1,106,698 bales in 1917 and 1,308,994 bales in 1916.

When we examine the record of the 1921 earnings by months, it is seen that there was a loss in the gross earnings in every month except April and a gain in the net in all the months except January, and that this gain in the net was a gradually growing item, being the heaviest in amount in the last month—June. In January control over the expenses was still weak, but there was also a large special item accounting for the great falling off recorded in that month. In January of the previous year both gross and net had been enlarged roughly in amount of no less than \$53,000,000 through the inclusion of arrears of back mail pay for the years 1918 and 1919 accruing to the Railroad Administration as a result of a decision of the Inter-State Commerce Commission on Dec. 23 1919. This exceptional item, of course, was not repeated in 1921, diminishing, therefore, to that extent the totals of both the gross and the net. In the table we now annex we furnish a summary of the monthly totals of gross and net earnings.

M'th.	Gross Earnings.			Net Earnings.		
	1921.	1920.	Inc. (+) or Dec. (-)	1921.	1920.	Inc. or Dec.
Jan	\$ 469,784,542	\$ 503,011,129	-33,226,587	\$ 28,451,745	\$ 88,803,107	-60,351,362
Feb	105,001,273	424,172,348	-19,171,075	4,520,771	9,234,932	+11,536,799
Mar	456,978,940	458,462,330	-1,483,390	32,583,953	39,832,642	+18,656,316
April	270,331,881	112,744	+30,166,987	7,912,549	703	544,403
May	444,028,835	457,243,216	-13,214,381	2,893,882	813,204	3,043,000
June	450,582,512	494,164,607	-33,582,095	6,790,521	999,151	131,337

Note.—Percentage of increase or decrease in net for the above months has been: January, 67.96% decrease; February, 124.92% increase; March, 46.78% increase; April, 9.570.30% increase; May, 223.72% increase; June, 432.15% increase. In January the length of road covered was 232,492 miles in 1921, against 231,513 miles in 1920; in February, 235,653 miles, against 234,510 miles; in March, 234,832 miles, against 233,839 miles; April 220,340 miles, against 219,743 miles; May, 235,333 miles, against 234,916 miles; June, 235,208 miles, against 235,059 miles.

There is nothing special to say with reference to the returns of the separate roads except that reduced expenses are a feature with nearly all of them, though of course there are exceptions to the rule. Notwith-

standing that the grand total of the gross earnings falls below that of last year (speaking of the whole body of roads collectively) not a few roads and systems are able to show increases in the gross over the totals for 1920. On the other hand, though net earnings generally are very much better than in 1920, there is a considerable number of roads and systems obliged to report reduced net. The Pennsylvania Railroad (taking the entire Pennsylvania system, including all roads owned and controlled) reports an increase in gross of \$15,365,815 and an increase of \$55,622,336 in net. The New York Central system, though having suffered a loss of \$11,471,722 in the gross, is able to report a gain of \$26,669,070 in the net. In the following we show all changes for the separate roads for amounts in excess of \$500,000, whether increases or decreases and in both gross and net:

PRINCIPAL CHANGES IN GROSS EARNINGS FOR SIX MONTHS.

Table with columns: Increase, Decrease, and various railroad names like Penn Ry & Co, Delaware Lack & West, Lehigh Valley, etc.

Representing 47 roads in our compilation... \$73,611,161

Note.—All the figures in the above are on the basis of the returns filed with the Inter-State Commerce Commission. Where, however, these returns do not show the total for any system, we have combined the separate roads so as to make the results conform as nearly as possible to those given in the statements furnished by the companies themselves.

a This is the result for the Pennsylvania RR. (including the former Pennsylvania Company and the Pittsburgh Cincinnati Chicago & St. Louis combined, the Pennsylvania RR. reporting \$13,923,770 increase and the Pittsburgh Cincinnati Chicago & St. Louis \$3,131,623 decrease. For the entire Pennsylvania system, including all roads owned and controlled, the result is an increase in gross of \$15,365,815.

b These figures cover merely the operations of the New York Central itself. Including the various auxiliary and controlled roads, like the Michigan Central, the "Big Four," &c., the whole going to form the New York Central System, the result is a loss of \$11,471,722.

PRINCIPAL CHANGES IN NET EARNINGS FOR SIX MONTHS.

Table with columns: Increases, Decrease, and various railroad names like Pennsylv. Ry. & Co., New York Central, Erie (3), etc.

a This is the result for the Pennsylvania RR. (including the former Pennsylvania Company and the Pittsburgh Cincinnati Chicago & St. Louis combined, the Pennsylvania RR. reporting \$55,588,507 increase and the Pittsburgh Cincinnati Chicago & St. Louis \$1,784,495 increase. For the entire Pennsylvania System, including all roads owned and controlled, the result is an increase in net of \$55,622,336.

b These figures merely cover the operations of the New York Central itself. Including the various auxiliary and controlled roads, like the Michigan Central, the "Big Four," &c., the result is a gain of \$26,669,070

When the roads are arranged in groups or geographical divisions, according to their location, it is found that both the New England group and the Eastern and Middle groups show gains in the gross, but that all the other groups fall behind in the gross. In the net, three out of the seven geographical sections show diminished totals. These three are (1) the Southern Division, where the low price of cotton has been a depressing influence of large moment, (2) the Northwestern group, where the decline in grain prices has played an important part in the results, and (3) the North Pacific group, where similar conditions have exerted an adverse influence along with depression in the lumber trade. Our summary by groups is as follows:

SUMMARY BY GROUPS.

Table with columns: Section or Group, 1921, 1920, Inc. (+) or Dec. (-), and various group names like Group 1 (9 roads), New England, Group 2 (36 roads), East & Middle, etc.

NOTE.—Group I. includes all of the New England States.

Group II. includes all of New York and Pennsylvania except that portion west of Pittsburgh and Buffalo, also all of New Jersey, Delaware and Maryland, and the extreme northern portion of West Virginia.

Group III. includes all of Ohio and Indiana, all of Michigan except the northern peninsula, and that portion of New York and Pennsylvania west of Buffalo and Pittsburgh.

Groups IV. and V. combined include the Southern States south of the Ohio and east of the Mississippi River.

Groups VI. and VII. combined include the northern peninsula of Michigan, all of Minnesota, Wisconsin, Iowa and Illinois, all of South Dakota and North Dakota and Missouri north of St. Louis and Kansas City, also all of Montana, Wyoming and Nebraska, together with Colorado north of a line parallel to the State line passing through Denver.

Groups VIII. and IX. combined include all of Kansas, Oklahoma, Arkansas and Indian Territory, Missouri south of St. Louis and Kansas City, Colorado south of Denver, the whole of Texas and the bulk of Louisiana, and that portion of New Mexico north of a line running from the northwest corner of the State through Santa Fe and east of a line running from Santa Fe to El Paso.

Group X. includes all of Washington, Oregon, Idaho, California, Nevada, Utah and Arizona, and the western part of New Mexico.

We now give our detailed statement for the half year. It shows the results for each road separately:

EARNINGS OF UNITED STATES RAILWAYS JAN. 1 TO JUNE 30.

Large table with columns: Group I, Group II, Group III, Group IV, etc., and various railroad names like Atlantic & St. Lawrence, Bangor & Aroostook, Boston & Maine, etc.

Table with columns: Group III, Middle West, 1921, 1920, 1921, 1920, Inc. or Dec. Rows include Ann Arbor, Bessemer & L Erie, Chic Ind & Louisv, etc.

Table with columns: Groups IV. & V., Southern, 1921, 1920, 1921, 1920, Inc. or Dec. Rows include Ala & Vicksburg, Atlanta & West Pt., Atlanta Blrm & Atl., etc.

Table with columns: Groups VI. & VII., Northwest, 1921, 1920, 1921, 1920, Inc. or Dec. Rows include B & O Chic Term., Belt Ry of Chicago, Chicago & Alton, etc.

Table with columns: Groups VIII. & IX., Southwest, 1921, 1920, 1921, 1920, Inc. or Dec. Rows include Atch Top & Santa Fe, Gulf Colo & S Fe, Panhandle & S Fe, etc.

Table with columns: Gross, Net, 1921, 1920, Inc. or Dec. Rows include Kansas City Term., Louisiana & Arkan., Louisiana Ry & Nav, etc.

Table with columns: Group X., Pacific Coast, 1921, 1920, 1921, 1920, Inc. or Dec. Rows include Bingham & Garfield, El Paso & Southwest, Los Ang & Salt Lake, etc.

Table with columns: Grand total, 1921, 1920, Inc. or Dec. Total (50 roads), Total (12 roads).

Current Events and Discussions

SHRINKAGE IN GREAT BRITAIN'S REVENUE RECEIPTS.

A warning of deficiencies in the revenue receipts of Great Britain was given by Sir Robert Horne on Aug. 17, the press advices from London on that date making this known as follows:

Sir Robert Horne, Chancellor of the Exchequer, stated in the House of Commons to-day that there were serious deficiencies in the revenue receipts for the first four and one-half months of the current financial year as compared with the budget estimates. These resulted, he said, from the sale of surplus war stores and materials, which brought much less than was anticipated, and from loss of revenue in excess profits duties, unavoidable in the present state of trade.

These deficiencies would not wipe out the entire £78,000,000 estimated surplus set aside in the budget for reduction of the national debt. Sir Robert declared. A very substantial amount would be realized from Great Britain's share of the German reparations fund to help out revenues for the current year.

Therefore, he was not viewing the general financial position for the year gloomily, but said he did feel real apprehension regarding the budget for 1922.

Next year there would be a considerable shrinkage of receipts from the excess profits tax, sales of war material and also income tax receipts, Sir Robert asserted, and to balance accounts he estimated expenditures must be reduced by £130,000,000 as compared with the current financial year.

APPOINTMENT OF COMMITTEE TO EFFECT REDUCTION IN BRITISH EXPENDITURES.

The appointment of a committee to advise the British Treasury respecting national finances, and to make recommendations to the Chancellor of the Exchequer for effecting forthwith all possible reductions in national expenditures on supply services, was announced in the House of Commons on Aug. 16 by Sir Robert Horne, Chancellor of the Exchequer. The committee will consist of Sir Eric Geddes, Minister of Transportation, Chairman; Lord Farrington, Lord Incheape, Sir Joseph Paton Maclay and Sir William Guy Garnet. According to press advices from London questions of policy would remain for the exclusive consideration of the Cabinet, the Chancellor said, but it would be open to the committee to deal with expenditures in connection with questions of policy.

BRITISH REPORT CRITICIZES PUBLIC EXPENDITURES APPROVED BY TREASURY.

In a report made public in London Aug. 15 the Committee of Public Accounts is said to have called attention to "the wide-spread practice of the Treasury in sanctioning payments of large sums for purposes not authorized by Parliamentary

grants." Other criticisms contained in the report are referred to as follows in the press accounts from London.

Gifts of public property to allied powers and to the dominions are particularly referred to.

The report mentions the war ship encounter, with guns and stores, and three mine-sweepers as having been given to the Australian Commonwealth; two submarine engines with spare parts to the Australian Navy, two submarines with torpedoes and stores to Canada and certain hulls to an allied Government.

The report adds that £2,000,000 in surplus army stores were given to the Polish Government without charge and nearly £18,000,000 were the stores issued to the Russian forces from 1918 to 1920, together with £6,500,000 in cash. Surplus airplanes with spare parts were presented to Greece, the dominions and India. On the latter two gifts the charges of packing and other costs were defrayed by the Treasury.

Dealing with the departmental trading account covering various periods up to March 31 1920, some cases dating from the beginning of the war, the report asserts that in the case of the sugar account it is expected that a loss of £24,500,000 will accrue.

The report says that the expenditure of the Government hospitality fund needs to be carefully watched. It remarks that there is want of financial grasp over expenditures in connection with the Foreign Office and special missions.

With regard to the Ministry of Shipping, the report mentions that the estimated gross cost of national shipyards is £6,500,000 while the amount realized from sales and disposals was £2,500,000.

The committee is not satisfied that the Ministry of Munitions in Jan. 1919, took adequate steps to ascertain whether there would be sufficient demand abroad for railway cars of the Continental type to justify their continued construction. If these steps had been taken, it says, it would have been possible to build cars more cheaply for the use of the English lines, where they were badly needed.

APPRECIATION IN VALUES OF GREAT BRITAIN'S WAR SECURITIES.

An increase of approximately £150,000,000 in the market value of the principal outstanding securities issued by the British Government for war purposes was a feature of the past half-year in Great Britain. Detailed figures received by the Bankers Trust Company of New York, from its English Information Service, indicate the following appreciation, of values in the period between Jan. 1 and July 1 1921 involving the more active issues:

Security—	Increased Market Value.		
3½% War Loan.....	£2,899,875	5% War Loan.....	107,211,500
4½% War Loan.....	608,000	4% Funding Loan.....	15,262,500
4% War Loan.....	3,528,000	4% Victory Bonds.....	16,990,750

The Company also says:

The appreciation is figured on the amounts of these various securities stated by the Chancellor of the Exchequer to be outstanding on Nov. 30 1920 (in the aggregate £2,856,700,000). This increase was a favorable phase of the British banking half-year in that it gave an improved investment worth to large bank holdings of Government issues.

GREAT BRITAIN'S TAX YIELD.

In its first report issued in pre-war form since the close of the war the British Inland Revenue Department furnishes the latest available detailed returns of the British tax yield, including the revenue derived from incomes, which is the largest single item of the receipts. The itemized figures as received by the Bankers Trust Co. of New York from its English information service place the net receipts of the department for the fiscal year 1919-20 at £717,550,771, of which amounts £359,434,072 represents income tax payments, including £42,404,597 super-tax. The trust company in its statement in the matter issued Aug. 11 says:

An analysis for the above year of the yield under the separate schedules of the income tax levy has not been completed, but statistics presented in detail for the fiscal year 1918-19 (exclusive of super-tax) indicate how heavily Great Britain has been taxing the earnings of her people to meet the national obligations. The figures show that taxable income for the year amounting to £1,287,278,171 yielded a revenue of £303,630,376.

The amounts of income upon which tax was received under the various schedules and the net produce of the tax are given in the following table:

Income Tax Schedules.	Amt. of Income Tax Produced.	
	£	£
A. Lands, houses, &c.....	175,832,409	43,310,646
B. Profits from occupation of lands.....	39,980,033	7,908,717
C. Income from British and foreign securities.....	70,466,147	19,466,221
D. Profits from business, professions, employments.....	744,754,988	190,256,710
Weekly wage earners.....	73,845,569	8,317,652
E. Salaries, Government, corporation, public company officials.....	182,399,025	31,370,430

BRITISH HOUSE OF COMMONS PASSES RESOLUTION LEVYING DUTIES OF 33 1-3% ON CERTAIN IMPORTS.

The British House of Commons on Aug. 12 passed a resolution levying a duty of 33 1-3% on chemicals, optical instruments, &c. Details regarding this and an accompanying resolution are given as follows in Associated Press advices from London Aug. 12:

The Government's Safeguarding of Industries Bill to-day was passed on third reading in the House of Commons by a vote of 176 to 4. The vote was taken after former Premier Asquith, in introducing a motion for its rejection, had described it as "a half-hearted attempt to introduce a tariff without calling it one."

The bill was certified by the Speaker, since the House of Lords is powerless to amend it, because of its being a money bill. The measure is the embodiment of two resolutions introduced in the Commons last March by Sir Robert Horne, Chancellor of the Exchequer, who at that time said they would form the basis for the Government's proposed customs legislation.

One of these resolutions provides for the levying of a customs duty of 33 1-3% ad valorem on importations into the United Kingdom of optical glass, optical instruments, scientific glassware, porcelain instruments, magnetos, tungsten and its products, synthetic and organic chemicals, except dyestuffs; colors, coloring matters and fine chemicals.

The other resolution provides for customs duties on any article, not mentioned in the first resolution, which the Board of Trade under the Act will have the power to specify on the ground that the said articles are being sold or offered in the United Kingdom at prices below their production, or, owing to exchange depreciation, at prices below what they can profitably be produced for in Great Britain.

The New York "Times" of Aug. 13 in referring to the above said:

When Sir Robert Horne announced his first resolution for new tariff duties in the Commons, early last April, it was explained that the articles covered came chiefly from Germany and were already subject to a 50% tax under the Reparation Recovery Act, applying to such goods entering Great Britain.

With regard to the second resolution it was then said that the provision was meant to protect English goods against competition of imports sold at less than their cost of production, whether by reason of actual sacrifice by German manufacturers or of lower money costs by reason of depreciated exchange.

British free trade papers at that time attacked both resolutions as "opening the door wide to protection," contrary to British policy for many years before the war.

BRITISH GOVERNMENT'S REVISED EXPORT CREDIT PLAN.

Details of the British Government's revised export credit plan are published as follows in "Commerce Reports" of Aug. 2 (the official organ of the Department of Commerce, Bureau of Foreign and Domestic Commerce, Washington):

[Consul Irving N. Linnell, London, June 6 1921.]

In the House of Commons on May 30 1921 there was considered in committee the following resolution concerning credits and insurances in overseas trade:

That it is expedient to extend the overseas trade (credits and insurance) Act, 1920, to the giving of guaranties in connection with export transactions, and to amend the said Act as regards the countries in respect of which it applies, and to authorize the payment, out of moneys provided by Parliament, of any sums required in connection with the giving of such guaranties, so, however, that the amounts outstanding at any time in respect of credits and guaranties shall not together exceed the amount now authorized under the said Act as regards credits, and of any expenses incurred by the Board of Trade by reason of such extension and amendment of the said Act as aforesaid.

The Secretary of the Overseas Trade Department explained that under this resolution it was the purpose of the Government to extend the export-credit scheme beyond the immediate countries with which it was entitled to operate it under the Act, to the whole British Empire, and also to extend it so as to operate it by way of guarantee of bills of exchange drawn against shipment instead of, as present, by direct advance.

Trade with Russia.

During the discussion of the resolution the question was raised as to whether Russia was included among the countries to which it was intended to extend the conditions of this measure. Lieut. Commander Kenworthy argued the importance to Great Britain of trade with Russia and contended that assistance should be given to British manufacturers in this trade as well as in the trade with other countries. The representative of the Overseas Trade Department stated, however, that it was not proposed at the present stage to extend the scheme to Russia and referred to a statement made by him on May 30:

The basis of credit must be the acceptance of the honoring of obligations whether in the immediate past or in the future. I think it would be hardly reasonable to ask the committee at the present stage, when we do not yet know to what extent Russia is going to acknowledge obligations.

In answer to another question it was stated that there was no present idea of including Greece in this scheme.

[From Trade Commissioner Wilbur J. Page, London, July 7 1921.]

Bill Passed on Second Reading.

A bill giving effect to proposals for extending credit facilities passed the House of Commons unanimously on its second reading. Details of the new conditions became available to-day. They are set forth in two separate statements relating to the British Empire and to foreign countries, respectively, but the scheme in its general principles in the same in both cases.

The Government proposes to proceed by the guaranteeing of drafts drawn against shipments of goods to the countries included in the scheme. The system, therefore, will approximate, much more closely than does the existing method of advances, to the ordinary channels of trade, as the guaranteed drafts can be discounted in the usual manner. The conditions have been extended to cover trade with all parts of the British Empire and with British protectorates and mandated territories, except that it is not proposed at present to apply them in respect of British India, Ceylon, or British possessions in the Far East, since it is understood that those markets are still fully supplied with goods and that special facilities are not required for financing exports to them. As regards foreign countries, the scheme is applicable to Finland, Latvia, Esthonia, Lithuania, Poland, Czechoslovakia, Jugoslavia, Rumania, Georgia, Armenia, Bulgaria, Austria and Hungary.

Provision is made for participation by the Government with British banks, banking houses, credit associations, etc., in the risks incurred in the financing of trade with the States and territories concerned. The idea back of the plan is to give the widest possible discretion in the extension of credit, so that, while not countenancing anything unduly speculative, no sound business which ought to be done will be excluded.

Official Explanation of the Revised Plan.

The official statement, outlining the application of the new plan, appeared in the [Government] Board of Trade Journal for June 23. As the Journal explains:

The original export credits scheme of Sept. 1919 [see, among other issues, Commerce Reports for Sept. 27 and 30 and Nov. 4 1919], was prepared in anticipation of a need which did not immediately arise. There came a great boom in trade during the autumn and winter of 1919-20 and little demand arose for special credits. When, later, merchants and manufacturers had occasion to look about for a means of financing export trade, they

found a serious obstacle in the provision in the Government's original scheme limiting advances to 80% of the cost of goods. In many cases they were unable themselves to carry the remaining 20%. A demand therefore arose for an extension of advances to 100%. This concession was ultimately made, and the scheme came more freely into use, but even then the credits granted were small in comparison with the sum [£26,000,000] authorized by Parliament, the total amount sanctioned being £2,611,667, and the amount actually paid out £891,443.

Throughout 1920 the trade position went from bad to worse. Stocks of goods, most of them manufactured at high prices, were rapidly accumulating and overseas markets seemed incapable of absorbing them. Unemployment increased steadily. Toward the end of the year the late President of the Board of Trade took up in a series of conferences with bankers, insurance experts, etc., the examination of the possibilities of giving assistance to the financing of foreign trade. The comparative failure of the original scheme convinced him that it was desirable to evolve a system which would facilitate more effective cooperation of the Government with the ordinary channels through which trade is financed, and he sought to evolve a plan for co-operation between the Government and banks and insurance companies on the basis of participation in the risk involved. These conferences, however, proved unproductive.

It was decided, therefore, to proceed by amendment of the export credits scheme, bearing in mind the desirability of approximating more closely to the ordinary channels of trade. Instead of making advances the new scheme proposes that the export credits department should guarantee bills drawn by traders in respect of exports to the countries included in the scheme. The general nature of these proposals were explained to the House of Commons by Sir Robert Horne in the debate on the vote of account on March 9. Since then the draft conditions have been most fully discussed with the Association of Chambers of Commerce and with the Federation of British Industries, and the scheme has been modified in various particulars to meet the views put forward in these conferences. The scheme as it stands has been accepted by both these bodies. At their last meeting with Sir Philip Lloyd-Greame, parliamentary secretary to the Department of Overseas Trade, the Association passed a resolution that: "This meeting of representatives of chambers of commerce welcomes the scheme and resolves to recommend to members of the chambers of commerce to do their best to make use of the scheme and work under it." The delay in bringing the new system into operation has been mainly due to the prolongation of these discussions, owing to the desire of the department to meet the views of the chambers of commerce as far as possible.

Necessity for the Amending Bill.

In the overseas trade (credits and insurance) act, 1920, the Board of Trade was authorized to grant credits up to a maximum of £26,000,000. The total amount at risk will be in no way affected by the introduction of the new scheme, but it has been held that the wording of the 1920 act cannot be interpreted as authorizing the giving of guaranties as an alternative or in substitution for the making of advances. It was, therefore, necessary to provide that the power given to the Board of Trade to grant credits under that act should be deemed to include power to give guaranties. It was also necessary to make in respect of guaranties an amendment in regard to the dates laid down in Section 2 of the 1920 act governing the period of the scheme. This section provides that credits may be granted at any time within the period of three years from Sept. 8 1919, i. e., up to Sept. 8 1922. The same dates will hold good in respect to the giving of new guaranties, but in order that guaranties may be placed in the same footing as advances it became necessary to include a provision that guaranties given before Sept. 8 1922, may be renewed if necessary after that date up to Sept. 8 1924. The reason for this is that it will not be possible to give guaranties for more than 12 months at a time, as the banks would be unwilling to discount bills having a currency of the act stands. The Board of Trade may only include in the schedule of liquidated by Sept. 8 1925, will hold good for the guaranty scheme.

An amendment of the 1920 act was also necessary to provide for the inclusion of the British Empire in the scheme, in accordance with the promise made by the late President of the Board of Trade in the debate on March 9. As section 3 of the act stands, the Board of Trade may only include in the schedule of countries to which the scheme applies the name of any country "the financial and industrial condition of which has been disorganized by the war," a description which could not properly be applied to any part of the British Empire. There has been, however, a real difficulty about financing exports to many parts of the Empire, although such countries have been in a far stronger position than those to which the scheme originally applied. As is well known, there have been serious difficulties in trade with Australia and South Africa, owing to disturbances in the balance of indebtedness between those Dominions and the United Kingdom. There have also been serious difficulties in respect of India and British possessions in the Far East, though it is not proposed to apply the scheme at present to those areas. The markets there have not yet absorbed the glut of goods exported.

Summary of Scheme.

The new scheme is briefly as follows: The Government will entertain proposals to guarantee drafts drawn against shipments of goods to the countries already named. The guaranty will be given to an extent not exceeding 85% of the total amount of the bill drawn against the shipment. The Export Credits Department will decide the proposition in each case, taking into consideration market values, net profit, and security. In other words, the advance is no longer based on the actual cost of the goods, and the Government only guarantee up to a maximum of 85% of the bill, instead of granting advances up to the full 100% of the cost of the goods.

Another important provision of the new scheme as compared with the old one is that the Government no longer insist upon security being put up by the importer sufficient to cover the whole amount of the draft, plus a reasonable margin. It was found that this provision was deterrent on the utilization of the scheme as it placed too heavy a burden on the importer, and alternatives are now provided. If the importer puts up security deemed sufficient to cover the whole amount guaranteed, the Government will have no recourse against the exporter, but it is prepared, alternately, to give advances in cases where the importer puts up security less than that deemed sufficient to cover the whole amount guaranteed or even in cases where the importer puts up no security at all. In such cases, if there is a loss the Government will retain recourse against the exporter for half the loss after the deduction of the amount, if any, paid by the importer and of the amount realized by the security (in the cases in which security has been put up.)

Although it proved impracticable to arrive at a cooperative arrangement with banks, etc., for financing foreign trade, the new scheme offers certain conditions on which the Government is prepared to make arrangements with private banks or banking houses or credit associations for participation in any losses incurred by them in respect of transactions carried through by them for exporters to the countries concerned. The arrangement proposed is that in consideration of an agreed premium His Majesty's Government will take a share not exceeding 70% of any loss incurred by banks, etc., in respect of such transactions up to a total amount to be arranged in each case by the bank or other organization concerned with the Export Credits Department.

Application of Scheme to British Empire.

1. In order to facilitate the resumption of the ordinary means whereby traders and other can obtain facilities from their bankers to enable them to finance their export trade, the Government is prepared under the following conditions to entertain proposals to guarantee drafts against shipments of goods from the United Kingdom to other parts of the British Empire, including protectorates and mandated territories. It is not proposed for the present to apply the scheme in the case of shipments to British India, Ceylon, or to British possessions in the Far East.

2. Guaranties will only be granted in respect of goods wholly or partly produced or manufactured in the United Kingdom, including coal produced in the United Kingdom.

3. Applications for guaranties should be made by the exporter to the export credits department, 73, Basinghall Street, London, E. C. 2, on forms which may be obtained from the department. Applications should be submitted through the exporter's banker, and the banker's recommendation should be attached. For the convenience of exporters, the department is prepared to receive and give a decision upon applications in advance, a limit of time being stated within which the transaction will be completed.

4. No application can be entertained from an alien or from a firm in which the majority of the partners are aliens, or from a company where British subjects do not form a majority of the directors, or where a majority of the voting power is not in the hands of British subjects.

5. The guaranty will be given to an extent not exceeding 85% of the total amount of the bill of exchange drawn against the shipment. The export credits department will decide the proportion to be guaranteed in each case, taking into consideration relevant circumstances such as current market

values, the amount included as net profit, and the security offered by the importer.

6. The department will not require the bills to be accepted before guaranteeing them, but—

(a) In cases where no security is to be deposited, the department will require that the bills should be accompanied by a letter of guaranty of the importer's bank, which must be an approved bank, or by other satisfactory evidence, to the effect that they will be accepted.

(b) In cases where security is to be deposited, the department will require a letter of guaranty as aforesaid from the importer's bank to the effect that the bills will be accepted and that the stipulated security will be deposited immediately upon the first presentation of the documents to the importer.

Recourse in Case of Default.

7. In the event of default by the importer the Government will have a first charge on all proceeds of the bill, and—

(i) In cases where the importer puts up security deemed sufficient to cover the whole amount guaranteed, the Government will have no recourse against the exporter.

(ii) In cases where the importer puts up security less than that deemed sufficient to cover the whole amount guaranteed, the Government will retain recourse against the exporter to the extent of half the difference between the amount guaranteed on the one hand, and on the other hand such amount, if any, as may be paid by the importer plus the amount deemed to be covered by the security (or which the security eventually realizes, whichever is the greater).

(iii) In cases where the importer puts up no security, the Government will retain recourse against the exporter to the extent of half the difference between the amount guaranteed on the one hand, and, on the other hand, such amount, if any, as may be paid by the importer.

8. The department will consider such propositions for security as may be laid before it by the exporter, including deposit of approved produce, Government securities, or an approved banker's guaranty insuring due payment in sterling at maturity, &c.

9. The periods for which the bills to be guaranteed are drawn will be a matter of arrangement, and arrangements may also be made for renewals.

10. The department will fix and charge premiums to defray the expenses of the department and to form a fund to meet losses.

11. As soon as the bills have been finally liquidated and the liability of the department is brought to an end the security lodged will be returned to the importer. In the event of default the department may cause the necessary steps to be taken to realize the security or to hold the same, as may be deemed expedient.

The department will be at liberty to require the exporter to take such steps as the department may think necessary to realize the security and to enforce payment by the importers.

Participation With Banks, Credit Associations, &c.

1. In addition to the foregoing method of granting guaranties to individual exporters, His Majesty's Government is prepared under the following conditions to make arrangements with approved banks or banking houses or credit associations for participation in any loss incurred by such banks, banking houses, or credit associations in respect of transactions carried through by them for exporters in the United Kingdom to the British Empire, except British India, Ceylon, or British possessions in the Far East:

2. His Majesty's Government in consideration of an agreed premium will take a share not exceeding 70% of any loss incurred by banks, &c., in respect of such transactions, provided the transactions comply with the conditions as to nature of goods and nationality of exporters or exporting firms prescribed in Part I. The Export Credits Department will arrange with any approved bank or banking house or credit association which may apply for participation in this scheme the total amount in each case up to which this undertaking would be given.

3. Application should be made by exporters direct to the bank, banking house, or credit association concerned.

Application of Scheme to Foreign Countries.

As already stated, the foreign countries to which the amended scheme applies are Finland, Latvia, Esthonia, Lithuania, Poland, Czechoslovakia, Jugoslavia, Rumania, Georgia, Armenia, Bulgaria, Austria, and Hungary. The general plan of guaranteeing drafts drawn on these countries is the same as for the British Empire, with the exception of paragraph 8, relating to security, which reads:

8. The following classes of securities will be considered for the purpose of the scheme:

(a) Bonds issued in accordance with the international credits scheme for the League of Nations (so-called Ter Meulen bonds).

(b) Deposit of currency coupled with an approved guaranty for the maintenance of the currency deposited to cover any decline in the rate of exchange. In certain cases the deposit of fixed amounts of currency might be accepted.

(c) Deposit of approved produce, approved Government securities, or an approved banker's guarantee insuring due payment in sterling at maturity.

(d) An undertaking by an approved British bank or British accepting house that the purchaser will find at maturity currency of the buying country to an agreed amount.

(e) First charges on railways controlled by British companies and under repair, equipment, and reconstruction by them when the first charge is limited to the amount required to provide import of goods for those purposes.

The Export Credits Department will be prepared to consider other proposals as to security which may be put before them.

Larger Use Made of Credits in June Quarter.

The new scheme was put into operation on June 29. Therefore, the figures of advances made by the Government for the three months ending June 30 apply to advances made under the old scheme. The figures for these three months are: Total amount of advances sanctioned, £2,619,549 16s. 9d.; total amount advanced, £959,367 18s. 1d.

It will be seen, when these figures are compared with those shown in Consul General Skinner's report in "Commerce Reports" for May 28 1921, that exporters have used this scheme to a much greater extent than they did during the first quarter of the year. In fact, they made use of funds which totaled more during this past quarter than the totals for the whole previous period since the establishment of this scheme; that is, from September, 1919, to Mar. 31 1921.

GERMAN REPARATIONS PAYMENT AUGUST 30.

In a special cable dispatch from Berlin yesterday, under the copyright of the Public Ledger Co., the New York "Evening Post" said:

Two announcements of particular importance to Germany, from a financial and economic point of view, were made last night. The first is a statement, supposedly emanating from official sources, to the effect that the Government intends to make its reparations payment of 1,000,000,000 gold marks promptly on Aug. 31, or possibly a few days earlier, and that enough foreign currency has been obtained to make unnecessary the purchase of more dollars and pounds.

This confirms the rumor circulated two days ago, which generally was credited with abruptly halting the downward course of the mark, but in view of the fact that the same announcement was made a few weeks ago and that the same effect followed, it indicates that the motive for spreading such a report is to make it possible for the Government to complete the purchase of foreign currencies at a more favorable rate.

The second announcement takes the form of a decision of the executive committee of the Federation of German Trade Unions regarding their stand on the new German financial program. Their representative will urge at the opening session of the Reichstag next month that the direct instead of the indirect taxes be increased; that all workmen be paid higher wages; that the pensions for the sick and aged be increased, and that there be a change in policy to the extent that all possible means of production be turned over to community ownership and management.

PAYMENT IN NEW YORK ACCOUNT GERMAN REPARATIONS.

The arrival from Hamburg on the steamer Sudbury of a consignment of 80 cases of gold coin, shipped by the Reichsbank to J. P. Morgan & Co., to be used for reparation account, was reported in the "Wall Street Journal" of last night. In stating that the gold is valued at 12,000,000 gold marks or about \$2,800,000, the paper referred to added:

Two consignments of silver coin also arrived on the Sudbury shipped by the Reichsbank, 269 cases to the International Acceptance Bank, value 130,000,000 paper marks; and 135 cases for the Equitable Trust Co., value 65,000,000 paper marks.

Arrival of German gold coin to J. P. Morgan & Co. from the Reichsbank was a matter of surprise to bankers here because that firm has not been mentioned hitherto in connection with reparation payments. Though Germany's arrangements in regard to reparation settlements to be made in New York have been conducted with a great deal of secrecy, it has been understood that such transactions would be carried on by the Equitable Trust Co., Guaranty Trust Co., Speyer & Co. and Hallgarten & Co. The novelty of so large a shipment of German gold to this country is also a matter of interest to bankers. This consignment evidently came to the Morgan firm as fiscal agents of the Governments to whom Germany is indebted.

Silver which arrived on the Sudbury, consigned to the International Acceptance Bank, has no reference to reparation payments, but according to information received at the bank was purely a banking transaction.

Silver received by the Equitable Trust Co. was consigned to it merely as the agent of the consignee. The company has had no advices as to its use, though it is the general impression that the shipment relates to reparation.

Equitable Trust Co. has been advised that 31 boxes of gold from Amsterdam have been shipped on the Holland-America liner Rotterdam.

Notwithstanding the statement above as to J. P. Morgan's identification with the reparation payments, a payment of \$5,000,000 by Germany on reparations account was made to the firm on Aug. 15 by the four banking institutions acting in New York for the Reichsbank. This credit was deposited to the credit of the Great Britain and the Belgian Government. Regarding this payment the "Journal of Commerce" of Aug. 16 said:

Germany yesterday paid an additional \$5,000,000 on reparations account. The feature of this transaction, which attracted attention in the financial district, was that the funds were transmitted upon order from the Reichsbank to the account of the British and Belgian Governments for which J. P. Morgan & Co. are the fiscal agents in this country, the firm acting in this capacity for Belgium jointly with the Guaranty Trust Co. Hitherto the payments on this side have all been to the account of the Bank of England or the Bank of France at the New York Federal Reserve Bank, which is the authorized depository of the Allied Reparations Commission in the United States.

The departure from precedent which the payment at the Morgan offices involves was interpreted in banking circles as confirmatory of the news dispatches from abroad to the effect that the proceeds of the settlement which Germany is called upon to complete Aug. 30 are to be divided exclusively between Great Britain and Belgium. France, according to these advices, is not to share in this instance with her allies, the value of coal received from Germany being deducted from her participation in the cash settlement.

In view of the fact that the Federal Reserve Bank is the only institution or banking house known to have been designated by the Reparations Commission to receive funds, bankers were somewhat puzzled by the appearance of J. P. Morgan & Co. as the depository in this transaction. It raised a question as to whether the plans of the Allies had reached a point where payments might be made direct to the respective governments without participation by the Commission.

Inquiry at the offices of the Morgan firm elicited the fact that if a payment had been received for reparations account they were not aware that this was the purpose. As fiscal agents for the British and Belgian Governments the only notification which they receive is that certain bankers will make deposits of specified amounts on indicated dates. Their instructions, it was said, do not cover the nature of the transaction resulting in the payments to foreign government accounts.

Bankers who are in charge of the Reichsbank's balances in this country anticipate further payments from time to time until the entire settlement is completed. Their action is altogether governed by advices received from the Reichsbank, it was said, and these usually do not reveal any programme in advance. The expectation of additional payments, therefore, is based upon their judgment of current conditions and of Germany's requirements.

SPECULATION CAUSES TEMPORARY CLOSING OF BERLIN STOCK EXCHANGE.

The closing of the Berlin Stock Exchange for two days, owing to the rush of the public to sell paper money and reinvest in "industrials" was announced in a Central News cablegram from Berlin Aug. 17. Associated Press advices from Berlin, Aug. 18, said:

Owing to abnormal speculation, resulting in more business than it could handle, the Boerse was closed yesterday and will also be closed for two additional days to enable it to get caught up.

The other closing dates will be Aug. 23 and 25.

GREAT BRITAIN AND BELGIUM TO GET FIRST BILLION MARKS PAID BY GERMANY—FEELING IN FRANCE.

Paris cablegrams to the daily papers Aug. 14 reported that the first 1,000,000,000 marks paid over by Germany to the Allies is to be divided between payments of the costs of the British army of occupation and the payments to Belgium under the latter's priority claim, under a decision of the Allied Financial Commission. It was further stated in these cablegrams:

The Commission also decided that the value of the Sarre mines is to be reckoned as among the payments received by France before May 1. As

the value of these mines, together with the value of reparations in kind already received by France, exceed France's expense for her army of occupation, the Commission will take the excess into account at the end of five years, when it is expected Belgium's priority claim will have been satisfied.

As to the above, a copyright cablegram from Paris Aug. 14 came to the New York "Times" as follows:

A ruling of the Inter-Allied Finance Conference, made late last night, that of the first billion marks gold cash paid by Germany France should get not one pfennig, is received in Paris with the greatest resentment. The finding of the financial experts was made after the adjournment of the Supreme Council and does not become effective until approved by the Allied Governments.

This result was reached by the application of arrangements to which various French Governments had agreed, but the stark, cold fact that the French Government, which is in utmost financial difficulties and facing the danger of having to interrupt reconstruction work, gets none of the first billion paid causes a painful impression.

It will be recalled that the treaty gives Belgium priority on the first 2,500,000,000 marks paid by Germany, but the cost of the armies of occupation must be reimbursed first. When the accounts were reckoned up last week, England claimed that she had expended 1,200,000,000 marks gold for her army of occupation, which was 100,000,000 less than France's bill, with ten times as many troops. Belgium had been paid by deliveries in kind by Germany for her cost of occupation, and so had Italy.

Credited With Value of Claimed Coal.

But it was not a matter of dividing up the billion. The English and Italian delegates held that France should be credited with the value of the Sarre coal mines to the total extent of what she would get in the next fifteen years that she will hold them. In other words, the value of all coal France will extract for the whole term of the tenure of the Sarre Basin should be considered as already paid. This figure was fixed at 300,000,000 to 400,000,000 gold marks.

England had received about 300,000,000 gold marks and claimed 900,000,000 more, while France claimed the balance due, some 300,000,000, which she wanted from the first 1,000,000,000. But the majority of the experts held that she had nothing coming to her on army of occupation account because she had the Sarre Basin. It was decided to pay England 600,000,000 gold marks and let Belgium have the balance on her priority account.

France received some satisfaction in an arrangement that sea-borne coal, delivered to her by Germany up to Aug. 31 should be charged at the internal German price rather than the British export price. This relieves her of paying 140,000,000 gold marks, but does not mean that she will get anything of the first 1,000,000,000 cash Germany pays.

Incidentally, in splitting up the money for the armies of occupation, it might be asked where the United States gets off. The answer is that that is a matter to be adjusted between Washington and Berlin.

Despite this ruling, the experts included the American soldiers in working out a scheme for new charges. It was figured that for each French soldier on the Rhine Germany should pay 16 francs per day; for each British soldier, this sum plus 2 gold marks, and for each American soldier, 16 francs plus 3 gold marks. It is presumed the American Government will accept this arrangement or make a separate arrangement with Germany.

The Allies are naturally anxious to see the charge for the American soldiers put as low as possible, for the less Germany has to pay on this account the more she can pay to the general reparations account, of which the United States gets nothing.

The *Matin* to-day calls the financial arrangement for the distribution of the first billion deplorable for France, and points out that in addition to getting none of it, France, under experts' ruling, owes 100,000,000 gold marks to the other Allies. The *Matin* thinks it absurd that France should be credited with the value of coal which will not be mined for ten years, and wants to know why the value of the German ships turned over to England was not deducted from her occupation balance.

Practically the whole of the press demands that the French Government refuse to accept the finance experts' arrangement.

The "Journal des Debats" thinks with the "Matin" that it is absurd to make France pay at this time for all coal to be mined from the Sarre.

The Temps points out that what France has expended for her army on the Rhine she has paid out in cash, whereas she cannot to-day discount her equity in the Sarre, extending over fifteen years, for cash. The newspaper says it will be a scandal if such a settlement holds. If such a system prevails France will get nothing from the second billion paid by Germany, for Belgian priority will take that, and the Temps asks how France can reconstruct her devastated regions if she has to wait until last to be paid.

GERMAN CREDITS OBTAINED FROM AMSTERDAM BANKERS—OTHER CREDITS.

On Aug. 1 a special radio message to the "Journal of Commerce" from Frankfort-on-the-Main said:

Announcement is made that the Reichsbank has obtained a further credit of 50,000,000 gold marks through Mendelssohn & Co. of Amsterdam. This brings the total credits arranged through this banking house for application to reparations up to 250,000,000 gold marks.

The same paper reported a credit of 50,000,000 gold marks to Germany by the Amsterdam bankers on July 22. In reporting the Aug. 1 payment, the "Journal of Commerce" of Aug. 2 said:

New York bankers believe that the bulk of the credits which Germany has obtained through Mendelssohn & Co. have been arranged in London, where this Dutch banking house has important affiliations and connections. The aggregate involved is the equivalent roughly of \$62,500,000, an amount of credit which is greater than it is thought could be granted by Dutch interests.

Taking into consideration the credits which Germany has successfully negotiated in Holland, Denmark and the United States and the balances which the Reichsbank and other German banking institutions and houses have abroad, bankers who are in close touch with the situation believe that Germany is now fully prepared to meet the reparations payment due in August. Advance settlements are computed to have reduced the amount remaining to be paid to approximately \$160,000,000.

To meet this requirement Germany has arranged the following credits, the amounts being converted approximately into dollars: Holland, \$62,500,000; United States, \$15,000,000; Denmark, \$4,000,000. Total, \$82,500,000.

Thus Germany has closed credits covering more than half the amount remaining to be paid this year in settlement of the reparations account. Balances already created in various countries, according to information in the hands of local bankers, will far more than provide for the difference, although there is no assurance that additional credits may not be nego-

tiated. The principal effect of the credit arrangements, as bankers view the situation, aside from putting Germany in a position to pay on the stipulated date, will be to spread over a considerable period the influence of the payment on the exchange market. The first of the credits obtained for reparations will fall due in October, it was said yesterday, and there is much conjecture as to how they will be taken up by Germany at maturity. This is regarded as one of the most confusing factors contributing to the uncertainty of the outlook for the foreign exchanges.

The reparations credits obtained from American bankers include one of \$5,000,000 definitely closed. This is understood to be secured by the guarantee of the principal German banking institutions and houses. The additional \$10,000,000 is to be based on silver as collateral. Germany already having begun the shipment of this metal to the United States. The extent of the movement, it was learned yesterday, will be about \$13,000,000, of which something less than \$1,000,000 has been received here to date.

Germany is expected to draw rather heavily against balances here in connection with the settlement at the end of the month. The Reichsbank has already had recourse to this procedure in making advance payments, according to surface indications, although bankers have been unable to trace the operation with any degree of precision. Private German bank balances on this side are reported as considerably in excess of those of the Reichsbank at present, but these will be made available as needed if precedent is followed.

Other credit negotiations undertaken by Germany here are meeting with only moderate success. The \$9,000,000 wheat credit has not yet been used, a banker interested in the operation said yesterday, for the reason that Germany found it cheaper to finance her rather heavy purchases in the grain market by drawing upon the £3,000,000 credit obtained in London. The London credit runs approximately half as long again as that concluded here, while the cost to Germany is computed at about 2% less.

The project for a \$25,000,000 foodstuffs credit is reported to have virtually been abandoned because of lack of support on this side. Many of the banking houses and institutions which have been asked to participate in the transaction have refused, several on the ground that they could render a more useful contribution to the situation through continuing to operate in conjunction with their regular banking connections in Germany on behalf of their customers here.

REPARATIONS COMMISSION DENIES GERMANY'S PROTEST AGAINST 26% EXPORT TAX.

In answer to a protest by the German Government against the collection of the 26% tax on exports the Reparations Commission decided on Aug. 9 that the contentions raised cannot be admitted. The Associated Press in Paris cablegrams on that date in reporting this said:

The German Treasury has been informed by the Reparations Commission that Germany's contentions against the collection of 26% of the value of German exports as custom duties cannot be admitted. The Commission has restated its claim that it must collect 26% upon Germany's total exports as an index figure, but stated the Commission was quite ready to discuss with Germany subtractions from the total exports covered by reparations in kind.

Germany's protest was made known in Paris cablegrams (Associated Press) on Aug. 4 as follows:

One of the questions regarded as of much importance to America now before the Reparations Commission is the determination of what is meant by the "value of exports" in fixing the variable annuity of 26% on German exports.

Germany represents that the value of exports should not include the cost of raw materials imported from America or elsewhere, nor the goods re-exported from Germany, nor goods partly finished abroad, nor coal and other reparations staples exported to the Allies.

Representatives of the German Treasury insist that the value of exports should be limited to the total value of articles manufactured from German raw materials and the value added to imported raw materials by German labor. They affirm that German manufacturers already have entered into large contracts in the United States and elsewhere abroad for raw materials or partly finished goods which would unjustly be affected by the Allies' collecting 26% of that part of the finished articles based on the cost of raw materials.

German Government leaders also aver that although 26% of the value of exports is defined by the Allies as an index figure for variable annuities, it must in reality be 26% tax on various classifications of exports. Some classifications they say, cannot stand this levy and, consequently, the German exports of those categories will be wholly extinguished to the detriment of Germany and the Allies as well as to the importing of neutral countries.

Although the Reparations Commission has not informed Germany of its rulings on these disputed points, it is understood the Commission has approached and dealt with these questions upon the general ground that this is not an economic agreement between Germany and the Allies, but a means of Germany's paying her debts, and that efforts to reduce the variable annuities by ingenious interpretations should be accompanied by suggestions for other means of equivalent payments.

The Reparations Commission has notified the German Government that 29,400 horses, 130,000 sheep and 175,000 horned cattle must be delivered by Germany to the Commission in the next six months. This decision comes under Annex 4 of Part 8 of the Treaty of Versailles.

ALLIED SUPREME COUNCIL TO REMOVE RHINELAND BARRIER SEPT. 15.

A decision to lift the economic barrier of the Rhineland on Sept. 15 was reached by the Allied Supreme Council on Aug. 13, its conclusions being subject to the proviso that Germany shall pay the amount she undertook to pay by Sept. 1 under the London ultimatum and agrees to remove the boycott against French goods. The Associated Press has the following to say in its Paris account of the decision of the Council:

It was decided, however, to maintain the occupation of Ruhrort, Duisburg and Dusseldorf until the next meeting of the Council, which, it is understood will be held previous to the Washington disarmament conference. At that time Premier Briand consented the question of the occupation of the right bank of the Rhine should be reconsidered.

With the question of the disposition of Upper Silesia out of its hands, the Council went to work to-day on the other matters which it had to take under advisement. The decisions were reached after M. Briand, as Presi-

dent of the Council, replied to attacks made by Lord Curzon, the British Foreign Secretary, and Sir Robert Stevenson Horne, Chancellor of the British Exchequer, against what was termed the present expensive system of administering the treaty, especially as concerned occupation of the Ruhr region.

This, Lord Curzon said, "is very costly and also irritating to German national sentiment and pride."

The Chancellor of the British Exchequer argued that continuance of the present system impoverished every one of the interested powers, and that means ought to be examined for reducing the cost, as the high expense meant less reparations.

It was agreed to create an inter-Allied Commission of financial experts, on which the United States would be represented, to study ways and means whereby a reduction in occupation costs might be devised.

The French Premier in a long speech, indulged in some sarcastic utterances regarding Lord Curzon's reference to German national sentiment. He opposed strongly discontinuance of occupation of the three Ruhr cities.

"The French Government," declared M. Briand, "has no intention whatsoever of hurting Germany's national sentiment or maintaining occupation of the Ruhr cities indefinitely. But there is also the national sentiment of France to be taken into account."

"Occupation of Duisburg, Ruhrort and Duseseldorf was decided jointly by France, England, Italy and Belgium because of the repeated failures of the German Government to fulfill its obligations under the Versailles Treaty."

He was convinced that the Wirth Government now was making all efforts to live up to the undertakings entered upon after the London ultimatum, but added:

"The Wirth Government may fall, another with more reactionary tendencies may be formed, and another crisis reach between France and Germany."

The matter, however, was not so pressing, M. Briand concluded, that it might not be postponed until the next meeting of the Council. All the delegations agreed to this suggestion.

Marshal Foch's military committee, after it had been decided to maintain military control in Germany, was intrusted with the task of deciding how such control was to be exercised—whether by commissions on the spot, as now is the case, or otherwise.

RECOMMENDATIONS OF ALLIED FINANCIAL COMMISSION FOR PAY OF AMERICANS ON RHINE.

According to a recommendation by the Allied Financial Commission on Aug. 13, the United States and British Armies of Occupation should be paid by Germany at the rate of the upkeep of French soldiers on the Rhine, plus two gold marks daily a man. The Associated Press (Paris cablegrams) states that it is proposed that this new rate of reimbursement shall date from May 1. A copyright "Chicago Tribune" cablegram from Paris, Aug. 5, published by the New York "Times," said that the United States must treat directly with Germany on the subject:

The Reparations Commission has decided against paying any part of the cost of the American forces in Germany on the ground of America's failure to ratify the Peace Treaty. America, consequently, must treat directly with Germany on the subject.

The funds which Germany has transmitted to the Commission for the cost of the Allied armies, therefore, are divided among the British, French and Belgian armies. The actual costs of the French and Belgian armies are already fully paid through deliveries of goods before May 1.

The Commission now has considerable funds available, chiefly Luxemburg money for German coal deliveries, also money from American and Japanese textile manufacturers for German dyes which will be paid to Britain for the British army. Other funds received will be paid proportionately to each, according to expense.

In reporting that Brigadier-General H. T. Allen, Commander-in-Chief of the American Army of Occupation, was to consult with Colonel George Harvey, the American Ambassador to Great Britain, on the subject of the cost of maintaining the army on the German front. Paris press cablegrams of Aug. 7 noted that the Reparations Commission decided this was a matter strictly between the United States and Germany.

GERMANY OWES U. S. \$240,744,511 FOR COST OF KEEPING TROOPS ON RHINE.

In advices to the Senate regarding the cost of maintaining United States troops in Europe, Secretary of War Weeks reported that the cost from Dec. 18 1918 to April 30 1921 had been \$275,324,192, and that the balance due the United States by Germany is \$240,744,512. The following is the communication from Secretary Weeks:

War Department, Washington, July 26 1921.

The President of the Senate, Washington, D. C.:

Sir: In response to Senate Resolution No. 114, directing the Secretary of War to advise the Senate of the number of United States troops in Europe, the cost of maintaining them and the amount of indebtedness of Germany to the United States on their account, by direction of the President I transmit to you the following information:

1. The number of troops which the United States now has in Europe:

Commissioned officers.....	480
Warrant officers.....	20
Army Nurse Corps.....	54
Enlisted men.....	13,241

Aggregate..... 13,795
The above figures are taken from reports of June 30 1921, the latest available.

2. The total cost for keeping these troops in Europe from Dec. 18 1918 to April 30 1921 (the latest data available) has been \$275,324,192 18, or an average of \$966,049 80 per month.

3. On April 30 1921 the balance due the United States by Germany was \$240,744,511 89.

Respectfully,

JOHN W. WEEKS, Secretary of War.

AMERICAN ARBITRATION TO SETTLE QUESTION OF GERMANY'S REIMBURSEMENT OF BELGIUM'S DEBTS.

Cablegrams from Paris Aug. 13 in announcing that arbitration had been agreed upon by the Allied Financial Commission as a fixed policy and the League of Nations is proposed as the proper authority to appoint arbitrators in future disputes of a financial nature added

American arbitration, however, is recommended to settle whether Germany's reimbursement of Belgium's debts to the United States, Great Britain and France should be at the war or the current rate of exchange.

COST OF WAR TO FRANCE PUT AT 240 BILLION FRANCS.

The receipt of the following copyright advices (cablegram) from Paris was announced by the New York "Herald" on July 29:

The latest estimate of what the war cost France, as given by Paul Doumer, Minister of Finance, in his initial report on the budget for next year, is 240,000,000,000 francs. This is considerably less than previous calculations, some experts giving the minimum cost at 400,000,000,000 francs.

France's total debt is 264,341,000,000 francs, of which amount 35,286,000,000 francs is owing abroad, including 15,285,000,000 francs to the United States, if this debt is to be repaid at the present rate of exchange.

CESSATION OF STATE LOANS CONTEMPLATED IN FRENCH BUDGET.

Suppression of extraordinary expenditure, and special accounts caused by the war, also cessation of state loans are contemplated in the proposed French budget for 1922 which has just been put before the Chamber of Deputies by M. Doumer Minister of Finance. In an announcement to this effect made public July 31 the Bankers Trust Company of New York says:

The budget shows a net decrease in estimated expenditure of 1,003 million francs over the budget of 1921. In actual fact, this would mean a reduction in expenses of 2,548 millions, as in this budget are incorporated for the first time the expenses of Alsace-Lorraine which amount to 145 millions. Furthermore, the interest on the public debt is increased by one billion in 1922, and its sinking fund is increased by 400 millions.

The foregoing proposals of M. Doumer are severe measures of economy, and radical changes over the preceding budget. The Bankers Trust Company of New York, is advised by its French Information Service that only a consolidation loan is contemplated and advances for reconstruction purposes are to be met by local loans, and special organizations such as the Credit National, etc. The Finance Minister emphasizes the fact that receipts must cover expenditure, and that France's already formidable debt may not be increased further.

The general statement of the proposed budget is as follows:

<i>Receipts—</i>	<i>Million Francs.</i>
Production of taxation.....	3,300
Indirect taxes, customs, etc.....	16,120
Exceptional resources produced by liquidation of stock, income from	
Alsace-Lorraine and war profits tax.....	3,050
New taxes.....	3,044
Total.....	25,514
Expenses.....	25,496
 Reserve.....	 18

In well informed circles it is stated that the tax on business turnover will be increased in order to provide the necessary revenue, although by a coincidence the unpaid taxes for this year are estimated at just 3 billions. From this the deduction is drawn that if the Government tightens its control, new taxation need not be very heavy.

DEPOSITS IN FRENCH SAVINGS BANKS IN 1920 GREATER THAN IN 1913.

Despite abnormal conditions existing during the war and since, the balance reported on deposit in French savings banks at the end of the year 1920 was 1,800,000,000 francs greater than in 1913. Detailed figures received by the Bankers Trust Co. of New York from its French information service (which is authority for this statement) compare the balances as follows:

	<i>Deposits.</i>	<i>Withdrawals</i>	<i>Balance,</i>
		<i>(Million Francs).</i>	<i>December 31</i>
1913.....	870	924	4,000
1920.....	2,000	1,500	5,800

In explanation of the withdrawals, it may be stated that since the war numerous interior and municipal loans have attracted the savings of the French people from the banks and additional savings that would otherwise have gone into the banks. It is also to be noted that the maximum deposit for any depositor in the French savings banks is 5,000 francs. Until comparatively recently the maximum sum was lower.

PAYMENT OF THE SPANISH DEBT TO FRANCE.

Ambassador J. E. Willard reported from Madrid early last month that a recent issue of a Spanish publication announced that the Spanish Government had accepted the proposal of the French Government to liquidate its debt in three years. Three payments will be made during the present year, and after October, 1922, installments will be paid every two months until the entire debt is liquidated.

ESTABLISHMENT OF FOREIGN BANKS IN NEW ITALIAN TERRITORY.

Under date of June 29, the Department of Commerce at Washington, made public the following:

The Gazzetta Ufficiale of April 28 sets forth the regulations governing the opening of branches of foreign banks in Provinces acquired by Italy as a result of the war. An office of a non-Italian bank may be opened in this territory only by permission of the Ministry of the Treasury. The application for this permission must be accompanied by a copy of the act by which the bank was incorporated, and also by a statement of the capital which is to be employed by the proposed branch or branches in Italy. The officers, directors, and managers of the proposed branches must be named at the time of making application.

R. S. HECHT ON CONDITIONS IN EUROPE—TER MEULEN PLAN FAVORED FOR CREDITS.

With his return from a two months' trip abroad, R. H. Hecht, President of the Hibernia Bank & Trust Co. of New Orleans, reports European conditions as "slowly but surely improving." He observes that "they have many serious problems yet to overcome, the most difficult being that of striking a balance between their receipts and expenditures without bringing about further inflation." He is also quoted in part in the New Orleans "Item" as saying:

Only in England has the Government had the courage to put taxes high enough to balance her budget. The other nations are still covering their deficits by additional work of the printing presses in turning out more paper money, or by heavy loans from the Government banks, which indirectly produce the same effect.

As a result of this policy prices over there have not declined as they have with us, and the industrial depression has touched them more lightly than the richer nations.

The depreciation of all foreign currencies as compared with the dollar is proving a serious barrier to our export trade and is more effective than any tariff these foreign nations could enact against us.

With all I look for a steady continued export movement of our raw materials such as cotton, naval stores, coffee, &c., and our foodstuffs, because all of these are indispensable for the European nations, and, poor as they are, they always seem to manage to finance such shipments without serious difficulty.

I am much less optimistic, however, about the future volume of our export trade in manufactured products, especially those in which the labor cost makes up a considerable percentage of the total price. Labor with us has always been better paid than anywhere, but the difference was not sufficient to prevent us from competing successfully with most of the European nations.

However, an entirely new factor has now been added which I fear will enable other nations to underbid us in the world's markets, and will cause us to lose some of the temporary advantage we gained in the export business during the war. That unfavorable factor is the status of the international exchanges.

The best illustration I can use is to quote the example of Germany. Before the war a German skilled mechanic received about 8 marks a day, whereas he now receives about 64 marks a day, which constitutes, a fair living wage under present conditions in that country. But 64 marks converted into dollars at the present rate of exchange is only about 86 cents, whereas a workman of the same type gets at least \$8 a day in America.

There lies the explanation of Germany's ability to underbid us in the world's market, and the same, of course, applies to the other European nations whose currency has depreciated so much in comparison with our own.

The fact that the dollar commands a big premium may look like an unmixed blessing to the tourist, who now gets 12½ francs for the dollar where he formerly received 5 francs, or to the American soldier in Coblenz, whose \$30 a month gives him about 2,100 marks in German money (which formerly would have been about 125 marks) but in reality it is a double-edged sword which cuts both ways and will perhaps cause us to lose the commercial foothold we gained in certain countries during the war.

Ordinary tariff measures and even anti-dumping laws will scarcely suffice to overcome this difficulty, and whether we like it or not we must take an active interest in the economic readjustment of Europe. Politically we all want to keep out of European affairs, but commercially this is a very small world, and the effect of the reparations settlement and the ultimate distribution of the raw materials will be felt very nearly as much by us as by those other countries 3,000 miles away.

Most of the European nations will show an unfavorable balance of trade for many years to come because their need for raw material is very great, and the ever-increasing tariff wall which we are bulging here is making imports quite difficult.

Gold shipments are no longer sufficient to cure the situation, and we must remedy it by extending credits to these nations in one form or another.

Bank credits to first-class commercial houses will, of course, facilitate the movement of goods to some extent, but they must necessarily be restricted both in time and in amount, and must be of a self-liquidating nature. What is needed is permanent investments in foreign enterprises and in Government obligations, and while we must necessarily use the utmost caution in matters of this kind, my judgment is that there is no doubt whatever of the recuperative power of the principal European nations.

I am not under-estimating the difficulties in the way of making such credits available, but I believe that the so-called "ter Meulen" plan, which was first suggested at the financial conference in Bruxelles, does point the way towards a safe solution, and I hope we shall hear more of this plan in the next few months.

STAMP DUTY ON COUPONS IMPOSED IN SWITZERLAND.

We learn from the Union Bank of Switzerland at Zurich, that on June 25 1921, the law imposing a stamp duty on coupons received the assent of the Swiss Federal assemblies. In writing us under date of July 20, the bank says:

In view of the fact that at various times misleading articles appeared in the press abroad regarding the percentage of the tax as well as with respect to the class of securities falling within the range of the tax, we beg to give you here below a recapitulation of the chief provisions of said law:

Subject to the Tax are:

1. Coupons of Swiss securities. Exempt from the tax are only coupons of securities issued by the Swiss Confederation, the Swiss Federal Railways and the Cantons, if before the law entering into force they have been declared tax-free.

2. The coupons of foreign securities circulating in Switzerland, in so far as—after the law entering into force—they will be issued here or quoted on any of the Swiss Stock Exchanges.

In all other instances, especially so if the foreign securities are merely deposited in Switzerland, no tax will be levied on the coupons.

3. Interest from money deposited with Swiss banks, provided that same is invested for a period exceeding six months or that the repayment can only be demanded upon notice of more than six months.

Tax-free, therefore, is the interest from all current accounts and from deposits at notice, if the time of investment does not exceed six months.

With regard to the percentage of the tax no distinction whatsoever is made between Swiss and foreign securities subject to the tax.

The tax is only:

2% on coupons of bonds or debentures and on credited interest subject to the tax.

3% on shares, stocks, founders' shares, bonus-shares and bonus-certificates.

6% on premiums of bonds drawn for redemption with a premium.

The new law on coupons duty is yet subject to the vote of the people if they should choose to avail themselves of that right, which, however, will hardly be the case. After expiration of the so-called referendum limit—which extends to Oct. 4 1921—the Swiss Federal Council is to fix the date on which those provisions are to become effective.

FRENCH LOAN IN AID OF SUGAR INDUSTRY.

The French Government has just issued a loan of 200,000,000 francs through the "Comptoir National d'Escompte de Paris" in aid of the sugar industry in France. According to advices received by the Bankers Trust Company of New York, from its French Information service. In making this known on Aug. 13 the company says:

French sugar production for 1921 is estimated at 280,000 tons as against 155,000 tons last year, and 877,000 tons in 1913. But for the very severe drought it would probably have attained 350,000 tons this year, as the area planted in beets had been increased by nearly 20% over that of last year.

In 1913 the area in beets was 266,200 hectares (a hectare=2.47 acres), and in 1920, only 81,840 hectares, owing to destruction by the war. Out of 213 factories that were running in 1913 only 70 exist now. These are, however, more than able to take care of the present crop.

France's normal consumption of sugar is about 700,000 tons a year, and aside from home production she gets 100,000 tons from her colonies. This is imported free of duty and only pays the excise tax of 500 francs a ton which is levied on all sugar consumed in France.

The duty on foreign sugar has just been raised from 200 frs. to 500 frs. per ton, so that the customer now has to pay in taxes alone 1,000 frs. per ton, whereas the pre-war price of sugar was only 350 frs. a ton.

RESULTS OF FRENCH TREASURY BOND OFFERING—33 BILLIONS IN LOANS SUBSCRIBED IN 1920.

The Bankers Trust Company of New York, under date of Aug. 10, says:

Over 5,000,000,000 francs have been realized from the last issue of French treasury bonds at 6% reimbursable in two years, according to official returns.

The public subscribed 33 billions in various loans and other securities during 1920, and 11 billions during 1919. It was therefore, to be assumed that the amount of money on deposit in the large banks would show a marked decrease at the close of 1920, as also the paper currency of the Bank of France, since subscriptions were paid in bank-notes and checks. But the following figures just received by the Bankers Trust Company of New York, from its French Information Service, indicate that this was not the case, and that the various loans in 1920 brought out 33 billions of fresh money.

The five large French deposit banks: the Credit Lyonnais, Comptoir National d'Escompte, Societe Generale, Credit Industriel and Banque Nationale de Credit, saw their cash on hand rise from 1,580 millions at the end of 1919 to 2,150 millions at the end of 1920, and the credit balance of their current accounts rose from 14,106 millions to 15,689 millions, as follows:

<i>In Millions of Francs—</i>	<i>End of 1919.</i>	<i>End of 1920</i>
Cash on hand.....	1,580	2,150
Credit account of 5 banks.....	14,106	15,689
Current account of Bank of France.....	2,382	3,518
Total of creditor current account.....	16,488	19,207
Monetary circulation of Banque de France.....	31,055	37,902

NEW FRENCH LOAN DELAYED TILL FALL.

A copyright cablegram from Paris Aug. 8 to the New York "Tribune", said:

Flotation of a new government loan has been definitely postponed until autumn, it is believed, because municipalities of the devastated regions are coming into the market for funds. Despite the objection of the Finance Ministry, the town of Albert has floated a loan here and it is expected that Verdun and Rheims will be the next to sell securities here.

For this reason it is believed the Finance Minister, Paul Doumer, will postpone the contemplated government offering. In the meantime subscriptions to the new two-year 6% treasury bonds are satisfactory and will help delay further government borrowing.

FRANCE DENIES REPORT OF RUSSIAN DEBT RECOGNITION.

Under date of Aug. 3, a Paris cablegram to the daily papers said:

Reports that negotiations for recognition of the Russian debt to France were impending which have been in circulation for several days were given official denial to-day.

The denial seems to have been prompted by a circumstantial statement, declared to be on reliable authority, printed here this morning that such negotiations had been begun last night by Louis Loucheur, French Minister of Liberated Regions, and Leonid Krassin, Russian Soviet Minister of Trade and Commerce.

CALLING IN OF MUTILATED BILLS OF SMALL DENOMINATION IN CUBA—CORRECTION.

With regard to reports to the effect that a decree has been signed by President Zayas of Cuba, ordering the withdrawal of all American bills of one and two-dollar denomination, worn or damaged (referred to in our issue of July 30, page 469), the following advices have come to us from G. E. Laughery, Director of the Bureau of Public Service, disseminating "The Truth About Cuba":

The news in your story connects the statement of the coming issue of Cuban currency with signing of the special decree by President Zayas, ordering bills of small denomination, which are worn or damaged, to be withdrawn from circulation.

In the interest of accuracy, I desire to give you a statement of the facts as supplied to me by an official of the National City Bank of Havana, as follows: "The Secretary of the Treasury issued a decree calling in all old and mutilated bills of small denomination. These, the banks ship out of the country, and if needed they call for a special supply of new United States currency.

"There is, however, no issue of Cuban National currency, and it is probable, from present indication, that there will not be. The Government and some of the banks are over-stocked with small Cuban silver, which it is desired to place into increasing circulation, and this is being done in a practical way."

OBSERVATIONS ON CONDITIONS IN BUENOS AIRES.

Willard Shrewsbury, manager of the Buenos Aires branch of the National City Bank, New York, Lee C. Shearer, manager at Montevideo, and Lloyd W. Berry, manager at Rosario, have just returned on the Munson liner "Aeolus," from Buenos Aires, and a statement regarding their observations is furnished as follows:

Mr. Berry reports on the difficulty—almost the impossibility—of customers protecting themselves against exchange fluctuations. These changes appear to be unaccountable. At one time the demand for \$100,000 will upset the market several points, while the next day the purchase of five times that amount will have no influence on levels. While the Argentine paper money is still "guaranteed" with gold in the Conversion Bank, Mr. Berry admits that the guarantee is "temporarily inactive" and may remain so permanently.

Some business houses represented in Argentina, who are carrying heavy reserves of paper money in the hope that exchange conditions will improve, are now borrowing against this money as security. Mr. Berry believes the many millions of pesos in the banks there in the accounts of the American fund are latent demands for dollar drafts and constitute a "sword of Damocles" hanging over the present rate. Should all American and English companies decide to remit, the exchange value of the peso or milreis would drop out of sight, so that it is really the foreign exporter who is maintaining these exchanges at the present rates.

Many banks in Argentina and Brazil have loans out on wheat, wool, coffee and cattle—all of which are down and likely to cause heavy losses. It is understood that a big bank loaned up to 175 pesos per head on cattle which are now selling at 25, and it is beginning to write off the loss.

An important improvement in South American trade through some ports is pointed out by Mr. Berry. It is now safe to promise definite time of delivery, with a bonus and forfeiture clause, as the Munson line service has been developed to certainty and promptness of schedule. The substantial cut in sailing time made by the new Munson boats further facilitates trade.

CONDITIONS IN VENEZUELA.

The following has come to us from the New York agency of the Venezuelan Commercial Agency:

Rapid progress in developing the natural resources of Venezuela is expected to come as the result of the nearing completion of a system of excellent roads throughout the country. The two important roads on which work is now concentrated are the Gran Carretera Occidental and the Gran Carretera Oriental, which will traverse the republic from east to west and connect the main productive areas of the country.

Important roads have already been built to join Caracas, Valencia and other important cities with their respective ports. Since 1908 a total of 3,000 kilometers of roads have been constructed or repaired by the Federal and State Governments, while work on an additional 2,000 kilometers of roads is under way.

One result of the building of new roads, according to a statement by P. L. Bell, Trade Commissioner of the U. S. Department of Commerce, who recently returned from Venezuela, will be that 2,000 additional light-weight automobiles will be needed there. Additional demands are likely to be made as well in other fields, while a general expansion in industry and agriculture is expected in line with the increased transportation facilities.

GOVERNMENT CONTROL OF BRITISH RAILWAYS TERMINATED.

Control of railways by the British Government, which was assumed with the opening of the world war, ceased at midnight August 14. The press accounts from London, August 14, in announcing the return of the roads to their owners, said:

The stockholders of the railway companies during the last seven years have had their dividends guaranteed on pre-war basis.

The new Act governing the future of the Railroad Administration becomes operative almost immediately. Under the Act rates and fares will be fixed by a tribunal. Wages and labor conditions generally also will be in the hands of the tribunal.

Copyright cable advices by the Public Ledger Co., from London, Aug. 15, published in the New York "Evening Post," had the following to say regarding the termination of Government control:

Great Britain, going through the same ordeal of economic reconstruction through which the United States already has passed, to-day returns to private management the control of the railroads which she took under Governmental direction August 4, 1914, the day on which she entered the World War. While the public is rejoicing at the prospect of a return to railway "normalcy," there is a considerable section of the hard-headed British public which is wondering how much State management of the railways has cost these taxpayers. Through the courtesy of James Robinson, financial secretary of the Ministry of Transport, your correspondent is able to state that, as in the United States, the national treasury will suffer heavily from Government operation. According to official figures compiled up to two days ago, the net cost of operation when all is paid will be something more than £150,000,000.

Although the railroads are being returned to private ownership, in no sense will they go back to pre-war conditions. Competitive traffic handling will be reintroduced, but this is to be limited under the new railways act by a new "four group" system, by which the roads will be grouped into four divisions according to the territory served, and effort is being made by sensible co-operation to give the public more, better, faster and cheaper service. These improvements will be facilitated by an agreement with the unions to accept a cut averaging 15% in wages.

Among the pre-war facilities to be reintroduced are cheap week-end and commercial travellers' tickets and a system of inexpensive tourist tickets.

The British Ministry of Transport, although a war-time creation, is to be continued as a peace-time ministry. Although a number of the functions will be eliminated with the attendant dismissal of a large number of employees, which will save the country several million pounds, the new railway bill gives it definite and useful functions. Among those various functions are supervisory work connected with docks, harbors and terminals, the public health, canals, the regulation of traffic in London, safety appliances and temporary regulations along the railways' right-of-way which formerly were scattered among local Government boards.

The Ministry of Hygiene and the Board of Trade also now are concentrated permanently in its hands. Furthermore it will be also the executive and statistical department of the new "rates tribunal," which is almost a duplicate of the American Inter-State Commerce Commission.

HARVEY BLODGETT'S BOOK, "DOUBLE YOUR SAVINGS."

"Double Your Savings—It Can Be Done," is the caption under which the Harvey Blodgett Company, of St. Paul, Chicago, New York, Boston and Los Angeles, has gotten out a book, the purport of which is to spur bankers to increasing the banking power of the nation by attacking "vigorously the question of increasing or doubling present bank accounts." The book, which is copyrighted, has been prepared by Harvey A. Blodgett. It is contended in the foreword that the savings of the nation should and *can* be doubled within the next four or five years. It argues further:

"The only reason why savings are not growing *now* at a rate fast enough to double them in five years is that the bankers are not striving toward that end. They have no goal of achievement. They are supinely awaiting the processes which they believe, if they think about it at all, are the results of natural phenomena.

"Americans saved and invested 20 billions in Liberty bonds during the short period of the war. Can't they add 6 billions to the Nation's savings in the next half decade? The only way to create 6 billions of new saved capital is to buckle down to the job, work and *save* it.

Referring to the slogan adopted by the Mutual Savings Bank Association, "Twenty Million Savers in Mutual Savings Banks by 1930," the book says:

"This is most worthy and it implies more than doubling the number of savings depositors. But there is not a hint here of *increasing the balances* of those who already have accounts. The number of depositors could be doubled or quadrupled without doubling the present total deposits; for a large crop of new accounts, especially as now handled, will require years of growth before they attain the status of what are, at this moment 'satisfactory' accounts."

"The slogan, 'Twenty Million Savings Depositors in Mutual Banks in 1930,' gives some hundreds of banks, collectively, in the mutual class, something to do in the next nine years. But it doesn't suggest definite things for any particular bank to do. It is, however, a challenge to every mutual bank to get busy and find out how to do its share; it is also a challenge to incorporated banks to get busy and see that they are not outdistanced by the mutual banks, which are now showing great signs of activity.

"A friendly rivalry between these two classes of banks will be a great boon to the public, for it will result in popularizing the thrift idea. . . .

"I would like to see the slogan, 'Double Your Savings; It Can Be Done,' henceforth the watchword, the goal of every bank in the land.

"It is a challenge to the bank, its management, its every employee, to do something.

"It is a challenge to every depositor to do twice as well as he has done.

It is contended that "with this slogan nationalized, and with the *doubling of savings* the objective, the matter of how many new accounts are opened will take care of itself." Chapters are devoted to "The Line of Inquiry," the getting of new depositors through the "direct by mail" system, advertising, the indoor poster, etc.; the "Personal Solicitation of Savings Accounts," "Officers' and Employees' Co-operation," etc., etc.

F. O. WATTS REPORTS TRADE CONDITIONS ABROAD IMPROVED.

F. O. Watts, President of the First National Bank of St. Louis, came through New York on his way home from the International Trade Conference held by the International Chamber of Commerce, where he was Chairman of the American financial delegation. In a brief interview, Mr.

Watts said that general conditions in Europe are much improved and that the future appears to hold forth considerable promise. The industry of Europeans in getting back to work, he said, should go far to influence American manufacturers and bankers in extending credit abroad.

NORWEGIAN INDUSTRIES FAIR.

It is announced that the First Norwegian Industries Fair, held in September 1920, having proved so successful it has been resolved to hold the fair again this year. It is scheduled for Christiania the week of Sept. 4-11. The object of the fair is to promote the sale of Norwegian products and manufactures in home and also in foreign markets. It therefore constitutes an important link in the work for the furtherance of Norway's foreign trade. Foreign buyers are thus afforded an excellent opportunity of acquainting themselves with Norwegian products and manufactures of every description, and of getting into closer personal contact with firms in every line of trade. Christiania, the capital of Norway, where the fair is again to be held; has excellent direct railway or steamship services to all the principal European and oversea trading centres, and is thus conveniently located for foreign visitors. With regard to the exhibits, an official notice says:

Exhibits belonging to any one group are collected in the same hall or section. The following classification arrangement has been decided upon:

1. Machines and implements.
2. Electricity and gas.
3. Metal manufactures and tools.
4. Instruments.
5. Gold and silver work.
6. Glass, porcelain, stoneware and small-wares.
7. Textiles and made-up clothing.
8. Wood manufactures, wood pulp, cork, etc.
9. Furniture.
10. Requisites for sports and games.
11. Rubber and leather goods.
12. Building articles.
13. Book, paper and graphic work.
14. Foods and drinks, tobacco, canned goods, etc.
15. Chemical and pharmaceutical products.
16. Oils, paints and colors, varnishes and lacquers.
17. Straw and wicker work.
18. Minerals, iron and steel.
19. New Norwegian patents and inventions.
20. Ammunition and pyrotechnical products.

As to admission cards, passports, etc., the announcement states:

Admission cards available for the duration of the fair will be issued in advance on application being made to the Fair Office.

Intending visitors to the fair will get their passports promptly vised on applying to the nearest Norwegian Legation or Consulate.

Applications for hotel accommodation may be made to Bennett's Reisebureau, -Christiania.

All applications relating to other matters connected with the fair should be addressed to the Fair Office, care the Trade Intelligence Bureau of Norway, Christiania. Telegr. Address: Lys, Christiania.

ADVANCE BY WAR FINANCE CORPORATION ACCOUNT OF COTTON EXPORTS.

The War Finance Corporation announced on Aug. 5 that it had agreed to make an advance of \$500,000 to a Southern exporter to finance the exportation of cotton from Georgia, North Carolina and South Carolina. The cotton under this loan is to be held in warehouses for export within a period of six months.

This week, Aug. 18, the Corporation announced that it had approved an application from an important Southern banking institution for an advance of \$5,000,000—to finance cotton, cotton seed cake, peanut cake, and naval stores, for export sale. The commodities in question will be for the most part products from Georgia, Alabama, and South Carolina.

ADVANCES BY WAR FINANCE CORPORATION ACCOUNT OF EXPORTS TO BELGIUM.

The War Finance Corporation announced on Aug. 16 that it had agreed to make an advance of \$140,000 to an exporter for the purpose of assisting in financing the exportation of cotton to Belgium.

REPAYMENT TO WAR FINANCE CORPORATION FOR FINANCING OF EXPORTS TO BELGIUM.

On Aug. 16 the War Finance Corporation announced that it had received repayment of \$2,834,830 on account of principal due in connection with an advance for financing the exportation of grain to Belgium.

RESOLUTION OF NEW YORK STOCK EXCHANGE DECLARING AGAINST EXCESSIVE CHARGES ON PARTIAL PAYMENT PURCHASES.

The following resolution was adopted by the Governors of the New York Stock Exchange on Aug. 10 declaring it to be detrimental to the interest and welfare of the Exchange for members to make excessive charges for the carrying of securities paid for in instalments by customers.

Resolved, that it is detrimental to the interest and welfare of the Exchange for a member thereof or a firm registered thereon, engaged in the business of purchasing securities for customers under agreements providing that the customers are to pay the member or firm the price thereof in instalments; or

by a series of partial payments, to make any charge for purchasing and carrying any such securities that exceeds a reasonable commission on the purchase and a reasonable rate of interest on the balance due by the requirement of a minimum carrying charge or otherwise.

E. V. D. COX, Secretary.

NO MONEY LOANSON NEW YORK STOCK EXCHANGE AFTER 2:30 P. M.

An announcement to the effect that "the money clerk will not accept orders for borrowing or loaning money later than 2:30 p. m.," was made by E. V. D. Cox, Secretary of the New York Stock Exchange, on Aug. 5. In its issue of the 16th inst. the New York "Times" said:

Members of the New York Stock Exchange are circulating a petition which will be presented to the Governors, asking the appointment of a committee which will attend the loan crowd meeting each day and will establish the official rate at which stocks are to be lent. This, it is explained, will eliminate a great deal of clerical work and telephone communication.

REFEREE IN BANKRUPTCY APPOINTED FOR CHANDLER BROTHERS & CO.

According to a press dispatch from Philadelphia dated Aug. 17, Judge Dickenson of the United States District Court on that day appointed John M. Hill referee in bankruptcy for the failed stock brokerage firm of Chandler Brothers & Co. The parties named in the bill of bankruptcy, it is said, are being proceeded against as individuals and as a co-partnership. They are Earl Mendenhall, Louis E. Waring, Fred T. Chandler Jr. and Edward S. Little.

According to the Philadelphia "Ledger" of Aug. 16, Judge Thompson in the United States District Court on Aug. 15 gave the receivers of Chandler Brothers & Co. the power to deliver the certificates of stock to customers of the firm who had, within a few days of the company's failure, given orders for the purchase of stock. The buyers, however, it is said, under the Court's order, must make payment of the purchase price to the receivers before the deliveries will be made. The Court's order, it is said, concerns accounts under which stocks had been purchased, but before delivery could be made the firm announced its failure, and the purchasers stopped payment of the checks given to cover the transactions.

WOOSTER, THOMAS & CO., NEW YORK, FAIL.

An involuntary petition in bankruptcy was filed on Tuesday of this week (Aug. 16) against the stock brokerage firm of Wooster, Thomas & Co., 20 Broad Street, this city, according to statements appearing in the New York daily papers. The firm, it is understood, consists of Harry F. Eichhorn and William H. Thomas. Liabilities, it is said, are approximately \$300,000 with assets of about \$175,000. On the same day (Aug. 16), it is said, Mr. Eichhorn, as a member of the co-partnership, made an assignment for the benefit of creditors to Max Reich of 280 Broadway and Edward J. Dowling of 233 Broadway. The firm, it is said, had offices in Philadelphia, Pittsburgh and Chicago. According to the New York "Times" of Aug. 17, Mr. Eichhorn bought out the interest of Frank Wooster in the firm in June of this year.

EXPIRATION OCT. 31 OF AMENDMENT TO FEDERAL RESERVE ACT PERMITTING LOANS OF 20% ON LIBERTY BONDS.

Attention is called by the Federal Reserve Bank of New York in the following circular, to the expiration by limitation on Oct. 31 next of the provision in the Federal Reserve Act permitting Federal Reserve Banks to discount for member banks paper up to 20% of the latter's combined capital and surplus when secured by Liberty bonds and other Government obligations.

FEDERAL RESERVE BANK OF NEW YORK.

[Circular No. 393, Aug. 6 1921.]

Provision of Federal Reserve Act Expiring by Limitation on October 31 1921. To All Members in the Second Federal Reserve District:

We desire to recall to your attention the expiration by limitation on Oct. 31 1921 of the provisions of the under-quoted extract from the Federal Reserve Act, i. e., subsection (m) of Section 11 of the Federal Reserve Act, as amended Feb. 27 1921:

"(m) Upon the affirmative vote of not less than five of its members, the Federal Reserve Board shall have power to permit Federal reserve banks to discount for any member bank notes, drafts, or bills of exchange bearing the signature or endorsement of any one borrower in excess of the amount permitted by Section 9 and Section 13 of this Act, but in no case to exceed 20 per centum of the member bank's capital and surplus: *Provided, however,* That all such notes, drafts, or bills of exchange discounted for any member bank in excess of the amount permitted under such sections shall be secured by not less than a like face amount of bonds or notes of the United States issued since April 24 1917, for which the borrower shall in good faith prior to Jan. 1 1921, have paid or agreed to pay not less than the full face amount thereof or certificates of indebtedness of the United States: *Provided further,* That the provisions of this subsection (m) shall not be operative after October 31 1921."

Very truly yours,
BENJAMIN STRONG, Governor.

A reference to this provision appeared in our issue of March 5 last, page 893.

W. C. DURANT SUGGESTS A FEDERAL RESERVE DISCOUNT RATE OF 3% WITH 1% CALL MONEY.

To the issue of Commerce and Finance for Aug. 10, W. C. Durant until a year ago so prominently identified with the General Motors Corporation, but now President of Durant Motors, Inc., has contributed an article on "The Automobile Industry—And Other Things" which is deserving of more than passing notice. It is not what Mr. Durant has to say with reference to the future of the automobile industry, which is optimistic in the extreme, that attracts attention, but his expression of the view that our banking system ought to provide easy and "elastic" credits at low rates. In this respect he goes further than the most radical advocate of the doctrine that the banks should always facilitate borrowing and it is for that reason it seems desirable to give the article here. It is his idea that the Federal Reserve Bank should establish a discount rate of 3%, and that the business men of the country should have 1% call money. We reproduce below the greater part of the article.

I contend that much of our present distress is due to extortionate interest rates and restricted credits. In this financial crisis the bankers have not met the situation and are largely responsible for the chaotic condition now existing.

The Federal Reserve Bank is also under suspicion. Never in the history of this country was there greater need for low interest rates and more elastic credits. Instead of helping to relieve the situation and restore order, the bankers and those in control of the money supply and credits have been taking advantage of a situation. For months, call money rates have been outrageously high, with time money almost impossible at any price—and this condition existing with our natural and accumulated wealth, with nearly one-half the gold of the world in our possession and with a great Federal Reserve Bank created for the purpose of doing a real service to business in an emergency.

Supply and demand are supposed to regulate production and price, but if the supply is controlled, the law of supply and demand does not apply. If money and credit are available only for certain preferred purposes and at certain rates, business is bound to suffer. The Sherman Law and Clayton Act are intended to prevent monopoly and control, but no good plan has yet been worked out which gives to a perfectly solvent concern the ability to obtain a line of credit to which it is entitled at terms that are just and legal.

At a time when business in every industry and commercial line is suffering and business men in all lines are carrying tremendous burdens, the bankers are exacting the highest rates ever known and forcing liquidation beyond all reason. Word went forth some time ago "liquidate and pay"—and liquidation has been going on at a fearful rate and at a terrific sacrifice.

Is it any wonder that the business men of this country are a bit discouraged and disheartened?

I made the statement a moment ago that the Federal Reserve Bank is under suspicion, which I wish to repeat.

The Federal Reserve Bank was created for the purpose of meeting emergencies. How did it meet this present emergency? By establishing unattractive and prohibitive rates, making last year the enormous profit of 200%. By advocating and encouraging liquidation in the face of a business and industrial crisis such as this country has never before known. Result—business paralysis, with industry, the life of our country, so weakened and enfeebled as to make recovery slow and painful. In the meantime our great and noble bankers are "waxing fat."

I recall having recently heard of many of our old established and well managed concerns in industrial pursuits reducing or passing dividends, but I have yet to hear of a single well established or well managed bank reducing or passing dividends or showing any falling off of earnings.

The bankers have been and are at sea, with no real leadership and no real remedy. Their position reminds me of the story of the doctor who was unable to diagnose his patient's case and was sorely puzzled. After trying many remedies without success, he decided to throw the patient into fits as, according to his statement, with his professional reputation at stake, he was "hell on fits."

The bankers, not knowing what to do (or unwilling to change the situation because of the enormous toll which they are able to exact), seem to be in the doctor's position, except that, having thrown business and industry into fits, they seem disposed to let nature cure this awful disease.

And what have you to suggest, you ask? My answer—give the business men of this country 1% call money. Let the Federal Reserve Bank establish a discount rate of 3%. Let our banks stop forcing liquidation. Let our banks stop forcing liquidation. Let our banks extend rather than curtail credit. Let the big bankers of this country, who control the money situation, do the right, fair, honest, decent, unselfish thing just this once, and for their own good and safety and the benefit and safety of this country and our people, do it now. And, lastly, by legislation if necessary until the situation rights itself, discontinue foreign loans of all kinds.

And all of the above for what purpose you ask? My answer—to meet our existing emergency to give needed encouragement and confidence to the harassed and worried business man in all lines, to permit with cheap money and continued credit the carrying of these business burdens until we have adjusted ourselves to new conditions; to stop forced offerings of commodities and securities at a time when we have no market, no demand, and no buyers excepting the bargain hunters; to allow, because the carrying charges will be reasonable and possible, the withholding and warehousing for the time being and until a reasonable demand is created, commodities that are now being unnecessarily sacrificed and to no good purpose.

When cheaper money is available for business men who need it, when credit is extended in generous measure to business men who are entitled to it, when Government securities have been put on a 100% basis, we will hear less about "frozen credits," courage will be restored and in place of indifference and apathy, the usual American action which we all so much admire will be in evidence and we will quickly get back to normalcy.

The automotive industry, which is fundamentally sound, is suffering from the same troubles that beset the steel, the cotton, the woolen, the leather, the furniture, the jewelry and all other industries. Because it is the largest in the country, because it employs more men and more capital in its various branches and accessories, because the motor car is always in evidence and because its usefulness is universally acknowledged, a depression, however slight, is much more noticeable in it than in any other industry.

But you can accept this statement from me, that its recovery will be surprisingly rapid, taking the lead in industrial activity.

The automotive industry is and will continue to be an essential factor in the development of our whole civilization. It has gone through its period of reconstruction. It has reorganized its policies and methods to meet the new order of things and is better prepared to-day for a running start than almost any other branch of industry.

A liberal expansion of credits will hearten our business men and will create a new confidence.

Confidence will bring back prosperity.

Prosperity means an expansion of transportation facilities. The burden of transportation expansion will fall to the automobile.

The automobile will meet the demand upon it.

STATE INSTITUTIONS ADMITTED TO FEDERAL RESERVE SYSTEM.

The following institutions were admitted to the Federal Reserve system in the week ending Aug. 12:

	Capital.	Surplus.	Total Resources.
<i>District No. 6—</i>			
Central Bank & Trust Co. Jasper Ala	\$50 000	\$10 000	\$686 412
The Bank of Henry County Mc-Donough, Ga.....	50,000	30,000	263,716
Algiers Trust & Savings Bank, New Orleans, La.....	200,000	50,000	250,000
<i>District No. 7—</i>			
Hinckley State Bank, Hinckley, Ill..	50,000	25,000	459,704
Farmers' Trust & Savings Bank, Seneca, Ill.....	25,000	5,000	144,131
State Bank of Seneca, Seneca, Ill....	50,000	25,000	493,959
<i>District No. 9—</i>			
Farmers State Bank of Rockham, Rockham, S. D.....	25,000	10,000	503,069
<i>District No. 11—</i>			
Hamilton Bank & Trust Co., Hamilton, Texas.....	50,000	50,000	362,046
<i>District No. 12—</i>			
Grants Pass & Josephine Bank, Grants Pass, Oregon.....	75,000	20,000	1,131,394

INSTITUTION AUTHORIZED BY FEDERAL RESERVE BOARD TO EXERCISE TRUST POWERS.

The Federal Reserve Board has granted permission to the following institution to exercise trust powers:

The Commercial National Bank of Anniston, Anniston, Ala. The Welcome National Bank, Welcome, Minn.

TAX REVISION BILL IN HOUSE.

The Administration's tax revision bill was introduced in the House on Aug. 15 after it had been amended on that day at a conference of Republican members of the House. At the Republican conference the bill was changed so as to make the proposed repeal of the excess profits tax and the reduction of the income surtax to 32% effective Jan. 1 1922, instead of Jan. 1 1921, as provided in the bill as drafted by the Republican members of the House Ways and Means Committee. The latter in the bill as completed by it on Aug. 13 also proposed to increase the income tax on corporations from 10 to 15%, effective Jan. 1 1921. On the 15th inst., however, the committee, in view of the action of the Republican conference in postponing the repeal of the taxes indicated above, decided to fix the corporation tax at 12½%, effective Jan. 1 1922. The committee also on the 15th decided that the manufacturers tax on cereal beverages should be 6 cents a gallon instead of 12 cents. Following the introduction of the bill in the House on the 15th it was referred to the House Committee on Ways and Means and formally reported from the Committee to the House by Representative Fordney on the 16th. The majority report presented by the latter is referred to elsewhere. On the 17th inst. the House adopted (by a vote of 223 to 115) a rule whereby general debate (begun on the 17th) would continue on the 18th, with the discussion of the bill under the five-minute rule on the 19th, and a final vote taken at 3 p. m. to-day (Aug. 20). The Democratic members of the House pledged themselves on the 17 to vote against the bill, a resolution adopted by them stating:

That H. R. 8245 is subversive of the principle that should govern taxation for the support of this Government, in that it relieves profiteers and tax-payers of large incomes from their just share of the load of taxation and leaves an unfair portion of the burden to be born by the people of moderate means. It violates the promise of all parties to reform and revise the system of taxation so that all citizens and corporations shall bear a just portion of the tax load.

Before completing their labors on the bill on the 13th preparatory to the Conference of Republican members of the House, the Republican members of the Ways and Means Committee decided on the 12th inst. to increase the exemption apply to individual incomes from \$2,000 to \$2,500 in the case of a married man having an annual net income of \$5,000 or less. This action was taken on motion of Representative Longworth of Ohio. No change was made in the present \$1,000 exemption applying to single persons. The exemption of \$400 for each dependent had been agreed upon earlier in the week, this amount being twice the present \$200 exemption. It was estimated that the \$500 increases in the

exemption accorded married men with incomes of less than \$5,000 will mean a loss in revenue of about \$30,000,000. The increase in the exemption for each dependent will, it is figured result in a loss of \$20,000,000, these two cuts representing a total loss of \$50,000,000. The Committee in repealing the income surtaxes above 32% effective Jan. 1 1921 decided on the 12 inst. to stand on the present surtax rates on individual incomes below the proposed new maximum of 32%, applying to incomes above \$66,000 notwithstanding the suggestion of Secretary of the Treasury McAdoo, (referred to in our issue of Saturday last, page 688) for the reduction of the surtaxes to a maximum of 25% effective Jan. 1 1922. The further action of the Committee on the 13th inst. was detailed as follows in the press dispatches from Washington.

Repeal of the express tax of one cent on every twenty cents of value was decided upon to-day by the Ways and Means Committee.

The Committee also voted to levy a flat license tax of \$10 on all retailers of soft drinks and to fix the manufacturers' tax on cereal beverages at twelve cents a gallon in place of the present manufacturers' tax of 15% on the sale price.

The Committee also voted to impose a manufacturers' tax of 5% on the following articles, the wholesale price of which exceeds the amounts given:

Carpets and rugs, \$3 50 a square yard; trunks, \$30; valises, traveling bags, suitcases, &c., \$15; purses, pocketbooks, shopping and handbags, \$4; portable lighting fixtures, including lamps of all kinds and lamp shades, \$10; umbrellas, parasols and sunshades, \$2 50; fans, \$1 each; house or smoking jackets and bath or lounging robes, \$3.

That tax would become effective immediately upon passage of the bill. The so-called luxury tax on those articles and on wearing apparel, now collected by the retailer, would be repealed as of next Jan. 1.

Repeal of the 8% on the amount paid for the transportation of oil by pipe line also was voted by the committee. By that action all of the transportation taxes were eliminated.

The other revisions made by the Committee were summarized as follows in these accounts:

Besides the changes agreed upon to-day, the bill as it will be presented to the conference of House Republicans Monday will contain, members said, these provisions:

Repeal of the excess-profits tax and an increase in the income tax on corporations from 10 to 15% with the \$2,000 exemptions retained, effective Jan. 1 1921.

Repeal of the income surtax brackets above 32%, effective Jan. 1 1921.

Repeal of all forms of transportation taxes, effective Jan. 1 1922.

An increase from \$2,000 to \$2,500 in the exemption to married men having an annual net income of \$5,000 or less, effective Jan. 1 1921.

An increase in the exemption to heads of families on account of dependents to \$400 for each dependent, instead of \$200 as at present, effective January 1 1921.

Exemption from tax of the first \$500 of income received by individuals from investments in building and loan associations, effective Jan. 1 1921.

Repeal of the tax on fountain drinks and ice cream and the substitution of a flat tax of ten cents a gallon on all fountain sirups, to be paid direct by the manufacturer or maker, effective upon enactment of the bill.

Repeal of the stamp taxes on perfumes, extracts, tooth paste and toilet preparations and proprietary medicines and the substitution of a manufacturers' tax of 5% on the sale prices, effective on the enactment of the bill.

Substitution of a manufacturers' tax of two cents a gallon for the present 10% on the sale price of unfermented juice beverages and carbonated waters or beverages or other soft drinks sold in containers, effective on the enactment of the bill.

A reduction in the manufacturers' tax on candy from 5 to 3%, the manufacturers' taxes on furs from 10 to 5% and on sporting goods from 10 to 5%, and the levy on art and art works from 10 to 5%, effective on the enactment of the bill.

Imposition of a manufacturers' tax of three cents a gallon on certain classes of grape juice and two cents a gallon on other classes, in lieu of the present tax of 10% on the manufacturers' selling prices, effective on enactment of the bill.

The levying of five cents a pound on carbonic acid gas sold to manufacturers of carbonated gases, effective on enactment of the bill.

Numerous changes also were made in the administrative features of the present law on recommendation of Treasury experts. These included insertion of a provision authorizing the Secretary of the Treasury to settle disputes over back taxes without resort to the courts. In effect there would be set up a tribunal to pass on such claims, and the time for their settlement would be reduced from five to three years except that the Secretary of the Treasury could extend the time within his discretion.

Treasury experts and members of the committee believe that provision will greatly simplify the task of collecting the taxes now in dispute, estimated to total approximately \$1,500,000,000.

Another change in the administrative features would give the secretary authority to call in representatives of the taxpayers in framing new tax return forms in an effort to simplify those.

In passing finally upon the various changes in levies the majority members of the committee rejected all of the Treasury suggestions for new taxes and also the proposal that the income surtax rates be reduced to 25% effective next Jan. 1. The Republican committeemen also went much further in revising levies that were suggested at the White House conference.

As to the conference of the Republican members of the House on the 15th, and some of the features of the bill as introduced in the House the current week not indicated in the outline above, we take the following from the Associated Press dispatches from Washington Aug. 15:

The Republican conference lasted several hours, the Western members leading the fight to reject the plan for retroactive repeal of the excess profits and higher income surtax rates, which was agreed upon at the White House tax conference last Tuesday. Representative Frear of Wisconsin, a member of the Ways and Means Committee, was understood to have insisted that the House pass on the effective date of the repeals, but the conference finally adopted, 96 to 87, a motion by Representative Mann of Illinois that the repeal date be next Jan. 1.

These changes carried with them delay until next Jan. 1 in the proposed increase of 5% in corporation income taxes. No change in this figure was made by the conference, but the Committee members decided to cut it

n half, as it was contended that a 5% increase would be unnecessary if the excess profits and higher surtaxes were imposed for this taxable year.

The tax measure as presented in the House is entitled "a bill to reduce and equalize taxation, to amend and simplify the Revenue Act of 1918, and for other purposes." Much of its 16,000 odd words of text is devoted to amendments of the Administrative and definite sections of the present law, which were drafted by Treasury experts with a view to clarifying specific portions of the 1918 Act and meeting situations arising from decisions of the Supreme Court.

Aside from the revisions of the levy sections already referred to, the bill proposes repeal of all of the transportation taxes, effective next Jan. 1; increased exemptions to heads of families and married men having incomes of less than \$5,000; decreases in the levies on candy, sporting goods, furs and art and art works; the substitution of manufacturers' taxes for the so-called nuisance and luxury levies and other changes.

Additional revisions include exemption from taxation of the salaries of the President of the United States and the Judges of the Supreme and Inferior Courts and also amounts received by individuals as compensation, family allotments and allowances under provisions of the war insurance risk insurance and vocational rehabilitation Acts.

A change also is made in life insurance company taxation, the bill requiring them to pay the normal corporation tax in lieu of the levies on policies when written, and all other present taxes, except the corporation stock tax and certain stamp taxes. Foreign life insurance companies would pay on the net income from sources within the United States.

Another important section of the new bill outlines a general plan to tax American concerns doing practically all of their business in foreign countries only on the income received from American sources. They now are taxed on their entire income which is contended to place them at a disadvantage with competing foreign houses.

Personal service corporations, freed by the Supreme Court from corporation taxes, would be brought specifically under the corporation income tax by the bill, and provision is made that if the partnership tax of the 1918 Act on individual stockholders of such corporations should be declared invalid, "there shall, in addition to all other taxes, be levied, collected and paid on the net income received during the calendar years 1918, 1919 and 1920, by every personal service corporation," a tax equal to the taxes imposed under the excess profits and income surtaxes provisions of the present law.

Exemption from taxation would be granted to farmers' co-operative purchasing organizations, as well as to selling organizations, where the materials purchased are turned over to members of the organizations "at actual cost plus necessary expenses."

Distilled spirits diverted to beverage purposes or in the manufacture of any article intended for beverage use would be taxed at the rate of \$4 20 a gallon, the tax to be paid by the persons responsible for such diversion.

Estate Tax.

Under an amendment to the estate tax sections of the present law amounts receivable as insurance upon the life of a non-resident decedent, and any moneys deposited in any bank, banking institution or trust company in the United States, by or for a non-resident decedent who was not engaged in business in the United States at the time of his death would be exempt from taxation.

Other revisions provide that no amusement tax shall be levied on admissions, all the proceeds of which inure exclusively to the benefit of persons in the military and naval service, or to persons who have served in such forces and are in need, that the jewelers' tax of 5% on eyeglasses and spectacles, and the manufacturers' tax of 5% on portable electric fans shall be repealed, and that a tax of 10% shall be imposed on lenses for cameras weighing not more than 100 pounds.

New Administrative Features.

Some of the new administrative features in the bill are designed to speed up settlement of claims involving back taxes, estimated to total \$1,500,000. The time for determination and final assessment of any tax due under the new bill would be three years after the return was filed, instead of five as at present, and the amount of tax due under any return made under prior tax Acts would have to be determined and assessed within five years after the return was made, unless the Commissioner of Internal Revenue and taxpayer consented in writing to a later time.

Provision also is made that no suit or proceedings for collection of taxes shall be begun after the expiration of five years after the date the return is filed. The bill also declares that after a determination and assessment in any case the taxpayer has without protest paid in whole or in part any tax, and an agreement is made in writing between the taxpayer and the Commissioner with the approval of the Secretary of the Treasury, the case shall not be reopened and "no suit or action to change such determination or assessment shall be entertained by any court of the United States."

After an assessment is made and before final payment of the taxes due, interest on the amount would be computed at the rate of 6% a year, instead of 1% a month, as at present.

Income Tax Amendments.

Among amendments to income tax provisions is one permitting, after Dec. 31 1920, deduction of a net loss from net income of the succeeding taxable year. If the net loss is in excess of the net income for the next taxable year the bill provides that the amount of such excess shall be allowed as a deduction in computing net income for the taxable year following. Under the present law losses must be taken for the year on which a return is made.

Another amendment, drawn to meet a Supreme Court decision, provides specifically for the exemption of stock dividends from taxation, but says "a distribution made by a corporation to its shareholders or members shall be included in the gross income of the distributees as of the date when the cash or other property is unqualifiedly made subject to their demands."

Other changes set forth that the basis for determining the gain derived or loss sustained from a sale or other disposition of property of any kind, acquired after Feb. 28 1913, shall be the cost of such property, except that:

In the case of property acquired by gift after Dec. 31 1920 the basis shall be the same as that which it would have been in the hands of the donor or the last preceding owner by whom it was not acquired by gift, and in case of such property acquired by bequest, devise or inheritance, the basis would be the fair market price or value at the time of such acquisition.

In the case of the sale or other disposition of property acquired before March 1 1913, the basis of ascertaining the gain derived or the loss sustained shall be the cost of the property or the inventory value, but, if the fair market value as of March 1 1913 is in excess of such basis, the gain to be included in the gross income shall be the excess of the amount realized over the fair market price or value. If the fair market price or value as of March 1 1913 is lower than such basis, the deductible loss is the excess of the fair market price or value as of March 1 1913, over the amount realized.

In the case of the exchange of property, the bill provides that no gain or loss shall be recognized unless the property received in exchange has a readily marketable value, and even then exceptions are made in several specific cases.

To meet the terms of another decision of the Supreme Court, the bill redefines capital gain and capital loss, declaring the former to mean "taxable

gain from the sale or exchange of capital assets consummated after Dec. 31 1920," and capital loss to mean "deductible loss resulting from the sale or exchange of capital assets consummated after Dec. 31 1920."

Capital Assets Defined.

Capital assets are declared to include "property acquired and held by the taxpayer for profit or investment (whether or not connected with his trade or business) but does not include property held for the personal use or consumption of the taxpayer or his family, or stock in trade of the taxpayer or other property of a kind which would be included in the inventory if on hand at the close of the taxable year."

In the case of any taxpayer other than a corporation whose ordinary net income and capital net gain together exceed \$32,000, the taxes paid would include the regular income and surtax rates on the ordinary net income, plus 15% of the capital net gain, or less 15% of the capital net loss, as the case might be.

Among legislative features in the bill is one giving the Secretary of the Treasury authority to issue \$500,000,000 additional short-dated securities, making the total authorization for such securities \$7,500,000,000. Secretary Mellen wrote the Ways and Means Committee last week that this additional authority was necessary "in order to carry out the tax revision program agreed upon at the White House conference last Tuesday, and provide further for the financing of the short-dated debt."

Amends Liberty Loan Acts.

Another legislative feature amends the Liberty Loan Acts to make clearer exemptions from income tax of the interest on Liberty bonds, but it was stated officially that no substantial changes in the amounts of such interest to be exempted was made.

With a view to simplifying present tax return forms, the bill proposes creation of a "Tax Simplification Board" to be composed of three members representing the public, to be appointed by the President, and three members, officers of the Internal Revenue Bureau, to be appointed by the Secretary of the Treasury, the public representatives to serve without pay. The board would report progress to Congress each year and would cease to exist after Dec. 31 1924.

The presentation of the report of Chairman Fordney occurred on the 16th along with the formal introduction of the bill, and on the 17th debate on it was begun. In stating on the 18th inst. that many amendments would be offered in behalf of the Republican members of the Ways and Means Committee before a final vote on the bill is taken to-day, press dispatches from Washington on the 18th inst. said:

Several changes were agreed upon to-day by the Republican Committee-men, and upwards of half a hundred others will be considered early tomorrow before the bill is taken up in the House for amendment.

One change voted to-day by the Committee was elimination of the proposed annual license tax of \$10 on venders of soft drinks. Under another alteration individual taxpayers would pay 12½% on profits from the sale of capital assets if such profits and the taxpayers' net normal income exceeded \$29,000. Under the bill before the House the taxpayers would be required to pay 15% on the excess over \$40,000.

It also was decided tentatively to exempt from taxation the Government allowances received by veterans of the Civil and Spanish-American wars or their beneficiaries, as well as those received by individuals under the War Risk and Vocational Rehabilitation Acts.

There is a movement before the Committee to propose creation of a special commission to devise some form of plan by which incomes derived from tax-exempt securities can be taxed.

Regarding the debate on that date the dispatches said:

General debate on the tax bill ended to-night. Principal speakers for the Democrats were Representatives Oldfield of Arkansas and Cockran of New York, and for the Republicans Representatives Green of Iowa and Longworth of Ohio, members of the Ways and Means Committee.

Using Treasury estimates to support his argument that the tax bill would result in a huge Government deficit at the end of this fiscal year, Representative Cockran declared that if the Treasury went into the market for \$1,000,000,000 to help pay ordinary expenses of the Government there would be a panic.

Reading official statements by former President Wilson and former Democratic Secretaries of the Treasury urging repeal of the excess profits tax, Representative Longworth told the Democrats that in opposing this repeal they were "repudiating the Democratic platform."

Representative Woodruff, Republican, Michigan, announced that he would oppose the bill.

First Republican opposition to the bill was voiced by Representative Nelson of Wisconsin, who attacked the proposed repeal of the excess profits tax and higher income surtaxes. If he voted for the bill, he said, it would mean the end of his political life. The measure relieved one class of the people and burdened another, he declared, adding that four "scarecrows of propaganda" had been used to "put over" repeal of the excess profits and higher surtaxes, all of them without basis.

Regarding yesterday's action the press dispatches last night said:

Elimination of taxes on proprietary medicines was agreed upon to-day by the House Ways and Means Committee, which approved more than sixty changes in the Republican tax bill.

Subsequently the majority members of the Committee voted to reduce the tax on cereal beverages from the proposed 6 cents a gallon to 4 cents, and to bring fire and marine insurance companies under the 12½% corporation income tax on the same basis as life insurance companies.

Amendments to the tax bill were taken up in the House to-day, several proposed by Republican members of the Ways and Means Committee being given priority in consideration. Under the agreement all amendments will be submitted through the Committee.

Discussion of the amendments was under five-minute limitation, following the conclusion of general debate late last night. With this limitation, the House expected to work under high pressure in order to dispose of all suggestions before 3 o'clock to-morrow afternoon, when a final vote will be taken.

CUBAN MISSION OPPOSES DUTY ON SUGAR.

The Cuban mission, which is now in Washington seeking a loan to rehabilitate the financial condition of the Island Republic, issued a statement on Aug. 15 that the economic future of Cuba is threatened by the duty on sugar. The "Journal of Commerce" of the 16th inst. said:

According to the Cuban mission the financial and economic future of Cuba is threatened by the proposed duty in the Fordney tariff bill of 2 cents

a pound on sugar; furthermore, the expected revenues would not be derived therefrom and the American consumer will pay a higher price for sugar without any increase in revenue to the Government. R. E. Desvernine, of Hornblower, Miller & Garrison, New York City, counsel of the Cuban Commercial Mission, states that higher duties are not needed to protect sugar production in the United States, but have "for their avowed purpose the creation of a new unnatural industry in the United States and the stimulation of the same at the expense of Cuban production."

MAJORITY REPORT OF CHAIRMAN FORDNEY ON REVISED TAX BILL.

According to the majority report of Chairman Fordney of the Ways and Means Committee on the revised tax bill, a reduction of \$193,640,000 in the present fiscal year, \$377,790,000 in the calendar year 1922 and \$790,330,000 in 1923 in the Nation's annual tax bill would result from the changes in the 1918 revenue act which the pending measure would effect. The majority report was filed with the House on the 16th inst. The report says:

Inasmuch as the repeal of the excess profits tax and reduction of surtax rates on individual incomes do not become effective until the calendar year 1922, \$406,250,000 of the contemplated loss of revenue will not be reflected in revenue collections prior to 1923.

Actual reductions in taxes for this fiscal year, the report states, are estimated at approximately \$200,000,000, total collections under the new bill being figured at \$3,376,000,000, as against estimated collections of \$3,570,000,000 under the present law. Chairman Fordney stated in the report that in framing the tax legislation recommended, the Committee has sought out methods of reducing rather than shifting tax burdens. He added:

With few minor exceptions, new tax levies (many of which were suggested) have been avoided. In the opinion of your committee the exacting of the present excessive sum of taxes from the country contributes in no small degree to the depressing influences under which business and industry in general are staggering as an aftermath of the world war. The cost of the war, the extent of its destruction and the financial loss it occasions is felt not during the period of combat, but after the cessation of hostilities, at which time the demand for war supplies terminates, with a resulting shrinkage of values. The nation is now passing through the trying period of liquidation and readjustment. The reduction of the tax burdens is essential to business recovery, and such reduction can only be based on a rigid enforcement of a policy of the strictest economy in the running expenses of the Government.

Chairman Fordney estimated reductions in levies, some of which will not become fully effective until 1923, as follows:

Repeal of excess profits, Jan. 1 1922.....	\$450,000,000
Reduction of surtax rates on individual incomes to 32%, Jan. 1 1922.....	90,000,000
Increased exemptions of heads of families to \$2,500 for incomes not in excess of \$5,000.....	40,000,000
Additional exemptions for dependents, increased to \$400 from \$200.....	30,000,000
Repeal of all transportation taxes, Jan. 1 1922.....	262,000,000
Repeal of tax on life insurance.....	6,300,000
Repeal of taxes on beverages.....	60,000,000
Reduction of taxes on candy.....	8,000,000
Sporting goods.....	2,000,000
Furs.....	4,510,000
So-called luxury taxes.....	15,000,000

The estimated gains in taxes, beginning with the calendar year 1923, are given as follows:

Increase of corporation income tax from 10 to 12½%, Jan. 1 1922.....	\$133,750,000
License to sellers of soft drinks.....	10,000,000
Tax of six cents on cereal beverages.....	12,000,000
Tax of five cents on carbonic acid gas.....	2,000,000
Taxes on fruit juices, still drinks and fountain syrups.....	12,000,000
Substitution of manufacturers' taxes on toilet preparations and proprietary medicines for existing stamp taxes.....	8,000,000

The total loss in revenue is thus placed at \$968,080,000, and the total gains at \$177,750,000, leaving the net loss of \$790,330,000 estimated by the report. Applying to individual taxpayers the net difference of \$790,330,000 between these losses and gains, Mr. Fordney said they represented a reduction of \$7 per capita, "or a saving to the average family of \$35 per year." Since the repeal of the excess profits tax and the reduction of surtax rates on individual incomes do not become effective until 1922, Mr. Fordney said \$406,250,000 of the contemplated loss of revenue would not be reflected in the revenue collections prior to the calendar year 1923. Discussing elimination of these levies, Mr. Fordney quoted two former Democratic Secretaries of the Treasury—Glass and Houston—as urging their repeal, Mr. Glass in 1919 and Mr. Houston in 1920. On the question of invested capital the report has the following to say:

The question of invested capital has been a most troublesome and vexatious one, and the abandoning of "invested capital" as a basis for computing tax deductions will simplify corporation tax statements and remove a source of prolific tax discrimination. The revenue lost by the excess profits tax repeal will be partially recovered by the imposition of an additional 2½% income tax on corporate earnings. Under existing law corporate earnings in excess of \$2,000 are subject to a tax of 10%. Under provisions herein recommended corporate earnings in excess of \$2,000 will be subject to an income tax of 12½%. It is estimated the 2½% additional will provide \$133,750,000 of revenue.

Discussing surtaxes the report says:

The committee recommends the limitation of 32% on surtaxes mainly because the higher rates have proven to be beyond the point of productivity and have driven investments from the usual channels of trade and industry. The excessively high rates in existing law have resulted in various methods of tax evasion, the most outstanding one being the transfer of investments to tax exempt securities.

The bill herein recommended grants an additional exemption of \$500 on incomes of \$5,000 or less received by heads of families and increases one exemption of dependents from \$200 to \$400. The equity of these increased exemptions is self-evident. It relieves the taxpayers least able to bear tax burdens.

Chairman Fordney says that the repeal of the transportation taxes should have "salutary effects upon business conditions in general." His remarks follow:

The cost of transportation is reflected in all lines of commerce and industry, and much of the excessive cost of certain products can be attributed to transportation costs. Especially is this true with regard to building material. The repeal of the transportation tax will relieve the shipper and to some extent increase railroad tonnage and the revenues of the railroads. The repeal of this tax should have salutary effects upon business conditions in general. The removal of the tax on transportation (including freight, passenger and express) reduces the revenue collections \$262,000,000, a sum amounting to more than \$2 per capita per annum.

Regarding the provisions for determining gain or loss in sales of property, the report says:

In the case of property acquired before March 1 1913, under existing law, the basis for determining gain or loss is the fair market price or value of such property as of that date. The decision of the Supreme Court in the case of Merchants Loan & Trust Co. vs. Smietanka (decided March 28, 1921) makes necessary not a fundamental modification of that rule, but a more detailed statement of its application.

The proposed bill gives explicit effect to the doctrine approved in that decision; provides that the general basis for ascertaining the gain derived or loss sustained from the sale or other disposition of property shall be the cost of such property; but that in the case of property acquired before March 1 1913 (1) if its fair market price or value as of March 1 1913 is in excess of the cost, the gain to be included in the gross income shall be the excess of the amount realized therefor over the fair market price of value as of March 1 1913; (2) if its fair market price or value as of March 1 1913 is lower than the cost, the deductible loss shall be the excess of the fair market price or value as of March 1 1913 over the amount realized therefor; and (3) if the amount realized therefor is more than cost but less than its fair market price or value as of March 1 1913 or less than cost but more than such fair market price or value, no gain or loss shall be recognized.

The report discusses capital gain and capital losses (Sec. 206) as follows:

The sale of farms, mineral properties, and other capital assets is now seriously retarded by the fact that gains and profits earned over a series of years are under the present law taxed as a lump sum (and the amount of surtax greatly enhanced thereby) in the year in which the profit is realized. Many such sales, with their possible profit taking and consequent increase of the tax revenue, have been blocked by this feature of the present law. In order to permit such transactions to go forward without fear of a prohibitive tax, the proposed bill, in Section 206 adds a new Section (207) to the income tax, providing that where the net gain served from the sale or other disposition of capital assets would, under the ordinary procedure, be subjected to an income tax in excess of 15%, the tax upon capital net gain shall be limited to that rate. It is believed that the passage of this provision would materially increase the revenue, not only because it would stimulate profit-taking transactions, but because the limitation of 15% is also applied to capital losses. Under present conditions there are likely to be more losses than gains.

On the question of net losses (Sec. 204) the report says:

Under existing law a business operated at a loss for any year can take no credit or deduction for that loss against any profits which may be earned in succeeding years, although the revenue act of 1918 authorized a deduction for net losses for any taxable year beginning after Oct. 31 1918, and ending prior to Jan. 31 1920. The present bill proposes to revive the net loss allowance in modified form by providing that if for any taxable year beginning after Dec. 31 1920, it appears upon the presentation of evidence satisfactory to the Commission that any taxpayer has sustained a loss, the amount thereof shall be deducted from the net income of the taxpayer for the succeeding year; and if such net loss is in excess of the net income for each succeeding taxable year the amount of such excess shall be allowed as a deduction in computing the net income for the next succeeding taxable year.

The report also contains the following:

Section 201 adds to the existing law two new terms—"foreign trader" and "foreign trade corporation"—defined to mean, respectively, a citizen or resident of the United States and a corporation less than 20% of whose gross income for the three-year period ending with the close of the taxable year (or for such part of such period as may be applicable) was derived from sources within these United States. These amendments constitute part of a general plan to tax American business concerns whose business is practically all conducted in foreign countries only on their income derived from sources within the United States.

Under existing law an American citizen or domestic corporation is taxed upon his, or its, entire income, even though all of it is derived from business transacted without the United States. This results in double taxation, places American business concerns at a serious disadvantage in the competitive struggle for foreign trade and encourages American corporations doing business in foreign countries to surrender their American charters and incorporate under the laws of foreign countries. In order to remedy this situation foreign traders and foreign trade corporations, as above defined, will, under this bill (Sec. 223) be taxed substantially as non-residents—i. e., only on income derived from sources within the United States.

Surtax evasion (Sec. 226) is dealt with as follows:

Section 220 of the existing law provides that if any corporation is formed or availed of for the purpose of evading the surtax upon its stockholders through the medium of permitting its gains and profits to accumulate instead of being divided, the stockholders shall be taxed in the same manner as partners. By reason of the recent decision of the Supreme Court in the stock dividend case (Eisner vs. Macomber) considerable doubt exists as to the constitutionality of the existing law. Section 226 of the bill, therefore, proposes to amend Section 220 of the existing law so as to impose upon corporations of the character above described a flat additional income tax of 25% of the net income; but if the stockholders agree, they may be taxed upon their distributive shares in the net income of the corporation in the same manner as members of a partnership, such taxes to be in lieu of all income taxes upon the corporation.

Deductions allowed are summarized as follows:

Section 213 would permit (in the computation of net income) the deduction of all traveling expenses incurred in the pursuit of a trade or business, instead of the more limited deduction for such expenses allowed under the present law.

Section 214 would limit the reductions for losses by providing that no deduction shall be allowed for losses sustained in the sale of securities where

the taxpayer at or about the time of such sale purchased identical securities. This change will, if adopted, prevent evasion of the tax through the medium of wash sales.

Under the present law worthless debts are deductible in full or not at all, but Section 214 would authorize the Commissioner to permit a deduction for debts recoverable only in part, or in his discretion to recognize a reserve for bad debts—a method of providing for bad debts much less subject to abuse than the method of writing off bad debts required by the present law.

Section 216 would allow the deduction, under proper restriction, of contributions or gifts to a community chest fund or foundation.

Section 217 deals with cases where property is involuntarily converted into cash as a result of fire, shipwreck, condemnation or related causes; and permits the taxpayer to omit or deduct the gains involuntarily realized, when he proceeds forthwith in good faith to invest the proceeds of such conversion in the acquisition of similar property or in the establishment of a replacement fund therefor.

Section 219: Under existing law persons receiving by gift, bequest, devise or inheritance a life or other terminable interest in property, frequently capitalize the expected future income, set up the value of this expectation as corpus or principal, and thereafter claim a deduction for exhaustion of this so-called principal on the ground that with the passage of time the "principal" or corpus is gradually shrinking or wasting. This section explicitly states that no such deduction shall be recognized.

Section 220: Under existing law dividends are properly exempted from normal tax when received from a corporation which is taxable upon its net income. The stockholder is exempt, if the corporation is subject to tax upon the smallest part—if only \$1—of its net income. Any corporation may, therefore, secure the benefit of the deduction for its stockholders by purchasing a hundred-dollar bond or in any other way subjecting a few dollars of its income to our tax. A theoretically correct solution of this problem would require complicated and difficult schemes of pro-rating, to avoid which it is proposed in Section 220 to adopt the simple solution of exempting from the normal tax all dividends reported by the taxpayer.

Section 225 removes certain obscurities in existing law relating to the income of estates or property held in trust by explicitly adopting the construction which has uniformly been given to this section of the law by the Treasury Department.

DEBATE ON TAX BILL—VIEWS OF REPRESENTATIVE FREAR.

With the opening of debate on the new tax bill in the House on the 17th inst. Representative Fordney, whose majority report on the bill is referred to in another item, discussed the changes and stated that his committee believed it had given to the House "as equitable a measure as was possible under the circumstances." Representative Garner of Texas, ranking minority member of the Ways and Means Committee, opened the Democratic-fight on the bill. He said he believed and hoped his party would say that the law put on the statute books should provide that those most able to pay should pay. He added that the Republican proposal was for a lifting of the tax burden from the classes and placing it on the masses. Urging repeal of all the minor war taxes the Texas member said he would propose as a peacetime policy the obtaining of all Government revenue from five sources—inheritance taxes, individual income and corporation taxes, tobacco taxes, customs receipts, and post office and miscellaneous receipts. Mr. Garner charged that Secretary Mellon, in proposing tax revisions, had only one object—"the relieving of the rich and the taxing of the poor." He also declared that in the light of all the Treasury recommendations it was only fair to assume that the administrative changes in the new bill had "been drawn always in favor of those who pay high taxes and against those who pay small taxes."

Representative Ogden Mills of New York urged before the House on the 17th inst. the value to the Government and to the great body of taxpayers of the bill he has submitted for consideration, which would lay a graduated rate on all spendings above the exemption of \$2,000 for the individual and \$4,000 for the head of the family, the rate increasing by 1% on every \$1,000 increase of expense up to \$50,000, and a 40% rate on all expenditures above that amount. The "Journal of Commerce" which is authority for this statement says:

Mr. Mills said it was entirely too soon to expect much interest to be shown in the proposition and that the patience of the American people with the present system must be exhausted before it would seriously consider anything else.

The action of the Republican conference in moving the date of the repeal of the excess profits and income surtaxes from Jan. 1 1921, to Jan. 1 1922, was criticised. "If it is right to do a thing, it is right to do it now" declared Mr. Mills, and there were cheers at the statement. "I believe," he continued, "that a spendings tax would stop waste and extravagance. If men of wealth want to spend their money as they go along let them be willing to be taxed for it."

Representative Frear of Wisconsin, a member of Ways and Means, followed Mr. Mills, saying he was opposed to repealing the excess profits taxes, but would vote for the bill.

I have had a number of the experts of the Treasury Department meet me in consultation on this form of taxation and they all agree that it is a just and equitable tax, placing the burden on the ability to pay, said Mr. Frear.

A comparison with rates of taxation in England was also made by Mr. Frear and he showed that in both excess profits and surtaxes the British taxpayer had a much heavier burden. England's ability to pay was about one-third, he said, of that of the United States and yet her heavy surtaxes began at an income of \$250,000 and the rates ran on up to 80%, very much higher than those of our revenue law. The flat corporation tax in England, he said, was 30% as against ours of 12½% as fixed in the pending bill.

Representative Frear, for himself and other members of the majority of the Ways and Means Committee, presented

on the 16th inst. in the form of "additional views," observations on the proposed changes in the taxing system. Mr. Frear, as well as those associated with him, will support the bill. This report, among other things, we learn from the "Journal of Commerce," says:

Like recent tariff revision the revenue bill is not a matter of entire agreement, but if Congress and the Administration will hew to the line with promised cuts of several hundred millions of dollars annually an appropriations, drastic cuts in taxation set forth in the bill may be made; otherwise deficits will occur.

A corporation flat tax of \$223,000,000 added to the bill affects the excess profits tax repeal only to the extent that the same kind of corporations are affected by the shifting of the tax compared with the existing taxes, and it is strenuously contended that a much larger part of the proposed flat tax substitution will be borne by small corporations, to be levied irrespective of profits or losses in business.

Scant consideration was given a proposal to tax corporation undistributed profits as suggested by Secretary of the Treasury Houston less than nine months ago, when he estimated a 20% undistributed profits tax would yield \$690,000,000 annually in revenues. On a modest 5% basis such tax is estimated to yield over \$90,000,000 and would more nearly place corporations on the same tax level with partnerships.

Gifts of money and property that now escape the collector should be taxed and an increased inheritance tax would materially help to meet a continuing debt burden of \$24,000,000,000, which must be whittled down if we are to adopt ordinary business principles equally practiced by prudent men and governments. The committee's effort to relieve from tax burdens deserves unstinted praise, but where experts differ and tax returns based on business conditions are so uncertain some of the foregoing taxes should find place in the great revenue measure we have reported.

The proposed reduction of personal income surtaxes from 65% to 32% was also opposed. Arguments for and against this tax are familiar, but it is designed to reach those best able to pay, and surtaxes are reduced on the plea that otherwise investments are discouraged excepting in tax-exempt bonds by those who are subject to high surtax payments. It is estimated \$90,000,000 was not so invested, but no argument is here offered on a controverted proposal which is founded on just principles of taxation. If passed on, as often contended, to be paid by the ultimate consumer during the year in which the tax is collected then upward of \$90,000,000 will have to be passed on by those called on to pay the tax they have collected and are not holding to await the tax collector.

REPRESENTATIVE KITCHIN IN OPPOSITION TO TAX BILL.

Urging House Democrats to line up solidly in caucus against the Republican tax revision bill, Representative Claude Kitchin, Democratic leader, in a telegram on Aug. 17 to Representative Garrett of Tennessee, acting minority leader, declared the proposed repeal of the excess profits tax and the substitution of the 15% corporation tax meant that the big "profiteering corporations" will be relieved of at least \$500,000,000 in taxes which will be paid by corporations with smaller incomes. Support of the bill by House Democrats, Representative Kitchin added, would "prove a fatal mistake for every individual Democrat voting for it." Representative Kitchin said:

The corporations in the United States made net profits from Jan. 1 1916 to Jan. 1 1921 of approximately \$50,000,000,000. After deducting all taxes, paid since Jan. 1 1915, they have a clear profit left of \$38,000,000,000, more than four-fifths of which was made by less than 10,000 corporations, more than half of which was made by 1,026 of the profiteering corporations, which include the Steel Trust, the Bethlehem Company, the du Pont Company, the various Standard Oil companies, the coal combine, the Wool Trust, the meat packers, &c.

Let our fellow Democrats bear in mind always that these same corporations were filling their coffers with these fabulous billions for the profits of their stockholders while our brave boys in France were spilling their blood for the protection and defence of their country.

In the face of these ugly facts, is it possible that any one of our fellow-members can get the consent of his mind, as a matter of right and justice, as well as good politics, to join with the Republicans in relieving these big profiteering corporations of hundreds of millions of dollars yearly and putting these millions upon the small and weak and non-profiteering corporations, making from 8 to 10% and less upon invested capital, which a 15% flat rate will do, especially in face of the further fact that the Republicans passed a tariff bill which gives these same profiteering corporations the power to exact yearly from the people from three to five billion dollars profits above the world market price?

FARMERS' OBJECTIONS TO TAX BILL.

A delegation representing the American Farm Bureau Federation called on President Harding to voice their objection to the "abandonment of the theory of taxing a man according to his ability to pay taxes for the support of the National Government and the lowering of surtaxes," following the introduction of the tax revision bill. The delegation commented favorably upon the proposed repeal of the transportation tax and establishing an authority for final settlement of disputed taxes. The Federation was represented by President J. R. Howard, Gray Silver, Washington representative, and H. C. McKenzie, special tax representative. In their representations to the President the delegation, according to the "Journal of Commerce," said:

The new bill will raise the proportion to be collected out of the living wage and pay envelope from 25.4% to over 50%. In 1920 the percentage of tax raised by income and excess profits taxes was 73.6% of the total and the amount raised by consumption and other taxes was 26.4%. The burden of both the personal income tax and the excess profits tax is on net income and the repeal of one and cutting in two of the other is one effort to shift the burdens.

The flat tax on corporations will be easier to pass on to the consumer than the excess profits tax.

HEARINGS OF SENATE COMMITTEE ON TARIFF BILL.

Open hearings on the pending tariff bill were begun by the Senate Finance Committee on Monday last, Aug. 15. The Committee on the 12th inst. adjourned until the 15th, Senator Penrose on the 12th, in announcing the adjournment, stating that two sub-committees had been named to reach a solution on the much-disputed question of a dye embargo. Senator Penrose's statement said:

We discussed the embargo question and the American valuation plan. After a brief interchange of views, in which it was evident that every one was united in desiring to furnish full protection to the American dye industry, it appeared that there still existed opposition to the idea of a dye embargo.

Then Mr. Fordney and myself agreed on the selection of a sub-committee of the two committees, which was named. It includes Senators Smoot and Dillingham for the Finance Committee, and Representatives Frear and Longworth for the Ways and Means Committee. They are to confer and see if some solution can be agreed upon, and are to report to the Finance Committee next Monday.

It will be noted that all phases of opinion are represented on the sub-committee, Senator Smoot being opposed to it [a dye embargo], while Senator Dillingham is of an open mind and is fair in his attitude on the subject. Mr. Frear, it is known, is opposed to the dye embargo, while Mr. Longworth favors it. The subcommittee was entirely satisfactory to all members of both committees.

The Finance Committee agreed to direct Senator McCumber to make a favorable report upon the Longworth resolution for extending the dye embargo, with an amendment. This amendment is to provide that the resolution shall be broadened to cover everything in the Emergency Tariff bill, extending the life of that measure to Jan. 1 1922, or until an earlier date if a law is passed to take its place.

The meeting considered the House paragraph on American valuation. The Finance Committee agreed to a substitute which does not differ radically from the House provision. It was read to the assembly and was unanimously agreed upon. It adheres substantially to the House provision, but the amendment will also cover some small articles, like laces, penknives, toys, fashion goods and similar things on which there is no comparable value.

There was no tentative vote upon the question of the dye embargo.

The Finance Committee adjourned until Monday. At that time we shall proceed openly with hearings on the chemical schedule, with Democratic members as well as Republican members present. About 500 applications for hearings are on file. The committee will make an effort to limit the character of the testimony, but I cannot estimate how many days it will require. We shall restrict the spokesmen to one man for each group, require that he make his statement uninterrupted, and that no one shall speak longer than fifteen minutes. The committee is determined to adhere to this rule, so as to shorten the hearings as much as possible. If that is done we will move along very rapidly. All witnesses will be permitted to file briefs, which will be carefully considered by the experts.

It was stated on the 15th inst. that the sub-Committee studying the dye-protection phase of the bill had made no progress, and that a report from it might be delayed several days. On the 12th inst., the Senate Finance Committee and members of the House Ways and Means Committee agreed to embody in the tariff bill a valuation plan assessing ad valorem duties on the basis of the American wholesale selling price on all imports where comparable and competitive articles of domestic manufacture are found. The press dispatches that day relative to this said:

This provision, it was believed, would apply to about 75% of all imports.

Where no comparable and competitive American-made article was found, the duty would be assessed on the American wholesale selling price of a comparable and competitive imported commodity.

In event no such basis existed, then the duty would be levied on the value of the article in its home land at the time of export, plus necessary expenses to an American port, and a reasonable profit, totaling not less than 16% of the article's value.

If no basis was found in the first three alternatives, the basis of assessments would revert to the production cost, plus the necessary expense of laying the shipment down in America.

With the start of the open hearings on the bill on the 15th inst. Senator Penrose stated that it was evident that in some schedules reductions would be made. Regarding the views presented to the Committee on that day the press advices from Washington said:

Growers of citrus fruits were far apart as to what protection the industry needed. G. Harold Powell, Director of the California Citrus League, proposed 20 cents a pound on citric acid, 12 cents on citrate of lime and 40% ad valorem on lemon and orange oils. He also wanted juices made from these fruits transferred to the dutiable list at 70 cents per gallon. George N. Hamilton of Claremont, Cal., representing several growers' associations, suggested 70 cents a pound on citric acid, 40 cents on citrate of lime, 50% ad valorem on the oils and \$2.10 a gallon on fruit juices, as an inducement to the growers to expand their operations.

Salt mine owners asked re-establishment of the Payne-Aldrich rates, W. T. Chisholm, Scranton, Pa., saying the House bill rates would not check German shipments.

American producers must "oppose any effort on the part of the interests to place farm products on the tariff free list," said a telegram sent to-day by five Senators from Western States to the Southern Tariff Association, meeting at Greensboro, N. C. The telegram was signed by Senators Gooding, Idaho; McNary, Oregon; Capper, Kansas; Johnson, California, and Nicholson, Colorado, and said it must be made clear to leaders of both political parties "that agriculture and its affiliated industries are entitled to the same consideration as the manufacturers."

On the 16th inst., when hearings on the chemical schedule were under consideration, five out of six witnesses heard, warned of dangers to their business unless German competitors were checked. Increases over House bill rates were sought by most witnesses, who also used employment conditions as arguments for tariff rates which would check imports and allow home industries to get on their feet. Represent-

tative Rhodes, Republican, of Missouri, asked for higher duties on barium and barytes ores, mined largely in his State, in view of heavy imports coming from Germany.

On the 17th inst. representatives of the North Carolina division of the Southern Tariff Association urged the adoption of tariff rates which would equalize American and foreign production costs. They also asked that the embargo on dyes importations in the Emergency Tariff Act be continued. Those appearing included E. P. Wharton and A. B. High, of Greensboro, N. C., and J. A. Arnold, of Fort Worth, Texas Secretary of the Southern Tariff Association. As to further developments at the committee hearings, it is stated in the press advices:

Proposed duties on vegetable oils and fats were the basis around which much of the day's discussion centred. Users of the oils protested against high rates, declaring there was an exportable surplus of the commodities in this country. Dairy interests joined with some of the oil producers, on the other hand, in urging the tariff, declaring their business was being run at a loss. The dairy industry continually felt the competition of butter substitutes. A. M. Loomis, Secretary of the Dairy Union, said in asking for rates which some members of the committee declared would amount to an embargo when based on American valuation.

Chairman Penrose announced that the committee would continue consideration of the tariff bill through next week, regardless of passage by the House of the tax bill scheduled for Saturday. Whether the tax bill would precede the tariff on the floor of the Senate, he added, had not been determined. He believed the tax bill could be disposed of before the start of the tax year without great haste.

Requests for increases over House tariff rates appear to be based "largely on worry and not on tangible bases," Mr. Penrose declared to-day after half a dozen witnesses had appealed for higher figures for certain articles. His remark was directed to Carl F. Speh, representing the Turpentine Producers' Association, who asked for a 25% ad valorem duty on rosin and turpentine, put by the House on the free list.

Mr. Speh said producers were worried about increasing imports, but Mr. Penrose said he found that 60% of the world production came from the United States.

With the completion of its hearings on the chemical schedule on the 18th inst. the Committee decided to press for passage the House resolution extending the dye embargo in the emergency tariff act to Nov. 27, without urging its own amendment to continue the entire emergency law to Jan. 1. The change was made, it was said, because it was desired to pass the resolution before the proposed recess. The House resolution as indicated in these columns last week, page 689, passed that body on Aug. 11. At the Senate Committee hearing on the 18th Representatives of the American Farm Bureau Federation urged the elimination of the House tariff on ammonium sulphate of \$12 a ton. Witnesses said it was the first time in any recent tariff that such import duties had been voted, and they contended that there would be danger of impairing the fertility of the country's soil if farmers were compelled to pay higher prices for fertilizers.

HOUSE PASSES BILL IMPOSING DUTY ON REIMPORTS OF ARMY SUPPLIES.

On August 12 the House passed a joint resolution (183) imposing a duty of 90% on all goods exported from the United States for the use of the American Expeditionary Forces and its allied forces which have been sold to any foreign Government or persons when reimported into the United States. The measure is designed to prevent dumping of this merchandise on the American market to the detriment of domestic producers.

PRESIDENT HARDING SIGNS RESOLUTION CALLING FOR COMMISSION TO CONFER REGARDING CANADIAN WOOD PULP RESTRICTIONS.

President Harding on Aug. 16 signed the joint resolution authorizing the appointment by the President of a Commission to confer with the Canadian Government or the Provincial Governments of Quebec, Ontario, and New Brunswick in respect to the cancellation of orders restricting exports of pulp wood from Canada to the United States. The resolution, as we reported in these columns July 2, page 31, was passed by the Senate on June 17. In amended form the House passed the resolution on Aug. 1, and the Senate concurred in the amendments on Aug. 4. The only material amendment was one reducing the amount for the investigation from \$50,000 to \$10,000.

SENATOR LADD IN OPPOSITION TO TARIFF BILL—PROPOSES ALLIANCE OF FARMERS.

The Fordney Tariff bill was characterized as a "sap" by Senator E. F. Ladd of North Dakota in a speech before the Southern Tariff Association at Greensboro on Aug. 15; if accepted, he declared, it will plunge the farmers more deeply into debt than ever before. Senator Ladd is quoted to this effect in the Raleigh "News and Observer" which

states that he advocated an alliance between the South and West to prevent the farmers from becoming the "prey of the great manufacturing centers." He is also quoted as follows:

"The farmer is not justified," he said, "in remaining silent under the treatment which affords 10% protection on raw hides and then gives 150% protection on leather products, so hidden that the average person does not know what is the trouble."

He said the bill did not afford adequate protection either to the stock man, the sheep industry, the grain grower, or to the agricultural products of the South.

"Unless the farmers of the South and West make their demands felt," Senator Ladd said, "they will be fooled into quiescence until it is too late and the Eastern manufacturer has built a wall of protection about him that will enslave the American farmer and force him to lower his standard of living." The Eastern manufacturer stood for high tariff on manufactured goods but for no tariff on raw products which in reality were the farmers' finished products."

Senator Ladd said some progress was being made in the enactment of laws beneficial to agriculture and declared the present session of Congress had passed or had under consideration more constructive and helpful legislation dealing with agriculture than had been enacted during the preceding ten years.

In also reporting Senator Ladd as stating that 43 billion dollars has been lost by the people of the United States through "unnatural deflation, forced through," the paper referred to adds:

Basing his figures on recent testimony of John Skelton Williams, former Comptroller of the Currency, Senator Ladd said the nation "is indebted to Mr. Williams for enlightening it as to the workings of the Federal Reserve system as now carried out by seven men who have the power to inflate and contract without regard to the government.

Having inflated the currency until the dollar is worth about 40 cents," he said, the Government proceeds to borrow \$24,000,000,000 to help pay the expenses of a great world war. The real value of these dollars was not to exceed \$12,000,000,000 in the purchasing power under normal conditions.

The same seven men proceed to deflate the purchasing power of the dollar and now the Government will have to liquidate that debt; that is, the common people, the real workers of the land, will pay for the most of it on a basis representing the value of \$50,000,000,000 when expressed in terms of agricultural products.

INDIANA FINANCE CORPORATION PROPOSED TO FURTHER WORK OF U. S. GRAIN GROWERS INC.

A resolution favoring the formation of a Farmers' Finance Corporation of Indiana for the purpose of carrying out the objects of the Farmers' Finance Corporation and the U. S. Grain Growers Inc. was adopted at a meeting of the directors of the Indiana Federation of Farmers' Associations, the Indiana State Grange and the Farmers' Grain Dealers Association in Indianapolis on Aug. 8. According to the Indianapolis "News," "the meeting of the directors of the three organizations had been called to discuss the situation created by the action of the Indiana Securities Commission in refusing to permit the sale of stock in Indiana of the Farmers' Finance Corporation, a \$100,000,000 corporation formed under the laws of the State of Delaware to finance the national marketing activities of the grain growers." The resolution adopted reads as follows:

Resolved, That we favor the formation of a Farmers' Finance Corporation of Indiana for the purpose of carrying out the objects of the Farmers' Finance Corporation and the work of the U. S. Grain Growers' Inc., and other agricultural activities. And be it further

Resolved, That a committee of three be appointed by the chair upon the recommendation of the organizations here represented to counsel and devise the form and decide upon the ways and means of creating such a corporation.

The "News" also says:

The committee, appointed by John G. Brown, President of the Indiana Federation of Farmers Associations, on the recommendations of the executive committees of the other organizations, will devise a plan for the organization of such a corporation and report back to the directors of the three organizations for confirmation. John J. Brown of Rockport, a member of the State Board of Tax Commissioners, will represent the Farmers' Federation on the Committee, while the Grain Dealers' Association will be represented by its President, Joseph Minch, of Monon. Everett McClure, Master of the Indiana State Grange, has been appointed to represent the State Grange on the Committee.

The directors of the farmers' organizations also adopted resolutions indorsing the cooperative marketing plans of the grain growers and urging farmers to join the organization. Other resolutions recommending support for the federated marketing service and urging farmers to pool their orders for fertilizer and send them through this service were adopted.

Methods for conducting the campaign for membership in the U. S. Grain Growers, Inc., were discussed at a meeting of membership solicitors with James K. Mason [a director of the U. S. Grain Growers, Inc.] at the Hotel English.

There are no restrictions, Mr. Mason said, on the solicitation of membership in the U. S. Grain Growers, Inc., in Indiana, although there have been reports to the contrary. He said that the solicitors would sell stock in the Farmers' Finance Corporation of Indiana within two or three weeks, or as soon as the corporation was organized. This would be done, he said, with the solicitation of stock in the Grain Growers.

F. K. BOWERS SWORN IN AS INTERNAL REVENUE COLLECTOR.

Frank K. Bowers, who as announced in these columns July 30, page 495, has been appointed by President Harding as Collector of Internal Revenue for the Second District of New York, succeeding William H. Edwards, resigned, was sworn into office on Aug. 15. With the induction of his

successor, Mr. Edwards, familiarly known as "Big Bill" made known the receipt of the following letter from former President Wilson:

August 12 1921.

My dear Edwards:—Your letter gave me a great deal of pleasure. It was a matter of great satisfaction to me to be able to show my confidence in you by the appointment as Collector. You have entirely fulfilled my expectations and my most cordial friendship will always follow you.

Cordially and sincerely yours,

WOODROW WILSON.

Mr. Edwards in greeting his successor, said:

I have been happy here in this job of seeing this service grow over double its size during the four years and four months I have been here. This office has been the largest collecting agency for Uncle Sam. We have collected during my term of office nearly \$5,000,000,000. During the past year the taxpayers paid \$964,492,750. It has ever been my desire to make good. My chapter here is closed. I wish you all the success that can come to a man who gives himself to his job. This I know you will do. I hope you will make a better collector than I have been though you can never be a bigger one.

E. D. DURAND, CHIEF OF EASTERN EUROPEAN DIVISION OF FOREIGN AND DOMESTIC COMMERCE.

Secretary of Commerce Hoover announced on Aug. 11 the appointment of E. Dana Durand, former Director of the United States Bureau of the Census and professor at Harvard, as chief of the newly created Eastern European Division of the Foreign and Domestic Commerce. Mr. Durand was Director of the Census Bureau from 1909 to 1913. From 1903 to 1909 he was connected with the Bureau of Corporations of the Department of Commerce and Labor, first as economic expert and later as Deputy Commissioner. During 1917-18 he was assistant chief of the meat division of the United States Food Administration, leaving that position to act as adviser to the Minister of Food of Poland. At an earlier date he was Secretary of the United States Industrial Commission at Washington, and at another time acted as an expert on the Minnesota Commission for Reorganization of the State Government. He has served in other official and semi-official capacities. His experience in educational circles includes Harvard, Stanford, and Minnesota Universities, in each of which he taught economics. Mr. Durand is the author of "The Finances of New York City," "The Trust Problem" and various magazines, Government reports, &c.

POSTMASTER-GENERAL HAYS ON CENSORSHIP OF NEWSPAPERS—APPLICATION OF N. Y.

"VOLKSZEITUNG" APPROVED.

The Postmaster General Will H. Hays personally issued the following statement, addressed to the Newspaper Publishers and Editors of the United States and made public Aug. 15.

The New York "Volkszeitung" has made a new application for second-class privileges. This application has received the usual consideration of the Department and has been approved.

I want again to call the attention of the publishers to the fact that I am not, and will not allow myself to be made, a censor of the press. I believe that any publication that is entitled to the use of the mails at all is entitled to the second-class privileges, provided that it meets the requirements of the law for second-class matter. A publication once entered as second-class matter is entitled to the best and most prompt service and to the least possible interference with its constitutional freedom of thought and action.

There is, however, placed upon me by certain statutes responsibilities in this connection that must be upheld so long as the law remains as it is. I will at all times act with moderation and consideration for the freedom of the press, but I must and will enforce in good faith, without evoking technicalities, these statutes declaring certain matters nonmailable, one of which is the Act of June 15 1917 (40 S. 230), providing that:

"Every letter, writing, circular, postal card, picture, engraving, photograph, newspaper, pamphlet, book or other publication, matter, or thing, of any kind, containing matter advocating or urging treason, insurrection, or forcible resistance to any law of the United States is hereby declared to be nonmailable."

and another of which is Section 211 of the Penal Code of the United States which declares that there shall not be carried in the mails any "obscene, lewd, lascivious, filthy or indecent" matter, and also "matter of a character tending to incite arson, murder, or assassination."

We intend, however, that there shall be no secrecy in regard to any matter which, under these laws, may be held to be nonmailable. We will have the actual copies of any newspaper or periodical that may be withheld from the mails available to representatives of the press and others interested, together with a complete file of each case. I am not only making these records available, but I hope that the newspapers will not pass unchallenged or unnoticed any case in which, in their opinion, the Department goes beyond a fair interpretation of the law, if such case should arise. No one can feel stronger than we do on the importance of upholding the freedom of the press, remembering that I must uphold the specific statutes on the subject to which I have already referred.

BANK OF AMERICA ON STATE AID FOR WORLD WAR VETERANS—INCREASES IN STATE DEBTS.

A chart giving details of State aid provided for veterans of the world war has been compiled by the Bank of America of this city. According to this compilation, made public Aug. 7, cash bonuses totaling more than \$184,000,000 are being received by veterans of the war in fourteen States. The bank's chart embraces information relative to legislation, nature of bonus or aid, the beneficiaries of these meas-

ures and the source and administration of funds. Important fiscal data on the sale of securities, the financial houses handling them, the amounts and dates of issue, details of maturity and of price and yield also are recorded. The cash bonuses range from \$10 a month for service in a number of States to \$25 a month in North Dakota. A number of States fix a maximum, ranging from \$100 in New Jersey to \$500 in Oregon. Four States—Maine, Massachusetts, New Hampshire and Rhode Island—have given \$100 outright cash bonuses. The other seven States which have passed cash bonus legislation are Michigan, Minnesota, New York, South Dakota, Vermont, Washington and Wisconsin. Massachusetts has been paying two bonuses—\$10 a month of service until January 15, 1918, and a \$100 cash bonus since. North Dakota claims the honor of having been the first State to pay its soldiers bonuses. Illinois heads the list with \$55,000,000 to be paid out if the referendum approves. California, Illinois, Iowa, Kansas, Missouri, Montana, Ohio and Pennsylvania are awaiting the results of referenda on the subject. Bonus legislation is reported as pending in Colorado and Florida. Such legislation has been considered, but has thus far failed of passage in Connecticut, Delaware, Indiana, Maryland, Oklahoma, Tennessee, Texas and Utah. Bonus legislation is reported as pending in Colorado and Florida. As to State aid other than bonuses, the Bank says:

With the exception of Alabama, Georgia and Mississippi, every State in the Union has passed legislation giving to or authorizing for World War veterans aid, exemptions or benefits of some kind.

State civil service preference for veterans has been adopted in California, Colorado, Connecticut, Illinois, Iowa, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nevada, New Jersey, Oregon, South Dakota, Washington and Wisconsin.

Exemption from taxation has been granted by Connecticut, Iowa, Massachusetts, Michigan, New Jersey, North Dakota, South Carolina, Texas and Wyoming.

Aid for education of veterans is available in California, Colorado, Illinois, Indiana, Iowa, Kentucky, Minnesota, Nebraska, New York, Oregon, South Carolina, South Dakota, Tennessee, Utah and Wisconsin. In California a bill has been passed providing for vocational education of veterans' dependents, the funds to come from the sale of lands on account of delinquent taxes.)

Help in buying homes is provided in Arizona, California, Oregon and South Dakota.

Assistance in settling on farms is offered by Arizona, California, Colorado, Idaho, Minnesota, New Mexico, Oregon, South Dakota and Washington.

Veterans' welfare commissions or boards have been instituted in California, Idaho, Iowa, Montana, Oklahoma, Oregon, Washington and Wisconsin.

Veterans are aided in finding employment in Massachusetts, Nebraska, Nevada and Washington.

Relief for needy veterans is provided for in Connecticut, Idaho, Maine, Massachusetts, Minnesota, Montana, Nebraska, New York, Oklahoma, Oregon, South Dakota, Tennessee, Washington, West Virginia and Wisconsin.

Funds out of which loans are made to veterans have been authorized by Oregon, South Dakota and Washington.

Admission to State hospitals and State soldiers' homes and the provision of special hospitals for insane or tubercular veterans are the subjects of legislation in most of the States.

The most popular method of financing these payments are bond issues, the statistics of the Bank of America indicate. In twenty-one States issues of bonds, notes or certificates have been authorized and sold or are awaiting popular approval. The Bank says:

Of the total \$370,939,200 definitely provided for in bonus and related legislation by the States, laws involving bond issues aggregating \$191,500,000 still await referenda to make them effective. The sum of \$45,939,200 of this total consists of appropriations from the State funds or provided for by tax levy—including \$9,000,000 for which Massachusetts sold notes, and \$20,000,000 in Wisconsin part of which twenty of the counties have sold bonds to repay. Definite authorization for bonded indebtedness totals \$133,500,000 in ten States (not including the \$9,000,000 in Massachusetts). The amounts involved in Nebraska, North Dakota and Oregon have not been definitely estimated.

In pointing out, in a statement issued Aug. 16, that State debts are being materially increased by the various programs for aid for World War veterans, the Bank adds:

Already bond issues totaling \$69,500,000 have been sold to pay for cash bonuses for veterans in nine States. In eight others bond issues aggregating \$191,500,000 are awaiting referenda to make them effective. A total of at least \$370,939,200 has been definitely provided for in bonus and other veterans' legislation by twenty-one States. In addition many States are spending millions of dollars out of their treasuries, from special appropriations or from the proceeds of special tax levies, for all kinds of aid and relief.

While some of the States have been devising ways of financing these expenditures other than by bond issues, the majority are providing for some form of bonded indebtedness, according to the Bank of America survey. Bonds, certificates or notes have been sold by: Maine, \$3,000,000; Massachusetts, \$9,000,000 (\$23,739,200 appropriation); Michigan, \$30,000,000; Minnesota, \$21,000,000 (\$2,000,000 additional appropriation); New Hampshire, \$1,500,000; New Jersey, \$12,000,000; Rhode Island, \$2,500,000; South Dakota, \$6,000,000; Vermont, \$1,500,000, and Washington, \$11,000,000. Large bonds issues have been approved by legislative enactment, but must be given popular approval at referendum elections in California, \$10,000,000; Illinois, \$55,000,000; Iowa, \$22,000,000; Kansas, \$25,000,000; Missouri, \$15,000,000; Montana, \$4,500,000; Ohio, \$25,000,000 and Pennsylvania \$35,000,000.

A number of different methods of financing the work are used in some of the States other than the issuance of securities. Massachusetts has given its soldiers two bonuses, the first one, during the war, being paid out of an appropriation of \$3,739,200. The second, a cash bonus of \$100 for all veterans, is financed out of a \$20,000,000 appropriation. To cover part of these expenditures, two issues of short-term notes totaling \$9,000,000 have been sold.

Nebraska is giving its veterans aid in the form of care and relief for the needy. The expenses of the work are being met by the interest on the sum of \$2,000,000, which the State has set aside for investment in bonds of the United States, of the State, or of its municipalities.

North Dakota is "paying as it goes" in carrying out its bonus legislation. The bonuses being distributed are higher than those of any other State, \$25 per month of service, and the funds are being obtained from direct taxation of one mill on each dollar. The bonuses are being paid as rapidly as the money becomes available.

Wisconsin is paying for its bonus measures from \$20,000,000 set aside in the treasury which is being reimbursed by the counties. The counties have the option of obtaining the funds by direct taxation or by the issuance of county securities, and twenty of them have chosen the bond method.

Serial bonds are specified in nine of the issues sold or proposed. The maturities range from one to ten-year serial in Maine to one to fifty-year serial in Rhode Island. The New Hampshire bonds are due in 1926, while the Michigan, Montana, New Jersey and one of the Washington issues run for twenty years.

DECREASES IN WHOLESALE PRICES OF COMMODITIES IN JULY.

Except for foodstuffs and farm products the wholesale prices of commodities were slightly lower in July than in June, according to figures made public on Aug. 18 by the U. S. Department of Labor, Bureau of Labor Statistics at Washington. The Bureau's statement follows:

Wholesale Prices in July.

No change in the general level of wholesale prices from June to July is shown by information gathered by the United States Department of Labor through the Bureau of Labor Statistics. The bureau's weighted index number, which includes a larger number of commodities than any other currently published series, and which gives to each commodity an influence equal to its importance in the country's markets, again registered 148 in July, as compared with 100 representing the level of prices in the year 1913.

Farm products and foodstuffs were slightly higher than in June, the former group advancing 1 3/4% and the latter 1 1/2% over the level of the previous month. In all other groups decreases took place, varying from one-half of 1% in the case of cloths and clothing to 6% in the case of house-furnishing goods. Building materials were 1% cheaper than in June, fuel and lighting materials were 1 1/2% cheaper, and chemicals and drugs 1 3/4% cheaper.

Metals and metal products declined 5 1/4% in average price from June to July. In the group of miscellaneous commodities, including such important articles as cottonseed meal and oil, lubricating oil, jute, rubber, newsprint and wrapping paper, soap, tobacco, and wood pulp, the decline was less than three-fourths of 1%.

Below are shown the index numbers of wholesale prices in the United States, by groups of commodities, as computed by the Bureau of Labor Statistics for the months named. The figures for the last named month are preliminary and subject to revision. The base used in computing these index numbers is the average for the calendar year, 1913.

Index Numbers of Wholesale Prices, by Groups of Commodities. (1913 equals 100).

	1920. July.	—1921— June. July	
Farm products.....	236	113	115
Food, &c.....	268	132	134
Cloths and clothing.....	317	180	179
Fuel and lighting.....	252	187	184
Metals and metal products.....	191	132	125
Building materials.....	333	202	200
Chemicals and drugs.....	217	166	163
House-furnishing goods.....	362	250	235
Miscellaneous.....	243	150	149
All commodities.....	262	148	148

Comparing prices in July with those of a year ago, it is seen from the foregoing table that farm products and foodstuffs have declines 50%, and clothing materials 43 1/2%. Building materials, measured by changes in their index number, show a decrease of 40% and miscellaneous commodities a decrease of 38 1/2%. House-furnishing goods were 35% cheaper in July than in the same month last year, and metals and metal products were 34 1/2% cheaper. Fuel and lighting materials decreased 27% and chemicals and drugs approximately 25% in the 12-month period. All commodities, considered in the aggregate, decreased 43 1/2%.

INCREASE IN RETAIL PRICES OF FOOD.

The retail food index issued by the United States Department of Labor through the Bureau of Labor Statistics shows that there was an increase of 2.7% in the retail cost of food to the average family in July as compared with June. Prices of 43 food articles are reported to the Bureau of Labor Statistics each month by retail dealers in 51 important cities. From these prices average prices are made for each article. These average prices are then "weighted" according to the quantity of each article consumed in the average workingman's family. From Jan. 1913 to Dec. 1920 22 articles of food were used in this index, but from Jan. 1921 43 articles are included in the index number. Details of the changes in retail food prices in July were announced as follows by the Bureau on Aug. 18:

Changes in One Month.

During the month from June 15 1921 to July 15 1921, 16 of the 43 articles on which monthly prices are secured increased in price as follows: Potatoes, 26%; strictly fresh eggs, 20%; butter, 16%; ham, 4%; lard, 3%; oranges, 3%; sirloin steak, round steak, pork chops, bacon, leg of lamb, hens, canned

tomatoes, tea and prunes, 1%. The price of nut margarine increased less than five-tenths of 1%.

Twenty-three articles decreased in price during the month from June 15 to July 15 as follows: Sugar, 9%; cabbage, 8%; plate beef, 6%; onions, 5%; chuck roast, 4%; oleomargarine, 3%; rib roast, canned salmon, evaporated milk, flour, cornmeal and bananas, 2%; fresh milk, crisco, bread, cornflakes, rice, baked beans, canned corn, canned peas, and raisins, 1%. The price of macaroni and cream of wheat decreased less than five-tenths of 1%.

Prices remained unchanged for cheese, rolled oats, navy beans and coffee.

Changes in One Year.

For the year period, July 15 1920 to July 15 1921, the percentage decrease in all articles of food combined was 32%. The price of raisins increased 9%. The price of all the other articles decreased as follows: Sugar, 73%; potatoes, 62%; rice, 53%; lard and crisco, 42%; cornmeal, 37%; prunes, 35%; navy beans, 34%; flour, 33%; oleomargarine, 32%; plate beef and butter, 31%; cheese and coffee, 28%; chuck roast and strictly fresh eggs, and cabbage, 27%; nut margarine and canned tomatoes, 25%; oranges, 23%; pork chops, 22%; bacon, 21%; round steak, 20%; onions, 19%; rib roast, bread and cornflakes, 18%; sirloin steak, 17%; fresh milk, baked beans and canned corn, 16%; ham, 15%; leg of lamb and hens, 14%; evaporated milk and bananas, 12%; rolled oats, 10%; canned salmon and canned peas, 9%; tea, 7%; macaroni, 4%, and cream of wheat, 2%.

Changes Since July 1913.

For the 8-year period July 15 1913 to July 15 1921 the percentage increase in all articles of food combined was 48%. The articles named showed increases as follows: Ham, 81%; leg of lamb, hens and potatoes, 79%; flour, 76%; bread, 73%; fresh milk, 59%; pork chops, 58%; round steak, 54%; bacon, 54%; sirloin steak, 52%; cornmeal, 47%; rib roast, 45%; strictly fresh eggs, 40%; cheese, 35%; butter, 34%; granulated sugar, 29%; tea, 27%; chuck roast, 26%; coffee, 20%; plate beef, 8%; lard, 5%. The price of rice was the same as in July 1913.

The index number, based on 1913 as 100 was 144 in June, and 148 in July 1921.

Changes in Retail Prices of Food, by Cities.

The average family expenditure for food increased from June 15 to July 15 1921 in 45 cities and decreased in 5 cities. In St. Louis the expenditure was the same on these two dates.

In St. Paul the increase was 9%. In Milwaukee and Minneapolis the increase was 8%. In Buffalo, Detroit and Rochester the increase was 7%. In Butte and Indianapolis the increase was 6%. In Boston, Cleveland, Columbus, Denver, Peoria, Portland, Me., Providence and Springfield, the increase was 5%. In Jacksonville, Kansas City, Manchester, New Haven, Portland, Ore., Salt Lake City and Seattle the increase was 4%. In Bridgeport, Chicago, Fall River, Louisville, Mobile, Savannah and Scranton the increase was 3%. In Baltimore, Houston, Memphis, Newark, New Orleans, New York and Washington, D. C., the increase was 2%. In Atlanta, Birmingham, Charleston, Pittsburgh and Richmond the increase was 1%. In Cincinnati, Philadelphia and San Francisco the increase was less than five-tenths of 1%.

In Los Angeles there was a decrease of 2%; in Norfolk, a decrease of 1%, and in Dallas, Little Rock and Omaha the decrease was less than five-tenths of 1%.

For the year period, July 1920 to July 1921, the following decreases were shown. In Omaha, 38%; in Memphis, 36%; in Butte, Cleveland, Detroit, Indianapolis, Louisville, Milwaukee, Minneapolis, Mobile, St. Louis and Springfield, 35%; in Manchester, Peoria, Philadelphia and St. Paul, 34%; in Atlanta, Buffalo, Baltimore, Chicago, Denver, Fall River, Kansas City, Newark, New Haven and Rochester, 33%; in Birmingham, Cincinnati, Columbus, New Orleans, Pittsburgh, Portland, Ore., Salt Lake City, Savannah, Scranton and Seattle, 32%; in Bridgeport, Dallas, Little Rock, Los Angeles, New York, Norfolk and Portland, Me., 31%; in Boston, Houston, Providence and Richmond, 30%; in Charleston, Jacksonville, San Francisco and Washington, D. C., 29%.

As compared with the average cost in the year 1913 the cost of food in July 1921 in the various cities showed the following percentage increases: Providence and Washington, D. C., 57%; Richmond, 56%; Detroit, 55%; Boston and Scranton, 54%; Charleston and Chicago, 53%; Milwaukee, 52%; Birmingham, Cincinnati and Manchester, 51%; Buffalo, New York, and St. Louis, 50%; Baltimore and Minneapolis, 49%; Fall River, Kansas City and Pittsburgh, 48%; Cleveland, 47%; New Haven, 46%; Atlanta, Indianapolis, 45%; Dallas, New Orleans and Philadelphia, 44%; Jacksonville, Memphis and Omaha, 43%; Little Rock and Newark, 42%; Denver, 41%; San Francisco, 40%; Seattle, 38%; Louisville, 37%; Los Angeles and Salt Lake City, 34%; Portland, Ore., 33%.

COMPARISON OF EMPLOYMENT AND WAGES IN SELECTED INDUSTRIES IN JULY 1921 AND 1920.

The figures of employment in 14 selected industries in July, made public on Aug. 18 by the United States Department of Labor, Bureau of Labor Statistics, at Washington, shows that in eight industries there was an increase in the number of employed in July as compared with June, and in 6 a decrease. As compared with July 1920, in 12 of the 14 industries there were decreases in July 1921 and in but two increases. The following is the statement of the Bureau showing the comparison of employment and wages in July.

The U. S. Department of Labor through the Bureau of Labor Statistics received and tabulated reports concerning the volume of employment in July 1921, from representative establishments in 13 manufacturing industries and in bituminous coal mining.

Comparing the figures of July 1921, with those for identical establishments for July 1920, it appears that in 12 of the 14 industries there were decreases in the number of persons employed, while in only 2 were there increases. The two increases are 105.8% in woolen and 0.7% in cigars. The great increase reported for the woolen industry for July 1921, over July 1920, is due to the recovery from short-time operations of all mills last year. The largest decrease reported, 46.4% appears in iron and steel. Automobiles, paper and car building and repairing show respective decreases of 36.9%, 35.3%, and 32.3%.

Thirteen of the 14 industries show a decrease in the total amount of the pay roll for July 1921, as compared with July 1920. The one increase reported 76.8%, appears in the woolen industry. The most important percentage decrease is 71.4% which appears in iron and steel. Paper making shows a decrease of 46.4%, and automobiles show a decrease of 38.7%.

COMPARISON OF EMPLOYMENT IN IDENTICAL ESTABLISHMENTS IN JULY 1920 AND JULY 1921.

Industry.	No. of Establishments	Period of Pay-Roll.	Number on Pay-Roll in July.		% of Increase or Decrease.	Amount of Pay-Roll in July.		% of Increase or Decrease.
			July 1920.	July 1921.		July 1920.	July 1921.	
Iron and steel	118	½ mo.	189,770	101,638	-46.4	\$13,683,927	\$3,909,739	-71.4
Automobiles	49	1 wk.	126,997	80,188	-36.9	4,335,639	2,656,000	-38.7
Car building and repairing	62	½ mo.	65,386	44,282	-32.3	4,082,301	2,627,286	-35.6
Cotton mfg.	61	1 wk.	59,818	59,574	-0.4	1,396,375	1,006,377	-27.9
Cotton finishing	16	1 wk.	12,339	12,266	-0.6	328,436	271,837	-17.2
Hosiery and underwear	63	1 wk.	31,664	25,691	-18.9	661,577	396,282	-34.1
Woolen	51	1 wk.	24,647	50,713	+105.8	645,963	1,142,135	+76.8
Silk	47	2 wks.	19,840	19,272	-2.9	868,098	820,785	-5.5
Men's clothing	45	1 wk.	31,070	29,732	-4.3	995,111	932,001	-6.3
Leather	35	1 wk.	14,909	12,138	-18.6	399,181	267,933	-32.9
Boots and shoes	82	1 wk.	60,578	59,253	-2.2	1,449,344	1,332,222	-8.1
Paper making	57	1 wk.	33,564	21,725	-35.3	983,809	527,031	-46.4
Cigar manufac'g	57	1 wk.	16,226	16,335	+0.7	342,053	303,966	-11.1
Coal (bitumin's)	99	½ mo.	25,796	23,043	-10.7	1,906,439	1,303,632	-31.6

Comparative data for July 1921, and June 1921, appear in the following table. The figures show that in 8 industries there was an increase in the number of persons on the pay roll in July as compared with June, and in 6 a decrease. The largest increase reported, 8.9% appears in men's ready-made clothing. Leather shows an increase of 3.7%, boots and shoes an increase of 3.1%, and automobiles an increase of 3%. Iron and steel shows the most important decrease—12.7%; while in hosiery and underwear and cigar manufacturing, respective decreases of 3.4% and 3.1% appear.

In comparing July 1921, and June 1921, 4 industries show an increase in the amount of money paid to employees and 10 show a decrease. The most important increase is 13.8%, which appears in men's ready-made clothing. Iron and steel shows a decrease of 24.4%, and car building and repairing a decrease of 14.9%.

COMPARISON OF EMPLOYMENT IN IDENTICAL ESTABLISHMENTS, JUNE 1921 AND JULY 1921.

Industry.	No. of Establishments	Period of Pay-Roll.	Number on Pay-Roll in		% of Inc. or Dec.	Amount of Pay-Roll in		% of Inc. or Dec.
			June 1921.	July 1921.		June 1921.	July 1921.	
Iron and steel	118	½ mo.	115,411	100,778	-12.7	\$5,088,831	\$3,846,541	-24.4
Automobiles	45	1 wk.	76,734	79,064	+3.0	2,620,084	2,622,596	+0.1
Car building and repairing	59	½ mo.	39,335	38,378	-2.4	2,670,021	2,272,954	-14.9
Cotton mfg.	60	1 wk.	58,313	59,254	+1.6	1,015,987	1,002,694	-1.3
Cotton finishing	16	1 wk.	12,389	12,266	-1.0	276,758	271,837	-1.8
Hosiery and underwear	64	1 wk.	27,628	26,677	-3.4	459,385	415,550	-9.5
Woolen	51	1 wk.	50,609	50,713	+0.2	1,184,555	1,142,135	-3.6
Silk	47	2 wks.	18,965	19,272	+1.6	844,175	820,785	-2.8
Men's clothing	45	1 wk.	25,998	28,314	+8.9	783,813	897,371	+13.8
Leather	35	1 wk.	11,701	12,138	+3.7	267,708	267,933	+1.0
Boots and shoes	83	1 wk.	57,600	59,385	+3.1	1,336,420	1,330,255	-0.5
Paper making	56	1 wk.	20,344	20,810	+2.3	497,126	508,628	+2.3
Cigar manufac'g	57	1 wk.	16,434	15,918	-3.1	319,214	299,737	-6.1
Coal (bitumin's)	96	½ mo.	23,353	22,989	-1.6	1,422,446	1,298,064	-8.7

Changes in Wage Rates and Per Capita Earnings.

During the period June 15 to July 15 1921, there were wage rate changes made by establishments reporting to the bureau in 11 of the 41 industries.

Iron and Steel.—In one mill 75% of the men were reduced approximately 18% in wages. Four establishments reported wage rate decreases of 15%, affecting the entire force in two establishments, 38% of the force in the third establishment, and salaried foremen and rollers only in the fourth establishment. A wage rate decrease of approximately 10%, affecting the entire force, was reported by four plants. One firm cut the wages of 10% of the force 9%. About 2% of the men in another mill were reduced 7% in wages. Business depression is reported throughout the industry, causing part-time employment and general reduction in the number of employees. The per capita earnings for July are 13.4% less than the per capita earnings for June.

Automobiles.—The entire force of one establishment was reduced 20% in wages. One plant reported a wage decrease of approximately 11%, affecting 5% of the employees, while another plant reduced the wages of all employees 10%. Although more time is being worked in this industry, the per capita earnings show a decrease of 2.9% when comparing June and July.

Car Building and Repairing.—A large number of car-building employees were affected by the decision handed down by the U. S. Railroad Labor Board. The exact effect of this decision cannot be estimated, but it is doubtless the greatest factor in the changes in wage rates noted by this report, which shows a decrease of approximately 12% in the general wage level. The per capita earnings for July are 12.7% less than for June.

Cotton Manufacturing.—The entire forces of two establishments had respective wage rate decreases of 30% and 10%. When comparing per capita earnings for June and July, a decrease of 2.9% is shown.

Cotton Finishing.—Employment remained much the same as during the previous month. The per capita earnings show a decrease of 0.8% when June and July earnings are compared.

Hosiery and Underwear.—Three mills reported a decrease of 10% in wage rates, which affected 99% of the force in the first mill, 90% of the force in the second mill; the number affected in the third mill was not stated. Several establishments were partly closed during this period and the per capita earnings show a decrease of 6.3% when comparing June and July.

Woolen.—No changes were reported in rates of wages in this industry, but the per capita earnings are 3.8% less for July than for June.

Silk.—A decrease of 10% in wage rates was made to practically all employees in one mill. The per capita earnings for July, when compared with those for June, show a decrease of 4.3%.

Men's Ready-Made Clothing.—One establishment made a decrease of 15% to 68% of the force. In two concerns a 10% decrease was made in rates of wages, affecting all employees in one concern, but the number affected in the second concern was not stated. Increased production was reported and the per capita earnings for July show an increase of 4.4% over those for June.

Leather.—A wage decrease of 10% was made to all employees in one tannery. The per capita earnings for July, when compared with those for June, show a decrease of 3.5%.

Boots and Shoes.—An increase of 5% was granted to 3% of the men in one factory, while in another factory an increase was made but no specific data given. Comparing per capita earnings for June and July, a decrease of 3.4% is noted.

Paper.—One mill made a 15% wage decrease to 62% of the men. Decreases in wage rates ranging from 13 to 30% were made to the entire force in two plants. One establishment reported a decrease of 13% in wage rates, which affected all employees, while another establishment reported a

decrease of 12.5%, affecting 71% of the employees. In two concerns a decrease of 10% in rates of wages was reported. In the first concern about 95% of the force were affected, but the percentage of employees affected in the second concern was not stated. One plant reported an increase of 5% to 12% of the force and decreases ranging from 1 to 10% to 50% of the force. The per capita earnings for July show no change when compared with those for June.

Cigars.—One-third of the force in one plant was granted an increase in wage rates of 10%. One establishment reported a decrease of 7.5% in rates of wages, affecting 75% of the employees. Another establishment made a 6% decrease but the number of employees affected was not stated. Decreased production, due to curtailed operations, was reported, and the per capita earnings for July show a decrease of 3% when compared with the per capita earnings for June.

Bituminous Coal.—Less time was worked during this period, as market conditions were dull. The per capita earnings for July are 7.3% less than for June.

FIELD CROPS OF CANADA.

The Dominion Bureau of Statistics issued on Aug. 10 its monthly crop report containing (1) a preliminary estimate of the yield of fall wheat, hay and clover and alfalfa (first cutting), (2) the condition of other field crops on July 31, expressed numerically as a percentage of the decennial average for the period 1911-20, and (3) a forecast of the total yields of all crops, by provinces, as deduced from their condition on July 31. The Bureau's statement says:

The report is based on the returns of crop correspondents throughout Canada. These show that in Manitoba crop conditions deteriorated considerably during July in consequence of heat, drought and rust. In Saskatchewan moisture has on the whole been abundant and though the excellent prospects of a month ago have not been maintained, the falling off is not so marked as in Manitoba. In Alberta conditions are uneven, but wheat has improved by six points since the end of June.

Fall Wheat and Hay and Clover.

The average yield per acre of fall wheat is placed at 21¼ bushels, as compared with 24 bushels last year and with 23 bushels, the decennial average. The total yield on the harvested area of 709,100 acres is 15,473,000 bushels, as against 19,469,200 bushels from 814,133 harvested acres last year. In Ontario the total yield this year is 14,296,000 bushels, and in Alberta 775,000 bushels, the average yields per acre being 21¼ bushels in Ontario and 21 bushels in Alberta. The total yield of hay and clover in Canada is estimated at 10,374,000 tons, as compared with 13,338,700 tons in 1920 and 16,348,000 tons, the record crop of 1919. Owing to the prolonged drought in eastern Canada, the average yield per acre is the lowest on record, being only 1 ton per acre, compared with 1.30 ton last year and with 1½ ton, the decennial average. Of alfalfa (first cutting), the total yield is 361,500 tons, as against 583,790 tons last year, the average per acre being 1.45 ton, as compared with 2.45 last year and the ten-year average.

Condition of Other Field Crops.

For all Canada the condition of the principal field crops in percentage of the decennial average is as follows, the figures for last month and for July 31 1920 being given within brackets: Spring wheat 94 (100; 92); oats, 88 (95; 96); barley, 88 (97; 95); rye, 97 (101; 95); peas, 89 (105; 102); beans, 95 (94; 103); buckwheat, 90 (94; 101); mixed grains, 87 (96; 105); flax, 97 (99; 93); corn for husking, 97 (95; 95); potatoes, 89 (96; 104); turnips, &c., 87 (93; 95); fodder corn, 101 (98; 86); sugar beets, 93 (89 June 30 1921). At the end of July in Manitoba this year spring wheat is 87 and oats and barley are 89; in Saskatchewan all three of cereals are 99; in Alberta spring wheat is 89, oats are 83 and barley is 88. Rye is 96 in Manitoba, 107 in Saskatchewan and 91 in Alberta.

Forecast of Total Yields.

Including the preliminary estimate of fall wheat, the condition at the end of July indicates total yields as follows: Wheat, 288,493,000 bushels, as compared with 263,189,300 bushels last year; oats, 457,544,000 bushels, as against last year's record crop of 530,709,700 bushels; barley, 58,027,000 bushels, as against 63,310,550; rye, 11,707,100 bushels, as against 11,306,400 bushels; flaxseed, 6,930,000 bushels, as against 7,997,700 bushels; potatoes 99,937,000 bushels, as against last year's bumper crop of 133,831,400 bushels. The indicated average yields in bushels per acre for these crops are: Wheat, 15½ (14½; 16½); oats, 29¼ (33¼; 33¼); barley, 22¼ (24¼; 25¼); rye, 16 (17½; 16½); flaxseed, 8¼ (5.60; 9); potatoes, 134 (170½; 151¼). The yields within brackets are respectively those of 1920 and the ten-year average.

BRITISH RUBBER CONTROL SCHEME—CRITICISMS.

Serious criticisms have been directed against the plan (outlined in the "Chronicle" of Aug. 13, p. 692, 693) by which the Rubber Growers Association of London would assist in forming a company with £2,000,000 of nominal capital and borrowing powers of £8,000,000, to control the output and prices of crude rubber from not less than two-thirds of the rubber planted area in all parts of the world.

The author of these criticisms is J. H. Welch, who is described as a director of several well known companies, and how seriously his criticisms are regarded appears from the fact that Sir Stanley Bois, chairman of the aforesaid association, has felt called upon to issue a defence of the scheme in the form of a seriatim reply to the various objections which he quotes in full.

The criticisms grouped under twenty headings and the answers of Sir Stanley, as printed in the London "Financial News" of Aug. 3, would require too much space to be reproduced in extenso in the columns of the "Chronicle," but the following extracts will serve to disclose difficulties that even the friends of the plan are obliged to admit are, to say the least, not trifling. The urgency of the situation, however, for the rubber producers appears from the intimation of the promoter, Sir Stanley, that "95% of the industry

is losing money and that if the proposed "corporation does not eventuate and matters are allowed to take their course unguided, it seems clear that a large acreage of rubber will have to be abandoned or sold to the highest bidder." "The object of the proposed corporation," he says, "is to save industry collectively, not to inflate the price of rubber in an unsound wave."

Question Whether Rubber Plantation Industry is Suited for Combination.

(1) By reason of its circumstances the rubber plantation industry is not suited for a combination which will put up the cost of production and the price of sale. Any permanent machinery for restriction of output and consequent artificial maintenance of prices of crude rubber is likely to prove to be fundamentally unsound and will ultimately place the industry in a position of even greater gravity than that with which it is now faced.

Reply: The regulation of supply to demand is not artificial but is in universal operation. Whereas in most industries this regulation is not done by agreement, but by the independent action of the individual units, there are numerous important industries where the regulation is done by agreement, as in the Lancashire cotton industry.

Possibility of Securing Effectual Control Without Stimulating Outside Competition.

(2) The fatal defect of the scheme is that the combine cannot effectually control supplies of crude rubber and its competitive substitutes, and, so far as it succeeds in raising prices, it must stimulate all outside producers and competitors to greater production.

Reply: A corporation controlling the output of two-thirds of the total planted area will have the commanding position in the market. Control of two-thirds of the total planted area can only be obtained with the support of about 80% of the area owned and managed by Europeans. Their estates are more productive and yield a higher proportion of the standard qualities of rubber than do the Chinese and native. Hence the corporation would control more than two-thirds of the normal output, and considerably more than two-thirds of the standard qualities of rubber.

As the tire trade, which consumes about 70% of all rubber, requires standard qualities for large scale production, members of the corporation will certainly be in a position to secure the bulk of the orders for these grades. The majority of the acreage outside the corporation would be Chinese and native, much of which has been badly handled in the past, and the production from which cannot be largely increased in the near future. Considerable areas of native rubber are out of production entirely, and it is doubtful whether the worst of these will ever be reopened.

Would Two-Thirds of the Planted Area Avail for Control?

(3) It would not control supplies even supposing owners of two-thirds of the planted areas came into the combination, which is very unlikely.

Reply: Unless two-thirds of the planted area agree to come into the corporation, the latter will not be brought into existence.

Future Effect of Proposed Combination.

(4) If the proposed combination succeeds in its main object, it will gradually undermine the economic foundations of the industry. It will keep in bearing non-economic areas at the expense of economic ones—it will encourage competition and unrestricted tapping from producers of rubber outside the combine, many of whom might otherwise have restricted or cease tapping. It will keep in production the expensive as well as the cheaper producing areas inside the combine by restricting production of all.

Reply: If the proposed corporation succeeds in its main object it will save a vast amount of capital, running into tens of millions sterling, which would otherwise have to be written off as lost.

Plan Does Not Aim at Economics Though These May Occur.

(5) A combination which lowers cost and price by effecting economies in working and by greater efficiency need not control the competitive supplies, because then it can fight its competitors. But this combination will be unable to penalize its competitors in any way. On the contrary, by putting up cost and by restricting the outputs of its members, it will penalize its own members as compared with the outside producers of crude, wild, and remade rubbers, &c. Generally, it is by economies that greater profits are made by trusts and monopolies, not by increasing cost and price of their products.

Reply: There is nothing in the scheme to prevent every member of the corporation effecting economies and introducing greater efficiency in working.

Difficulty of Securing United Action by Tens of Thousands of Producers.

(6) The special circumstances of the industry which make it unsuitable for such a combine as is proposed include:

(a) The great number of producers and of the countries of production. The producers are numbered in tens of thousands, and rubber can be produced in Ceylon, India (including Burma), Malaya, Sumatra, Java, Africa, South America, probably the Philippines, New Guinea, and other places;

(b) The various nationalities interested in the ownership of plantations or sources of crude rubber. An international combination is the most difficult to work successfully, and also to maintain the loyalty of its members;

(c) The large areas in the world suitable for rubber and still unplanted;

(d) The great number of producers of rubber who cannot be brought into the combination;

(e) The competition a combine would have to face from: (1) Plantation rubber from estates not in the combine; (2) wild rubber; (3) reclaimed rubber; (4) fillers and substitutes; all of which are sometimes referred to in this memo. as "Competitive supplies and substitutes";

(f) The great difficulty in ensuring the loyal adherence of its many members and in preventing evasion of their obligations.

Reply to (a) (b) (d): Until the effort has been made it cannot fairly be assumed that any of these considerations are insuperable obstacles. About one-third of the total planted area is controlled in the United Kingdom, and this represents one-half of the acreage required to justify the establishment of the corporation. The Dutch, French, and Belgian interests are mostly members of the International Association for Rubber Cultivation in the Netherland Indies at the Hague which has taken up the question of the establishment of the Dutch corporation referred to in the scheme, and there are local associations in the Eastern producing countries which facilitate the work of ascertaining what support can be obtained.

Possibility of Adverse Competition New and Old.

Reply to (e): In view of the potential output of the area already planted with rubber, it is most improbable that capital will be found to plant up new areas of rubber which cannot be tapped till five or six years hence at the earliest, so long as areas of mature rubber are purchasable at substantially less than replacement cost—as is the case at present. If the corporation does come into existence it is not unreasonable to expect that the Governments which are vitally concerned in the reestablishment of the prosperity of the industry would give it support at least to the extent of prohibiting further planting of rubber until the position has been righted.

Reply to (e): The question of competition from plantation rubber outside has already been referred to. With regard to wild rubber, the output of this has been declining for some years past. The cost of collection is such, and (with the exception of fine Para) the quality is so inferior that competition from this source is negligible so long as there is a sufficient supply of good quality plantation rubber available at a reasonable price. Fillers and substitutes all play their part in the building up of various classes of rubber goods other than pneumatic tires, and a proportion of them will continue to be used irrespective of the price of raw rubber. The risk of more reclaimed rubber and fillers being used will be equal whether the price of plantation rubber is raised by means of the corporation or by allowing a large portion of producers to go to the wall.

Reply to (f): If the corporation is established and managed successfully the advantages of membership will render this risk negligible, for "unity is strength." In any event it is intended that the penalties for breach of agreement shall be substantial.

Unique Form of Combination.

(7) The form and conditions of this proposed combination are unique, and have no precedent, and this should make us pause. There is no fusion of interests of the members, no compulsory purchase by the combine of the rubber produced by its members, no sharing of profits as between members. The combine is international, will consist of two corporations, and will combine huge numbers of producers of different nationalities and with varying interests.

Reply: There is nothing novel in a combination for mutual protection on the part of those engaged in the same industry. The primary interest of the several producers is, and must be, to preserve their capital assets and to do their utmost to earn a reasonable profit thereon. Plantation rubber, properly prepared, is of equal market value whatever its country of origin, and all nationalities thus meet on common ground. At the moment Ceylon and South India and Burma have an advantage over other countries by reason of the low rupee exchange, but the par of the rupee has been fixed at 2s., and when exchange rises the temporary advantage enjoyed by producers in those countries will vanish.

The Dutch Affiliated Corporation.

(14) It is proposed that there shall not be one combine for the British and Dutch owners, but two. They will be "similar," but it is not clear that they will be identical in capitalization, subscription per acre, constitution, regulations, &c. A joint committee of the two corporations is to be formed, but the scheme is vague about its constitution and powers. Will the committee control both combines or will it be advisory only? How is it to be constituted? What will be the respective voting powers of the Dutch and British members?

Reply: It is not essential that the capitalization of the Dutch corporation should be identical with the British corporation, but it is essential that both should have identical primary objects, as set out in the scheme, and should be established for a like period of time.

Position of Outsiders, It Is Admitted, Will Be Greatly Improved.

(16) Areas outside the combine, other conditions being similar, will always be worth much more per acre than these inside, probably at least 50% more. This fact is obvious, and shows the great weakness of the scheme. Once outside there will be nothing to induce a plantation owner to join. Outside he has unrestricted production, larger profits, freedom to sell, &c., and all the benefits of being inside without its obligations or the extra cost per pound to be borne by insiders.

Reply: This is absolutely disputed.

Financing by Means of £3,000,000 Debentures.

(17) The scheme suggests [immediately] raising £3,000,000 by debentures or other finance. If by this other finance is meant temporary bank finance it might mean a serious menace to the stability of the combination.

Reply: The other finance would have to be secure for at least as long a period as the debentures.

Powers of Corporation to Buy Rubber—Danger of Speculation.

(18) The corporation is to be empowered to buy rubber. This means speculative buying to maintain price. It is a most dangerous game, and most efforts of the kind, Government or private, in other commodities have, sooner or later, had disastrous results. Losses on purchases of rubber, interest on loans, and debentures and all working expenses and amounts carried to reserve are to be assessable upon the members from the price received for their rubber. This is a very uncertain liability to be borne by members.

Reply: Power is given to the directors to buy rubber belonging to the members, but this is not likely to be exercised in a speculative sense. In any event, the directors must be trusted to exercise their powers with reasonable prudence.

Loans to Estates—Will They Result in Frozen Assets?

(19) The corporation is to lend money on security of estates. To the extent it does so its resources will become "frozen." Further fresh loans will tend to maintain immature areas as potential producers which otherwise might not be maintained. Any such corporation as that proposed should keep its assets liquid.

Reply: This power must obviously be most cautiously exercised. If the corporation comes into being it is anticipated that confidence in the future of the industry will be re-established and that finance of this nature will be forthcoming without the necessity for encroaching on the corporation's resources.

FURTHER REDUCTION IN U. S. STEEL WAGES.

A statement by Elbert H. Gary, Chairman United States Steel Corporation, yesterday (Aug. 19), said:

In view of the prevailing low selling prices of steel as compared to costs of production, it is necessary to make reductions in wage rates, and therefore we will recommend to subsidiary companies that the general rates of day labor be decreased to thirty cents per hour, to become effective on Monday, Aug. 29, and that other wages and salaries be equitably adjusted.

MEXICAN OIL DIFFICULTIES—DUTCH INTERESTS CLOSE DOWN—VIEWS OF STANDARD OIL CO.

The following table of exports, revised by the "Chronicle" to accord with the carefully prepared figures for the month of June, published in the "Oil Trade Journal" for August, and also those for July, to be published by the same journal in its forthcoming issue for September, indicates how heavily the exports of crude oil through Tampico fell off last month, following the imposition of the latest export tax on July 1.

The total exports for July, it will be noted, are only 6,245,373 bbls., a decrease of 10,876,511 bbls. compared with June. For August the decrease will no doubt be made still heavier through the stoppage of exports now announced by the Royal Dutch allies, the Aguila and the Corona, and also due to the removal of those special causes noted in the following quoted article, which have served to necessitate more or less extensive exports by certain of the companies in the weeks immediately following July 1.

MEXICAN OIL SHIPMENTS THROUGH TAMPICO IN JUNE AND JULY 1921.

(Barrels.)	July.	June.	Changes.
Aguila (Mexican Eagle).....	2,319,144	2,070,140	Inc. 249,040
Mexican Gulf.....	952,128	1,066,624	Dec. 114,496
Cortez.....	None	1,359,741	Dec. 1,359,741
Texas Co. of Mexico.....	None	1,311,000	Dec. 1,311,000
International.....	None	885,903	Dec. 885,903
Freeport (Sinclair).....	648,557	736,166	Dec. 87,609
Atlantic Gulf Oil (Agwi).....	526,429	942,416	Dec. 415,987
Huasteca (Mexican Petroleum).....	494,406	2,719,540	Dec. 2,225,134
East Coast (S. P.).....	378,722	267,727	Inc. 110,995
Island Oil.....	238,285	736,690	Dec. 498,405
Pierce Navigation (Pierce Oil)....	165,726	169,930	Dec. 4,204
Corona (Royal Dutch).....	139,763	456,124	Dec. 316,361
Nat'l Petroleum (Cities Service)....	135,213	100,225	Inc. 34,988
Continental Mex. (Gen'l Petrol.)....	132,419	202,010	Dec. 68,591
U. S. Mexican Oil.....	49,890	158,220	Dec. 108,330
Tal Vez.....	32,474	-----	Inc. 32,474
Transcontinental (Std. Oil, N.J.)....	23,107	3,680,105	Dec. 3,656,998
Others.....	8,110	359,326	Dec. 351,216

Total exports..... 6,245,373 17,221,884 Dec. 10,976,511

Note.—The Texas, Cortez, International, France and Canada, Inter-ocean, Penn Mex, and National Oil companies did not make any shipments during July.

The Department of Commerce on or about Aug. 18 gave out a report on the oil supply of Mexico, received from Claude I. Dawson, Consul at Tampico, taking a most hopeful view of the Mexican oil situation so far as the natural oil supply of the country is concerned, although it is recognized that even Mexican oil is not inexhaustible.

The imposition by the Mexican Government of extremely burdensome export taxes, coming in conjunction with a world-wide collapse in the price of crude oil, has produced a condition of affairs in Mexico that, according to an Associated Press despatch from Mexico City on Aug. 16, threatens complete paralysis of the Mexican oil industry within the next few weeks. The American operators in Mexico shut down quite completely on July 1 and several days ago the officials of the Royal Dutch Petroleum Company and the Shell Transport & Trading Company arrived in Tampico following a tour of investigation, and soon afterward issued orders for a temporary suspension of work "until market conditions improve." Mexican officials declare that the new export tax was a mere coincidence with the drop in the market and that complete exemption from taxes could not help the situation. "The Lamp," a magazine published in the interests of the employees of the Standard Oil Co., in its issue for August 1921, further elucidates from the standpoint of the American company owning oil properties in Mexico the effect of the export taxes put in effect July 1 1921 (see "Chronicle" July 9, page 146). "The Lamp" says:

Shipments Greatly Reduced—No Coercion Attempted by Companies.

Since July 1st little crude oil has come in from Mexico.

The average monthly exports for the first half of this year were 15,000,000 barrels. In the first twenty-seven days of July, shipments totaled 4,847,000 barrels, of which only 2,198,000 came to the United States. As will be explained later on, much of this comparatively small quantity of oil was exported because of special circumstances beyond the owners' control and with no expectation of profit.

Mexican propaganda would have it that American capital has ruthlessly exploited Mexican resources and that the reduction of shipments on July 1 is but one more attempt to impose terms that are not fair to the Mexican people.

The plain truth is, however, that the present difficulty resolves itself into nothing more nor less than the interruption of an established business by the levying of excessive taxes.

There is no politics in the issue; no attempt to deprive Mexico of what is rightfully hers; no effort to gain by pressure what should not be granted in plain fairness.

Outside Capital in Single Decade Has Developed Mexican Business of 153,000,000 Barrels Annually.

First, a little petroleum history.

Mexican oil has been a factor in world trade for only about a decade. Up to 1910 it was not definitely known that oil existed there in such quantities as to make its production commercially profitable. It required courage and capital to prove the fact. First one and then other American companies ventured vast sums of money to develop production. This enterprise called for the sternest kind of pioneer work. Hundreds of geologists, carpenters, drillers, railroad builders, pipe line experts, doctors and sanitarians were sent into the wilderness. There was not the money, talent or incentive in Mexico to develop her own resources. Books have been written on the trials of these pioneers. Many of them died of disease and injury. Others were killed or held for ransom. But eventually the business became established and Mexico rose to the position of the second largest producer of oil.

Quite properly, when oil began to be exported, the government saw in it a possible source of revenue and various taxes were imposed. In addition the land owners received royalties from the producers. The business rapidly increased until a record was made last year in the exportation of

153,000,000 barrels of crude petroleum, of which 106,000,000 came into the United States.

If a balance were to be struck to-day, and the foreign investment in Mexico's oil closed out, it would be found that few companies, if any, have received enough income to repay them. They are dependent upon the future for the amortization of their capital advances.

Outside of a small naphtha content most of the Mexican crude is adaptable only for use as fuel oil or in road building. For this reason its price has always been relatively low as compared with the lighter gravity petroleum produced in many sections of the United States. The present market for fuel oil and other products from the Mexican crude makes that oil worth about \$1 35 a barrel delivered at New York.

Apparently many people believe that an oil well in Mexico pours forth its treasure with few offsetting expenses. As a matter of fact, the only cheap thing in Mexican operations is the well itself. It may cost \$100,000 to drill, and produce a paying quantity of oil, but the drilling expense is only the beginning. To get the tools and supplies in and the oil out from one good well may involve expenditures of \$5,000,000 for tramroads, pipe lines, pumping stations, camps and incidentals.

Taxes of May 24 and June 7 1921 Absorbed Most of the Profits.

Since July 1, when the new taxes went into effect, the situation as regards the most valuable oil, Southern light crude, has been as follows:

The average value of a barrel of this oil in the United States is.....	\$1 30
The actual operating costs of a typical large company for four months in 1921, excluding depreciation and depletion, were, per barrel.....	31
The royalty is.....	05
Average cost of transportation to various points in the U. S. is.....	43
Taxes under decrees of May 24 and June 7 are.....	36

	\$1 15

The margin remaining out of which the producer must recover cost of wells, leases, pipe lines, terminals, etc., is 15 cents.

The Mexican Government, in taxes, and the land owner in royalty, thus receive more per barrel than the producer gets in gross profits after venturing millions in development work. The trade feels that the tax is too high, at the current market for the oil. Certainly it leaves the margin for the producer so small as to make it doubtful if he would have undertaken the risks had he known of the burden the tax would put upon him. Last year the Mexican Government received close to \$23,000,000 in oil taxes, and directly or indirectly, probably more than 60% of her total revenues from the oil industry.

Further Taxes Effective July 1 Doubled the Levy in Most Cases.

While the producers were protesting these taxes and other impositions through suits instituted in Mexican courts (none of which the Government has ever allowed to come to trial, although some actions have been pending three years), President Obregon issued two decrees, imposing new and greatly increased taxes. In addition to a specific tax based on gravity and the old surtax, there was imposed an ad valorem tax of 10% and the value for this purpose was fixed by the Mexican authorities at what they arbitrarily assumed to be the market price in the United States. These new decrees increase the total tax in most cases more than 100%. The present tax on light crude is equivalent to between 60% and 84% of the present value of the oil at Mexican ports, and on heavy crude to between 60% and 83% of its value. On the most important grade of light oil, for instance, the new tax is 36.17 cents a barrel as against the former levy of 17.14 cents a barrel.

Taking into consideration the insufficient margin of profit left the producer before the effect of this increase may be imagined.

Nearly All of the 172 American Tankers in Mexican Service Now Idle.

Some companies had tankers already on the way to Mexico which could not be diverted to other ports. These were loaded with oil after July 1. In other cases contract commitments called for deliveries of fuel oil which the companies could not obtain elsewhere. Vessels under charter in the Mexican trade for a certain number of trips or for a certain period have continued to run. Even so, as pointed out at the beginning of this article, shipments for the first month after the new tax went into effect were relatively small. The reduction in shipments has increased the shipping depression by tying up hundreds of millions of dollars worth of vessels ordinarily used in the Mexican trade. Out of 246 steamships regularly in the Mexican service all but 74 fly the American flag. Nearly all of these American owned ships are to-day being held in port, with a resulting loss in employment to a large part of the personnel.

New Decrees Pronounced Illegal—Serious Curtailment of Mexico's Revenue

The export movement has been practically suspended by an economic barrier erected by President Obregon ostensibly as a means of increasing his governmental revenues. The immediate effect at least has been to reduce materially the current revenue of the Mexican Government to an extent not yet definitely ascertainable.

The companies have been advised by their attorneys that the new decrees are illegal and void, because issued by President Obregon without action by the Mexican Congress, and a number of those who have shipped oil during the past month have stated their intention, on this ground, to refuse to pay the taxes when they become due.

U. S. RAILROAD LABOR BOARD RULES ON NATIONAL AGREEMENTS.

In announcing the approval yesterday by the U. S. Railroad Labor Board at Chicago of time and a half for shopmen, a dispatch in the New York "Evening Sun" last night said:

The United States Railroad Board to-day upheld the principle of time and a half overtime for all railroad shopmen after an eight-hour day.

The board also granted time and a half to all shopmen on Sundays and holidays and penalizes the railroads for Sunday work except where such Sunday work is "absolutely essential."

The decision, however, modifies seven of the most important rules granted shopmen during Federal control of railroads, granting the railroads several important contentions. The Board declared the contention of the roads that these rules were "unjust and unreasonable" to be correct.

While the decision is considered a sweeping victory for the employees as regards overtime the railroads won many points in the modifications of the rules and A. O. Wharton, labor member of the board, filed the first dissenting opinion on a decision by the body.

The decision holds that:

1. Work performed on Sundays and legal holidays by shopmen shall be paid for at the rate of time and a half overtime, except for operation of power houses, millwright gangs, train yards and other crews regularly assigned to Sunday work. They will be paid regular week day time.
2. After eight hours work on week days, overtime will be paid at the rate of time and a half.
3. Employees required to work during any period of the lunch hour will be allowed one hour.

4. Employees called for regular work at shops for emergency work on the road will be paid from the time they leave the shop.

5. Employees sent from shops to fill vacancies at any point will be paid hourly from time they leave the shops.

6. The eight hour day is given full recognition.

The Railroad Labor Board has decided that the seven rules approved by the Board corresponding to the seven rules of the national agreements are just and reasonable, the decision declared. They shall apply to each of the carriers set out herein, except in such instances as any particular carrier may have agreed with its employees upon any one or more of said rules.

A mere comparison by an unbiassed mind of the rules adopted by the road and the corresponding rules embraced in the national agreement which were proposed by the employees for re-adoption by this Board is sufficient the Board believes, to convince that the modifications are just and reasonable and that the complaints made by the carriers that the national agreements rules were burdensome, unreasonable and unjust was well grounded.

The Board has felt impelled, however, to decline many of the modifications of the rules advocated by the carriers because they appeared to go to an opposite extreme.

The railroads won their point in obtaining a modification of the onerous "five hour call" rule with pay, which is cut to one hour.

NOMINATION OF FREDERICK I. COX AS MEMBER OF INTER-STATE COMMERCE COMMISSION FAVORABLY REPORTED.

The Senate Committee on Inter-State Commerce favorably reported on Aug. 17 the nomination of Frederick I. Cox, of New Jersey, as a member of the Inter-State Commerce Commission, succeeding Edgar E. Clark, resigned. The appointment had been before the Committee since July 22, and it was explained that the delay was due to the hope that Mr. Clark could be prevailed upon to withdraw his resignation. Both Commissioner Clark's resignation and Mr. Cox's appointment were noted in our issue of July 30, page 489. Members of the Senate Committee on Aug. 17 paid high compliment to the public service of Chairman Clark, and expressed regret at his decision to retire.

Mr. Clark declared in a statement on Aug. 18, after he had made a call on President Harding at the White House, that his resignation was not due to difference between the Commission and the President, and that further the President "has not in any way indicated any desire or disposition to dictate or to direct the Commission or even to suggest how the Commission should act in any matter before it."

"The speculative rumors that friction between President Harding and the Inter-State Commerce Commission or between the President and myself had anything whatever to do with my resignation, have no foundation in fact."

Chairman Clark said: "My resignation was controlled entirely by personal reasons. The President not only expressed regret that I wanted to retire, but he asked me to withdraw my resignation, and even after he had accepted it he gave me an opportunity to withdraw it. While the President has evinced an interest in the bigger aspects of the transportation problem and expressed the hope that reductions and readjustments in rates might come about in proper ways, he has not in any way indicated any desire or disposition to dictate to or to direct the Commission or even to suggest how the Commission should act in any matter before it."

ADMINISTRATION'S RAILROAD FUNDING BILL.

The Administration's railroad funding bill was reported to the Senate yesterday (Aug. 19); on the 18th the House Committee on Inter-State and Foreign Commerce agreed to favorably report the railroad bill. While the House is expected to act on the Winslow bill next week, it was stated yesterday that the Senate bill will not be called up for consideration prior to the recess scheduled from Aug. 24 to Sept. 21. In announcing the favorable report ordered by the House Committee, the New York "Commercial of yesterday (Aug. 19) said:

The Committee's action was taken in accordance with a request from the White House that the bill be advanced as far as possible toward final enactment before Congress begins its recess next Wednesday.

The bill will be considered by the House either Monday or Tuesday. It is planned to report it with a special rule that will insure its passage in one day.

The bill was reported from the Committee without change. It authorizes the War Finance Corporation to purchase securities deposited by the railroads with the United States Railroad Administration and to sell them in the open market. The funds thus obtained would then be loaned to the roads for settlement of the roads' indebtedness to the Government.

Bankers throughout the United States will be called upon to assist the Government in coming to the financial relief of the roads, Eugene Meyer, Jr., Managing Director of the War Finance Corporation, said to-day.

The Government will expect the bankers to take part of the securities the railroads are to give the Railroad Administration under the refunding plan of President Harding. The War Finance Corporation will take part of the roads' securities, but probably the small share.

Plans for the apportioning of the rail securities will be made as soon as the refunding plan is arranged between the rail administration and the roads and Congress authorizes the War Finance Corporation to assist in the relief.

No detailed plans for extending the assistance to the roads through the corporation and the banks have yet been made, said Director Meyer, but the banks will be asked to help the Government and the corporation to the full extent of their ability.

Assistance by the banks will probably be in the form of a private pool, it is indicated, like those organized under Government direction to assist the cattle and cotton growing industries. Several big bankers first will be sounded out on the proposal. If they favor it as is believed certain, it is likely that a meeting of bankers will be called by the Treasury Department.

A favorable report on the bill was ordered by the Senate Inter-State Commerce Committee on Aug. 17 by a vote of 7 to 2. The bill would authorize the War Finance Corporation to use not to exceed \$500,000,000 to purchase railroad securities from the Railroad Administration and prescribe interest rates upon securities hereafter accepted from the carriers. The press dispatches of the 17th inst. said:

A section to permit reopening of settled accounts with the railroads for the funding of securities of those roads went out in committee and provision added to prevent railroad funding from interfering with aid for financing agricultural exports. The life of the corporation would be extended to July 1 1922, under another Committee proviso.

Senator La Follette, Republican, Wisconsin, voted with Senator Stanley, Democrat, Kentucky, against reporting the bill, while Senator Pomerene, Democrat, Ohio, voted for it.

It developed during consideration of the bill that the War Finance Corporation is now attempting to form a syndicate to purchase Government holdings of railroad securities and relieve the Government of further railroad funding operations.

REDUCTION IN FREIGHT RATES ON GRAIN.

The reduction of 7½ cents per hundred weight in freight rates on grain and grain products is the subject of a statement issued at the White House on Aug. 12, which alludes to this action as "one of the most important measures the Administration has initiated for the relief of agricultural and of general industrial conditions." The statement says that "these reductions of rates, together with the arrangements for financial assistance to export trade and the assurance that Europe is going to need extraordinary quantities of American foodstuffs, constitute altogether a justification for strong hope that the tendency in the agricultural markets will for some time be decidedly toward better prices." It is also learned from the statement that the cuts were agreed to as an incident to the settlement of the claims of the railroads against the Government. The following is the statement issued by the White House:

One of the most important measures the Administration has initiated for the relief of agricultural and of general industrial conditions, concerns the reduction of transportation rates on grains for export. It is particularly important, because the substantial reductions on other grains is certain to be carried back directly to the producer and to enhance the price, not only of grain exported but of grain consumed in this country.

The price of grain in exporting countries is determined broadly by the price received for the surplus in importing countries. If a reduction in freights, therefore, increases the price that the farmer receives for his exported grains, the price of grain for domestic consumption will advance to the same degree.

When the railroads recently were urging early settlement of their claims dating from the era of Government management, the President requested Secretary of Commerce Hoover to confer with railway executives. A succession of conferences were held, in which Mr. Hoover, on behalf of the President, insisted that the railways must relinquish their claims, amounting to about \$900,000,000 on the grounds of inefficiency of labor. He also insisted, with the Administration's backing, that there must be concession to the agricultural interests, and urged the reduction of the export grain rates. This was made the basis of the readjustment, the railroads relinquishing their so-called "labor inefficiency claims, and undertaking to inaugurate reductions in the export grain rates, while the Administration undertook to assist them by securing early settlement of their claims against the Government.

This reorganization of grain rates is a step toward the general restoration of those normal conditions with which the war interfered. As a war measure, it was necessary, in order to relieve the congestion of freight moving to the North Atlantic ports, to make such adjustment of grain rates from the Middle West as would force export grain to the Gulf ports. But with the war-time volume of North Atlantic traffic withdrawn, it was possible to return to the old basis.

In general advances in freight costs are passed on to the consumer by adding them to selling prices. But in grains, whose domestic price is dominated by the foreign price of the exported surplus, the producer suffers when rates go up and benefits when they go down.

Therefore, though the exports represent a minor share of the total grain production, the lowering of export rates affects the entire crop. These reductions of rates, together with the arrangements for financial assistance to export trade and the appearance that Europe is going to need extraordinary quantities of American foodstuffs, constitute altogether a justification for strong hope that the tendency in the agricultural markets will for some time be decidedly toward better prices.

The rate on export wheat from Chicago to New York is the basis from which all other grain export rates are calculated. This rate has for some time stood at 30 cents per bushel and is 4 cents lower than the rate on wheat for domestic consumption.

The railroads were induced, in view of the small movement of grain and the unwillingness of the farmers to sell at prices they were offered, to request authority from the Inter-State Commerce Commission to reduce the export rate. This has been granted, the reduction being 7½ cents per hundred-weight on wheat. The action was a recognition both of the insistence of the agricultural interests that the rates were too high, and of the fact that there had been a marked increase in the foreign demand for American grain. The importance of the reduction has been further accentuated very recently by the bad crop conditions of Europe. Practically throughout the European Continent and Great Britain the crops this year seem likely to be the poorest in many seasons on account of the unprecedented drought.

Europe will need to import all the grain it can possibly finance. It was discovered some time ago that the Canadian railways and ports were getting the lion's share of the grain movement to Europe, which at first took the all-water route from lake ports via the St. Lawrence River. Quantities of American wheat were also sent by this route. The Canadian railways nat-

urally wanted their share of the movement, and the Canadian Railway Commission granted them authority to meet the water rates. Under this arrangement the grain moved to Green Bay ports by water and thence by rail to Montreal.

To meet this condition and insure that the American producer would not only get his full share of the sales in foreign markets but would also get the highest possible price, a movement for reducing export rates was inaugurated by the Administration.

The new rates thus far authorized apply only on Chicago-New York business, but the railroads are already at work on sweeping revisions of grain rates generally, which will adjust them to this new basis charge, so that the entire agricultural interest will get the full share of benefits. Reductions from Mississippi River points are under consideration, and if it is recognized that the lines to the Gulf will of necessity ask readjustment of their rates also, in line with the general downward tendency.

Clyde M. Reed, Manager of the Western Grain Committee and Chairman of the Kansas Public Utilities Commission in a statement on Aug. 13, taking exception to the White House announcement said:

The proposed reduction referred to is simply a matter of adjustment in order to preserve the grain traffic to certain roads. It will not result in actual reduction of freight rates to the producer of export grain.

The press dispatches from Washington reported him also to the following effect.

Mr. Reed said the White House statement was "misleading" in that it indicated that grain rate reductions already made were to benefit producers. The fact was, he asserted, that Canadian roads cut rates via lake and rail to Montreal, and captured much export business. To meet this, certain American lines cut 4 cents per hundredweight off the lake—Buffalo-New York—rate and this in turn forced all rail carriers to New York to propose a 7½-cent drop, Chicago to New York, as they were losing business to both the Canadian and Buffalo routes.

Some carriers hauling to gulf ports saw danger of disruption to their export grain traffic in this proposal and protested, Mr. Reed said.

Announcement of the cut in freight rates on grain came from Chicago on Aug. 4, in the following press dispatches.

Freight rates on grain, grain products and grain by-products from Chicago and Central Freight Association territory to North Atlantic seaboard ports for export will be reduced 7½ cents per hundred pounds as a result of conferences between railway and shippers' representatives. It was announced to-night. The present rate for grain is 30 cents.

The Central Freight Association territory includes points located on and north of the Ohio River, on and east of the Mississippi River, south of the Illinois-Wisconsin State line, east of Lake Michigan, south of the Great Lakes and west of Buffalo and Pittsburgh.

The rates from points in this territory east of the Indiana-Illinois State line on like traffic to the same ports for export will also be adjusted with relation to the reduced rates from Chicago, it was announced. Application will be filed immediately with the Inter-State Commerce Commission for authority to make the reduced rates on export traffic effective on ten days' notice, but in the event of the commission declining to approve this, the reduced rates are to be filed with the commission to become effective within thirty days. The reduced rates will expire Dec. 31 1921.

The proposition of the carriers that the domestic rates on grain, grain products and grain by-products also be reduced 4½ cents per one hundred pounds from Chicago, including points as far west as the Mississippi River to points east of Buffalo and Pittsburgh, was also discussed at the conference. The proposed reduction on domestic shipments is subject to the understanding that relative reductions will be made in the domestic rates on like traffic from territory east of the Indiana-Illinois State line to the same eastern destinations and to a further conference between the representative of the Central Freight Association and the Trunk Lines Association and New England Freight Association in connection with the domestic rates applicable east of Buffalo, Erie, Pa., &c., to the same territory, the idea being that there will be no reduction in the domestic rates east of the Lake ports named.

As to both the export and domestic rates, the usual differentials are to govern as between New York and other North Atlantic seaboard ports. In the event of its finally being decided to reduce the domestic rate, the intention is to file an application with the Inter-State Commerce Commission to make the rates effective on ten days' notice, the lower rates to expire Dec. 31 1921. All of the reductions will effect the freight charge on shipments from points north and west of Chicago, also west of the Mississippi River.

"The cost of transportation service at the present time does not justify the heavy reductions which the carriers will make in export grain rates," the announcement read. "Nevertheless, these reductions have either been decided upon or are under discussion as a result of the plea of the farmers and others for a re-adjustment of existing rates."

The present and proposed carload rates in cents per hundred pounds from Chicago to New York are as follows:

	—Export—		—Domestic—	
	Present.	Proposed.	Present.	Proposed.
Grain.....	30	22½	34½	30
Grain products.....	32	24½	35	30½
Flour.....	31	23½	---	---
Grain by-products.....	34	26½	37	32½

DEVELOPMENTS OF NEGOTIATIONS LOOKING TO SOLUTION OF IRISH PROBLEM.

The differences between Ireland and Great Britain on the question of the Government of the former appear to be as far apart as ever, Eamonn de Valera, the so-called President of the Irish Republic, having conveyed to Prime Minister David Lloyd George during the past week advices indicating the non-acceptance of the proposals of Great Britain for the adjustment of the Irish problem. The latter had proposed that Ireland be given the status of a Dominion, with the understanding that she would enjoy:

"Complete autonomy in taxation and finance; that she shall maintain her military for home defence, her own constabulary for her own police; that she shall take over the Irish postal service and all matters relating thereto—education, land, agriculture, mines and minerals, forestry, housing, labor, unemployment, transport, trade, public health, health insurance, and liquor traffic, and in sum that she shall exercise all those powers

and privileges upon which the autonomy of self-governing Dominions is based, subject to the considerations set forth in the ensuing paragraphs.

De Valera states "the Irish people's belief that national destiny can best be realized in political detachment, free from Imperialistic entanglements." "Like the small nations of Europe," he says, "they are prepared to hazard their independence on the basis of moral right." Dominion status for Ireland, he asserts, "is by every one who understands the conditions known to be illusory." He states further:

The freedom which the British Dominions enjoy is not so much the result of legal enactments or treaties as of the immense distances which separate them from Great Britain and make interference by her impracticable. Most explicit guarantees, including the Dominion's acknowledged right to secede, would be necessary to secure for Ireland an equal degree of freedom.

He also declares that "in regard to the question at issue between the political minority and the great majority of the Irish people, that must remain a question for the Irish themselves to settle. We cannot admit the right of the British Government to mutilate our country either in its own interest or at the call of any section of our population." Lloyd George in denying the right of Ireland to secede says:

In our opinion, nothing is to be gained by prolonging the theoretical discussion of the national status which you may be willing to accept, as compared with that of the great self-governing Dominions of the British Commonwealth, but we must direct your attention to one point on which you lay some emphasis, and on which no British Government can compromise, namely, the claim that we should acknowledge the right of Ireland to secede from her allegiance to the King.

No such right can ever be acknowledged by us. The geographical proximity of Ireland to the British Isles is a fundamental fact. The history of the two islands for many centuries, however it is read, is sufficient proof that their destinies are indissolubly linked.

This exchange of correspondence was made public on Aug. 14, along with the proposals of the British Government growing out of the conferences between de Valera and Lloyd George, last month, which were detailed in our issue of July 23, page 368. Following the conclusion of these conferences on July 21, when it was announced in a joint communique that "the basis for a further conference has not yet been found," the proposals were taken up by de Valera with his cabinet on July 25. On July 29, it was reported that the British Government had received a communication from de Valera, the London "Times"—the authority for this—stating that "the contents were not divulged, but it was noticeable in Government quarters that there was no abatement in the hopefulness lately apparent there."

The next development of moment was the summoning of the Irish Republican Parliament to meet on Aug. 16, the Associated Press in Dublin cablegrams Aug. 4 in reporting an announcement to this effect by the "Irish Bulletin" the official Republican organ, stating:

The call for the meeting of the Parliament, with all members present, involves the release from prison of twenty-five members of this body, and it has been declared the Government is willing to facilitate their attendance.

On the same date Associated Press advices from London said:

The Irish situation took a sensational turn to-day when it was announced in Dublin that Eamonn de Valera and his associates had decided to summon a full meeting of the Irish Republican Parliament to consider the British Government's Irish peace proposals.

It has been repeatedly stated in Dublin that the Dail Eireann would not be summoned until Ulster's attitude had been learned, but coincident with the calling of a meeting of this body come conflicting reports from Dublin and Belfast concerning Ulster's position.

In Dublin it is reported that Ulster has been sounded and has returned an answer unfavorable to the Sinn Fein overtures, while in Belfast, after an important meeting of the Cabinet, it was authoritatively stated that the Ulster Ministry had received no communication from Mr. de Valera.

While these reports at first glance seem irreconcilable, it is pointed out that possibly both may be correct. The fact that the Ulster Cabinet itself has not received a communication would not, it is noted, preclude the possibility of an informal discussion between the Northern and Southern leaders.

In announcing the return to London on Aug. 5 of Sir James Craig after a meeting of the Ulster Cabinet, the New York "Times," in a copyright cablegram, said:

From a well-informed source, it is gathered that the Sinn Feiners, while regarding the Government's proposals for the future of Southern Ireland favorably, are reluctant to abandon the ideal of the unity of Ireland, and doubtless in pursuit of this ideal the Sinn Fein leaders have been urging a meeting between de Valera and Craig in Ireland. Craig has declined the proposal, on the ground that Ulster had accepted the Prime Minister's invitation to the conference in London.

The feeling in Ulster seems to be the North could not agree to modify their existing status until they had seen in what way the South governed itself.

The possibility of the repudiation of the truce entered into on July 9 between England and Ireland in the event that the British Government persisted in its refusal to liberate John McKeown, a member of the Irish Republican Parliament, under conviction for the murder of District Inspector McGrath, was forecast in the Dublin press advices Aug. 7. McKeown was the only one of the members of the Dail Eireann interned or imprisoned whose release had not been promised. Responsible Sinn Fein leaders, it was stated, identified themselves with McKeown's act as part of the war

and considered refusal to release him as indicating a want of good faith on the part of the Government. On the 8th inst. the decision to release him was made known in Associated Press advices from Paris:

The British Government has decided to release John J. McKeown, the sole remaining imprisoned member of the Irish Republican Parliament, it was announced this evening by the British delegation to the Allied Supreme Council session here.

The announcement that de Valera's reply to the British Government's proposals had been delivered on Aug. 11 to Austen Chamberlain in the absence of Lloyd George, and forwarded by Mr. Chamberlain to the Prime Minister by airplane was made on Aug. 11; as stated above, Mr. de Valera's letter was not made public until Aug. 14. It reads as follows:

Sir:—On the occasion of our last interview I gave it as my judgment that the Dail Eireann could not and that the Irish people would not accept the proposals of your Government as set forth in the draft of July 20 which you had presented to me. Having consulted my colleagues, and with them given these proposals most earnest consideration, I now confirm that judgment. The outline given in the draft is self-contradictory, and the principle of the pact is not easy to determine. To the extent that it implies recognition of Ireland's separate nationhood and her right of self-determination we appreciate and accept it.

But in the stipulations and express conditions concerning matters that are vital, principles strangely are set aside and the claim advanced by your Government to interference in our affairs and to control which we cannot admit.

Ireland's right to choose for herself the path she should take to realize her own destiny must be accepted as indefeasible. It is a right that has been maintained through centuries of oppression and at a cost of unparalleled sacrifice and untold suffering, and it will not be surrendered. We cannot propose to abrogate or to impair it, nor can Great Britain or any other foreign State or group of States legitimately claim to interfere with its exercise in order to serve their own special interests.

The Irish people's belief is that National destiny can best be realized in political detachment free from imperialistic entanglements which, they feel, will involve enterprises out of harmony with the National character, prove destructive to their ideals and be fruitful of only ruinous wars, crushing burdens, social discontent and general unrest and unhappiness.

Like the small States of Europe, they are prepared to hazard their independence on the basis of moral right, confident that they threaten no nation or people so they would, in turn, be free from aggression themselves. This policy they have declared for in plebiscite after plebiscite, and the degree to which any other line of policy deviates from it must be taken as the measure of the extent to which external pressure is operative and violence is being done to the wishes of the majority.

As for myself and my colleagues, it is our deep conviction that true friendship with England, which military coercion has frustrated for centuries, can be obtained most readily now through amicable but absolute separation. Fear, groundless though we believe it to be, that Irish territory may be used as a basis for attack upon England's liberties, can be met by reasonable guarantees not inconsistent with Irish sovereignty.

Dominion status for Ireland is by every one who understands the conditions known to be illusory. The freedom which the British Dominions enjoy is not so much the result of legal enactments or treaties as of the immense distances which separate them from Great Britain and make interference by her impracticable. Most explicit guarantees, including the Dominion's acknowledged right to secede, would be necessary to secure for Ireland an equal degree of freedom.

There is no suggestion, however, in the proposals made of any such guarantees. Instead, the natural positions are reversed and our geographical situation with respect to Great Britain is made the basis of denials and restrictions unheard of in the case of the dominions. The smaller island must give military safeguards and guarantees to the larger and suffer itself to be reduced to a position of helpless dependence.

It should be obvious that we could not urge acceptance of such proposals upon our people. A certain treaty-free association with the British commonwealth group, as with a partial League of Nations, we would have been ready to recommend and as a Government to negotiate and take responsibility for, had we assurance that entry of the nation as a whole into such association would secure for it the allegiance of the present dissenting minority, to meet whose sentiment alone this step would be contemplated.

Treaties dealing with proposals for free intertrade and mutual limitation of armaments we are ready at any time to negotiate. Mutual agreement for facilitating air, railway and other communications, can, we feel certain, also be effected. No obstacle of any kind will be placed by us in the way of that smooth commercial intercourse which is essential to the life of both islands, each of which is the best customer and best market of the other.

It must, of course, be understood that all treaties and agreements would have to be submitted for ratification to a National legislature in the first instance, and subsequently to the Irish people as a whole, under circumstances which would make it evident that their decision would be a free decision and that every element of military compulsion was absent.

The question of Ireland's liability for a share of the present debt of the United Kingdom we are prepared to leave to be determined by a board of arbitrators, one to be appointed by Ireland, one by Great Britain and the third to be chosen by agreement, or, in default of such agreement, to be nominated, say, by the President of the United States.

In regard to the question at issue between the political minority and the great majority of the Irish people, that must remain a question for the Irish themselves to settle. We cannot admit the right of the British Government to mutilate our country either in its own interest or at the call of any section of our population. We do not contemplate the use of force. If your Government stands aside, we can effect a complete reconciliation.

We agree with you that no common action can be secured by force. Our regret is that this wise and true principle, which your Government prescribes to us for settlement of our local problem, it seems unwilling to apply consistently to the fundamental problem of relations between our island and yours. The principle we reply on in one case we are ready to apply in the other, but should this principle not yield an immediate settlement, we are willing that this question, too, be submitted to external arbitration.

Thus we are ready to meet you in all that is reasonable and just. Responsibility for initiating and effecting an honorable peace rests primarily not with our Government but with yours. We have no conditions to impose and no claims to advance but one—that we be freed from aggression.

We reciprocate with a sincerity to be measured only by the terrible sufferings our people have undergone, the desire you express for mutual, lasting friendship. The sole cause of the ancient feuds, which you deplore has been, as we know and as history proves, the attacks of English rulers

upon Irish liberties. These attacks can cease forthwith if your Government has the will.

The road to peace and understanding lies open.

EAMONN DE VALERA.

The reply of Prime Minister Lloyd George dated Aug. 13 and given out with the above, follows:

Sir:—The earlier part of your letter is so much opposed to our fundamental position that we feel bound to leave you in no doubt of our meaning. You state that after consulting your colleagues you confirm your declaration that our proposals are such as the Dail Eireann could not and the Irish people would not accept. You add that the outline given by our draft is self-contradictory and that the principle of the pact offered you is not easy to determine. We desire, therefore, to make our position absolutely clear.

In our opinion, nothing is to be gained by prolonging the theoretical discussion of the national status which you may be willing to accept, as compared with that of the great, self-governing dominions of the British commonwealth, but we must direct your attention to one point on which you lay some emphasis and on which no British Government can compromise, namely, the claim that we should acknowledge the right of Ireland to secede from her allegiance to the king.

No such right can ever be acknowledged by us. The geographical proximity of Ireland to the British Isles is a fundamental fact. The history of the two islands for many centuries, however it is read, is sufficient proof that their destinies are indissolubly linked.

Ireland has sent members to the British Parliament for more than a hundred years. Many of her people during all that time have enlisted freely and served gallantly in the forces of the Crown. Great numbers in all the Irish provinces are profoundly attached to the throne.

These facts permit of one answer, and one only, to the claim that Great Britain should negotiate with Ireland as a separate and foreign Power.

When you, as the chosen representatives of Irish national ideals, came to speak with me I made one condition only, of which our proposal plainly stated the effect—that Ireland should recognize the force of geographical and historical facts.

It is those facts which govern the problems of British-Irish relations. If they did not exist there would be no problems to discuss. I pass, therefore, to the conditions which are imposed by these facts.

We set them out clearly in six clauses in our former proposals and need not restate them here, except to say that the British Government cannot consent to the reference of any such questions which concern Great Britain and Ireland alone to the arbitration of a foreign power.

We are profoundly glad to have your agreement that Northern Ireland cannot be coerced. This point is of great importance, because the resolve of our people to resist with full power any attempt at secession by one part of Ireland carries with it of necessity an equal resolve to resist any effort to coerce another part of Ireland to abandon its allegiance to the Crown.

We gladly give you the assurance that we will concur in any settlement which Southern and Northern Ireland may make for Irish unity within the six conditions already laid down, which apply to Southern and Northern Ireland alike, but we cannot agree to refer the question of your relations with Northern Ireland to foreign arbitration.

The conditions of the proposed settlement do not arise from any desire to force our will upon the people of another race, but from facts which are as vital to Ireland's welfare as to our own. They contain no derogation from Ireland's status as a dominion, no desire for British ascendancy over Ireland and no impairment of Ireland's national ideals.

Our proposals present to the Irish people an opportunity such as has never dawned in their history before. We have made them in a sincere desire to achieve peace, but beyond them we cannot go.

We trust you will be able to accept them in principle. I shall discuss their application in detail whenever your acceptance in principle is communicated to me.

DAVID LLOYD GEORGE.

The following is the draft of the British proposals, (dated July 20) as made public along with the above letters) in the Associated Press advices from London.

The British Government is actuated by an earnest desire to end the unhappy divisions between Great Britain and Ireland which have produced so many conflicts in the past, and which have once more shattered the peace and well being of Ireland. At the present time they long with His Majesty the King in the words of his gracious speech in Ireland last month for a satisfactory solution of "those age-long Irish problems which for generations embarrassed our forefathers as they now weigh heavily upon us," and they wish to do their utmost to secure that "every man of Irish birth should work in loyal co-operation with the free communities on which the British Empire is based."

They are convinced that the Irish people may find as worthy and complete an expression of their political and spiritual ideals within the empire as any of the numerous and varied nations united in allegiance to His Majesty's throne and they desire such consummation, not only for the welfare of Great Britain and Ireland and the empire as a whole, but also for the cause of peace and harmony throughout the world.

There is not a part of the world where Irishmen have made their homes but suffers from our ancient feuds. No part of it but looks to this meeting between the British Government and the Irish leaders to resolve these feuds into a new understanding, honorable and satisfactory to all the people involved.

The free nations which compose the British Empire are drawn from many races with different histories, traditions and ideals. In the Dominion of Canada the British and French have long forgotten the bitter conflicts which divided their ancestors. In South Africa the Transvaal Republic and the Orange Free State have joined with two British colonies to make a great, self-governing union under His Majesty's sway. The British people cannot believe that where Canada and South Africa, with equal or even greater difficulties have so signally succeeded, Ireland will fail, and they are determined that, so far as they themselves can assure it, nothing shall hinder Irish statesmen from joining together to build up an Irish State in free and willing co-operation with the other peoples of the empire.

Moved by these considerations, the British Government invites Ireland to take her place in the great association of free nations over which His Majesty reigns. As an earnest of its desire to obliterate old quarrels and to enable Ireland to face the future with her own strength and hope, it proposes that Ireland shall assume forthwith the status of a Dominion, with all the powers and privileges set forth in this document.

By the adoption of Dominion status it is understood that Ireland shall enjoy complete autonomy in taxation and finance; that she shall maintain her own military forces for home defense, her own constabulary and her own police; that she shall take over the Irish postal services and all matters relating thereto; education, land, agriculture, mines and minerals, forestry, housing, labor, unemployment, transport, trade, public health, health insurance and liquor traffic, and in sum that she shall exercise all those powers and privileges upon which the autonomy of self-governing domin-

ions is based, subject to the considerations set forth in the ensuing paragraphs. Guaranteed in these liberties, which no foreign people can challenge without challenging the empire as a whole, the Dominions hold each and severally, by virtue of their British fellowship, a standing among the nations equivalent not merely to their individual strength but to the combined power and influence of all the nations of the commonwealth. That guarantee, that fellowship, that freedom the whole empire looks to Ireland to accept.

Then follow six stipulations.

The first says that the common concern of both countries in the defense of their interests on land and sea shall be recognized.

"Great Britain," it adds, "lives by the sea, her food and her communications depend on the freedom of the great sea routes. Ireland lies at Britain's side, across the seaways, north and south, that link her with the sister nations of the empire, the markets of the world and the vital sources of her food supply.

In recognition of this fact, which nature has imposed and which no statesmanship can change, it is essential that the Royal Navy alone should control the seas around Ireland and Great Britain, and that such rights and liberties should be accorded by it the Irish State as are essential for naval purposes in Irish harbors and on Irish coasts.

The second stipulation says:

In order that the movement toward limitation of armaments which is now making progress in the world should not be hampered in any way the Irish territorial force shall within reasonable limits conform in numbers to the military establishments in other parts of the islands.

In the third stipulation it is declared that Great Britain shall have all the necessary facilities for the development of air defense and communications.

The fourth expresses the hope that Ireland will, of her own free will, contribute in proportion to her wealth to the naval and military forces of the empire, and assumes that voluntary recruiting will be permitted "particularly for those famous Irish regiments which so long and so gallantly have served His Majesty in all parts of the world.

Complete autonomy in finance and taxation, with the agreement that there shall be no tariffs or other trade restrictions between the two islands, is provided in the fifth stipulation.

The sixth declares that Ireland is to assume responsibility for a share of the United Kingdom's present debt and pensions. In default of an agreement the share would be determined by an arbitrator appointed from within the Dominion.

The document proposes that the conditions of settlement be embodied in the form of a treaty, to which effect shall be given by the British and Irish Parliaments.

The form in which the settlement is to take effect, it adds, will depend upon Ireland herself. It must allow for full recognition of the existing powers and privileges of the Parliament and Government of Northern Ireland.

The British Government entertains the earnest hope that the necessity of harmonious cooperation among Irishmen of all classes and creeds will be recognized throughout Ireland and will welcome the day when by these means unity is achieved. But no such common action can be secured by force.

Declaring that union in the other Dominions came by consent, the document continues:

In no conditions can they consent to any proposals which would kindle civil war in Ireland. Such a war would not touch Ireland alone, for partisans would flock to either side from Great Britain, the empire and elsewhere with consequences more devastating to the welfare both of Ireland and the empire than the conflict to which a truce has been called this month.

The document concludes as follows:

The British Government will, therefore, leave Irishmen themselves to determine by negotiations between them whether the new powers which the new pact defines shall be taken over by Ireland as a whole and administered by a single body, or taken over separately by Southern and Northern Ireland with or without a joint authority to harmonize their common interests. They will willingly assist in negotiating such a settlement if the Irishmen should so desire.

By these proposals the British Government sincerely believes they will have shattered the foundations of that ancient hatred and distrust which have disfigured our common history for centuries.

The future of Ireland within the commonwealth is for the Irish people to shape. In the foregoing proposals the British Government have attempted no more than a broad outline of a settlement, the details of which they leave for discussion when the Irish people have signified their acceptance of the principle of this pact.

The document is signed by David Lloyd George.

A letter bearing on the Irish peace negotiations, addressed on Aug. 4 by General Smuts, the South African Premier, to Mr. de Valera, before the former's departure for South Africa, was given out by Prime Minister Lloyd George on Aug. 13, and, as reported in a copyright cablegram from London to the New York "Times," is as follows:

My Dear de Valera.—Lane [the General's private secretary] has duly reported to me the substance of his conversations with you and has handed me your letter of the 31st of July. He told me of your anxiety to meet and discuss the situation with the Ulster representatives.

Since then I have, as I wired you yesterday, done my best to bring about such a meeting, but Sir James Craig, while willing to meet you in conference with Mr. Lloyd George, still remains unwilling to meet you in his absence, and nothing that I have been able to do or say has moved him from that attitude. If you were to request a meeting with him he will reply, setting forth his position and saying that Ulster will not be moved from the constitutional position which she occupies under existing legislation. She is satisfied with her present status and will on no account agree to any change.

On the other hand, both in your conversation with Lane and in your letter, you insist on Ulster coming into a United Ireland Constitution, and unless that is done you say no further progress can be made.

There is, therefore, an impasse which I do not at present know how to get over. Both you and Craig are equally immovable forces and a solution of the problem is out of the question, both on your and his premises. The process of arriving at an agreement will therefore take time.

The result is that at this stage I can be of no further use in this matter, and I have, therefore, decided to adhere to my plan of sailing for South Africa to-morrow. This I regret most deeply, as my desire to help in pushing an Irish settlement one stage further has been very great. But I must bow to the inevitable.

Must Settle Without Ulster.

I should like to add a word in reference to the situation as I have come to view it. I have discussed it very fully with you and your colleagues. I have also probed as deeply as I could into the Ulster position. My conviction is that for the present no solution based on Ulster coming into the Irish

State will succeed. Ulster will not agree, she cannot be forced, and any solution on those lines is at present foredoomed to failure.

I believe that it is in the interest of Ulster to come in, and that the force of a community of interests will over a period of years prove so great and so compelling that Ulster will herself decide to join the Irish State. But at present an Irish settlement is only possible if the hard facts are calmly faced.

If Ulster is left alone not only will she not consent to come in, but even if she does the Irish State will, I fear, start under such a handicap of internal friction and discordance that the result may well be failure.

Once more, my strong advice to you is to leave Ulster alone for the present as the only line along which a solution is practicable, and to concentrate on a free constitution for the remaining twenty-six counties, and through successful running of the Irish State and the pull of economic and other peaceful forces eventually to bring Ulster into that State.

I know how repugnant such a solution must be to all Irish patriots, who look upon Irish unity as the sine qua non of any Irish settlement, but the wise man, while fighting for his ideal to the uttermost, learns also to bow to the inevitable, and the humble acceptance of facts is often the only way of finally overcoming them.

It proved so in South Africa, where ultimate unity was only realized through several stages and the process of years and where the republican ideal for which we have made unheard-of sacrifices had ultimately to give way to another form of freedom. My belief is that Ireland is traveling the same painful road as South Africa, and that, with wisdom and moderation in her leadership, she is destined to achieve no less success.

As I said to you before, I do not consider one single clean-cut solution of the Irish question possible at present. You will have to pass through several stages, of which a free Constitution for Southern Ireland is the first and the inclusion of Ulster and full recognition of Irish unity will be the last. Only the first stage will render the last possible. To reverse the process and to begin with Irish unity as the first step is to imperil the whole settlement. Irish unity should be the ideal to which the whole process should be directed.

Urges Freedom First, Unity Later.

I do not ask you to give up your ideal, but only to realize it in the only way which seems to me at present practicable. Freedom will lead inevitably to unity. With a free Constitution for the twenty-six counties, therefore, begin with freedom as the first and most important step in the whole settlement.

As to the form of that freedom here, too, you are called upon to choose between two alternatives. To you, as you say, a republic is the true expression of national self-determination, but it is not the only expression, and it is an expression which means your final and irrevocable severance from the British league and too, this, as you know, the Parliament and people of this country will not agree.

The British Prime Minister has made you an offer of the other form of freedom, of the dominion status, which is working with complete success in all parts of the British league.

Important British Ministers have described the dominion status in terms which must satisfy all you could legitimately wish for. Mr. Lloyd George, in his historic reply to General Hertzog at Paris; Mr. Bonar Law, in his celebrated declaration in the House of Commons, and Lord Milner, as Secretary of State for the Colonies, have stated their views, and they coincide with the highest claims which the dominion statesmen have ever put forward on behalf of their free nations.

What is good enough for these nations ought surely to be good enough for Ireland, too. For Irishmen to say to the world that they will not be satisfied with the status of the great British dominions would be to alienate all that sympathy which has so far been the main support of the Irish cause.

Dominion Status Offered.

The British Prime Minister offers a complete dominion status to the twenty-six counties, subject to certain strategy safeguards, which you are asked to agree to voluntarily as a free dominion and which we South Africans agreed to as free nations in the Union of South Africa. To my mind, such offer by the British Prime Minister, who, unlike his predecessors, is in a position to deliver the goods, is an event of unique importance. You are no longer offered the home rule scheme of Gladstone or of the Asquith type, with its limited powers and reservations of a fundamental character. The full dominion status, with all that it is and implies, is yours if you will but take it.

It is far more than was offered to the Transvaal and Free State, who fought for freedom one of the greatest wars in the history of Great Britain, and one which reduced their own countries to ashes and their little people to ruins. They accepted the far less generous offer that was made to them. From that foothold they then proceeded to improve their position, until to-day South Africa is happy, contented, united and a completely free country.

What they have finally achieved after years of warfare and political evolution is now offered you, not in doles or instalments, but at once and completely.

If, as I hope, you accept you will become a sister Dominion in the great circle of equal States, who will stand beside you and shield you and protect your new rights as if these were their own rights, who will view the invasion of your rights or the violation of your status as if it was in invasion and violation of their own, and who will thus give you the most effective guarantee possible against any possible arbitrary interference by the British Government with your rights and position.

In fact, the British Government will have no further basis of interference with your affairs, as your relations with Great Britain will be a concern not of the British Government but of the Imperial Conference of which Great Britain will be only one of the seven members. Any questions in issue between you and the British Government will be for the Imperial Conference to decide. You will be a free member of a great league, of which most of the other members will be in the same position as yourself, and the conference will be the forum for thrashing out any question which may arise between the members.

This is the nature and constitutional practice of Dominion freedom.

The difficulty in Ireland is no longer a constitutional difficulty. I am satisfied that from the constitutional point of view a fair settlement of the Irish question is now possible and practicable. It is the human difficulty which remains. The Irish question is no longer constitutional, but mostly a human problem.

A history such as yours must breed a temper, an outlook, passions and suspicions which it is most difficult to deal with. On both sides sympathy is called for and generosity and real largeness of soul.

I am sure that both the English and Irish peoples are ripe for a fresh start. The tragic horror of recent events, followed so suddenly by the truce and the fraternizing all along the line, has set flowing deep fountains of emotion in both peoples and has created a new political situation. It would be the gravest reflection on our statesmanship if this auspicious moment is allowed to pass.

You and your friends have now a unique opportunity, such as Parnell and his predecessors and successors never had, to secure an honorable and lasting peace for your people. I pray God that you may be wisely guided, and that

peace may now be concluded before tempers again change and perhaps another generation of strife ensues.

Ever yours sincerely,

J. C. SMUTS.

The Irish Republican Parliament's publicity department on Aug. 14 issued a statement declaring the letter of General Smuts had been made public without the consent of Mr. de Valera. The statement said:

President de Valera cannot believe General Smuts would authorize publication of his letter without the President's consent. This consent was not given and the letter certainly should not have been published before full publication of the communications which have passed between the British and Irish Governments. The letter of General Smuts simply summarizes his own views, which can readily be understood when the General's position is recognized, but which are not justified by the terms of the British proposals, as will be seen when these proposals are published.

On Aug. 14 the text of the Ulster Cabinet's observations on the British Government's proposal for peace in Ireland, signed by Sir James Craig, the Ulster Premier was made public at Belfast. The Associated Press says:

The statement says that the acceptance by the Ulster leaders of the original invitation of the British Government to meet in conference with it in London still holds good, and that they will be available at any time their assistance is again desired. The statement reads:

"My Dear Prime Minister:—Your proposals for an Irish settlement now have been exhaustively examined by my Cabinet and myself. We realize the preamble is especially addressed to Mr. de Valera and his followers, and observe it implies that difficulties have long existed throughout the Empire and in America, attributable to persons of Irish extraction.

"In fairness to the Ulster people I must point out that they have always aimed at retention of their citizenship in the United Kingdom and the Empire of which they are proud to form a part, and there are not to be found in any quarter of the world more loyal citizens than those of Ulster descent. They hold fast to cherished traditions and deeply resent any infringement of their rights and privileges, which belong equally to them and to other citizens within the Empire."

The text then recalls the sacrifices made in agreeing to self-government and in consenting to the establishment of a Parliament in Northern Ireland.

"Against our wish, but in the interests of peace," the statement continues, "we accepted this as the final settlement of the long outstanding difficulty with which Great Britain has been confronted. We are busily engaged in ratifying our part of this solemn bargain, while the Irishmen outside the northern area, who in the past have struggled for home rule, have chosen to repudiate the Government of Ireland Act and press Great Britain for wider powers. To join in such pressure is repugnant to the people of Northern Ireland.

"In the further interest of peace we therefore respectfully decline. We are determined not to interfere with the terms of settlement between us, to safeguard the ties that bind us to Great Britain and the Empire, to insure that we are not prejudiced by any terms entered into between them and Mr. de Valera, and to maintain the just equality exhibited throughout the Government of Ireland Act.

"Our acceptance of your original invitation to meet in conference in London holds good and if at any time our assistance again is desired we are available. But I feel bound to acquaint you that no meeting is possible between Mr. de Valera and myself until he recognizes that Northern Ireland will not submit to any other authority than that of his Majesty the King and the Parliament of the United Kingdom, and admits the sanctity of the existing powers and privileges of the Parliament and Government of Northern Ireland.

"In conclusion let me assure you that peace is as earnestly desired by my Government and myself as by you and yours, and although we have nothing left to give away, we are prepared, when you and Mr. de Valera arrive at a satisfactory settlement, to co-operate with Southern Ireland on equal terms for the future welfare of our common country. In order to avoid any misunderstandings or misrepresentation of our views I intend to publish this letter when your proposals are made public."

In an account of the opening of the sessions of the Dail Eireann on the 16th inst., the Associated Press had the following to say in part:

In opening the Dail Eireann at its first public session here to-day Eamonn de Valera, the Republican leader, reiterated Ireland's claim for separation from Great Britain and declared the only government the people recognized was the Ministry of the Dail Eireann, the Irish Republican Parliament.

He and his colleagues, the heads of the Republican Cabinet, he said, had adopted towards England the principle laid down by Cardinal Mercier of Belgium towards Germany—the principle that external authority was unlawful. The Irish, he said, stood for the ideals enthroned in the American Declaration of Independence.

Mr. de Valera pointed to the virtually impossible conditions surrounding negotiations with the British Government, for the position, he said, was that of a man unarmed facing a man pointing a pistol.

During his talks with Lloyd George, said Mr. de Valera, the subject of the freedom of small nations, which the British Premier advocated during the war, had come up, and he had told Mr. Lloyd George that if he recognized the principles involved there would be no need for negotiations.

"We recognize them and will live and die for them," the Republican leader exclaimed.

The proposed reply to Premier Lloyd George, continued the President, would be considered in private session. All understood the seriousness of the reply, he declared, as the British Government intended to make it an issue of peace or war with the Irish nation.

The oath of allegiance to the Irish Republic was taken with the opening of the session by 130 members, the Associated Press stating:

Notwithstanding the attitude of the members of the Dail Eireann in taking an oath of allegiance to the Irish Republic—an oath which in former days would have been termed high treason—and de Valera's reiterated demand for the freedom of Ireland, British civil officials in Dublin, many of whom assert that they have channels of communication with the inner workings of the Sinn Fein, are still hopeful of a settlement of the Irish problem.

The developments on the 17th inst., included the cancellation of the leave of absence of all Royal Irish Constabulary, and a declaration by Mr. de Valera that the Dail Eireann would not accept the terms offered by the British Government offering Ireland the status of a dominion. The Associated Press in accounts from Dublin that day said:

An outstanding feature of Mr. de Valera's speech was his expression of willingness to go a long way to meet Ulster and to make sacrifices to meet her, not only in her interest but in her sentiment.

Thus, it was commented, he apparently indicated that Ulster could come into the negotiations without abandoning any of her principles.

All this, it was considered, pointed to continued efforts behind the scenes to get into further communication with Sir James Craig, the Ulster Premier.

which is generally believed here to be the cause of the long drawn out meeting of the Dail.

We are not claiming the right to secede, said Mr. de Valera. There cannot be a question of secession, because there has never been union.

Northern Ireland has regarded itself from its own viewpoint, and in entering negotiations they need not give up that point of view. I would be willing to suggest to the Irish people that they give up a good deal in order to have Ireland able to look into the future without anticipating distracting internal problems.

All the time these negotiations have meant an attempt to get into touch with the people of the North and tell them we have no enmity and would now make sacrifices for them which we would never think of making for Britain. We will be ready to give them every safeguard any reasonable person could say they were entitled to, and we are ready to leave the question of the North to external arbitration, or leave the whole question to external arbitration.

England's claim is unreasonable. The claims of the minority in Ireland are unreasonable. But even unreasonable claims we would be ready to consider, and I for one would be ready to go a long way to give way to them, particularly to their sentiment, if we could get them to come with us and consider the interest of their own country and not be allying themselves with foreigners.

Mr. de Valera said the Irish nation did not stand between England and the world and was not shutting up the seas between the two islands.

We have no enmity to England, he declared. At least, if this question were settled I believe there would be none. The only enmity is to that rule which the Irish people hate to the marrow of their bones.

Countess Markievicz, Minister of Labor, and her substitute while the Countess was in jail, told the assembly how the British Labor Department virtually had been ousted from Ireland and an organization set up by the Dail Eireann to settle all labor disputes. This organization it was declared already was working successfully.

Countess Markievicz said this department has in charge the boycott against Ulster and England and added that except in a few places nothing made in Ulster, or, more definitely, Belfast, now was on sale in the southwest of Ireland, where even the branches of the Bank of Belfast had been closed. Four hundred courts had been established to deal with this question and certain Government merchants who ignored the orders of the Dail Eireann had been fined one hundred pounds sterling, while the English firms which had sent Belfast goods to Ireland as English goods had been placed on the blacklist.

A certain amount of moral persuasion was required, the speaker said, to effect this, and she thanked the Irish Republican Army and the Labor party, which had refused to handle Belfast goods, for their assistance. Attention was called to failures during the past year in Belfast, which it was asserted numerically were the greatest in the history of that city. It was intended to make the boycott against England as effective as that against Belfast, the Minister asserted, and in the meantime the truce did not mean that the boycott had been raised, but that at present "drastic action cannot be taken."

In the House of Commons yesterday (Aug. 19) Premier Lloyd George declared that the British Government in its Irish peace offer conceded everything it was possible to concede. The Associated Press reported him as saying among other things:

If there is rejection, and final rejection beyond hope of negotiation, steps will undoubtedly have to be taken which the Executive ought not and won't wish to take without first consulting Parliament and giving it full opportunity of expressing approval or disapproval of any steps we might propose to it.

The Government is sincerely desirous that peace should be secured and that the long misunderstandings, sometimes sulky, sometimes savage, which make so many chapters of British history painful reading, between these two peoples who ought to live in peace and harmony, even in affection together should be brought to an end.

In spite of the disquieting facts, I hope reason will prevail even over logic, and that the Irish leaders will not reject the largest measures of freedom every offered their country and take the responsibility of renewing a conflict which would be robbed of all glory and all gratitide by its overshadowing horror.

ENGLAND TO REMIT BOXER INDEMNITIES.

A special cable dispatch from London yesterday, published in the New York "Evening Post" of last night, and copyrighted by the Public Ledger Co., said:

Following the lead taken by the United States many years ago in dealing with China's Boxer indemnities, the British are considering remitting all future Boxer indemnity payments, with the stipulation that such sums be applied to Chinese education. A special Parliamentary committee to-day reported a bill to make such action effective.

The move follows a long campaign by Eastern diplomats and publicists, all of whom pointed out that the United States by its wise generosity toward China had won the respect, trust, and affection of the Chinese to such an extent that American interests of all sorts were far more advanced than those of any other nation.

SENATE PASSES BILL FOR REMISSION OF FURTHER CHINESE INDEMNITY PAYMENTS.

A bill to provide for the remission of further payments of the annual installments of the Chinese indemnity was passed by the United States Senate on Aug. 11. The bill was introduced by Senator Lodge on July 21. Its text, as passed by the Senate, is as follows:

Resolved by the Senate and House of Representatives of the United States of America, in Congress assembled, That the President is hereby authorized, in his discretion, to remit to China as an act of friendship any or all further payments of the annual installments of the Chinese indemnity due under the bond for \$24,440,778.81 received from China pursuant to the protocol of September 7, 1901, as modified by Executive order on the 28th day of December, 1908, pursuant to the authority of the joint resolution of Congress, approved May 25, 1908, for indemnity against losses and expenses incurred by reason of the so-called Boxer disturbances in China during the year 1900, such remission to begin as from October 1, 1917, and to be at such times and in such manner as the President shall deem just.

Senator Lodge, in a statement in the Senate on the 11th inst., in explanation of the purposes of the bill, said:

I can imagine it possible that everybody has not understood the joint resolution from its reading; but it is a very simple measure, and one to which I know the Senate will agree.

After the Boxer rebellion there was a protocol drawn and signed by all the nations imposing punitive damages, to which we objected, and with which we had no sympathy. But the protocol was agreed to, and we were apportioned 7% of the total amount imposed on the Chinese nation. Our share amounted to \$24,000,000 gold.

On May 25, 1908, we remitted ten millions of that amount to China. The balance was to be paid in ten annual installments. Four millions were set aside for the payment of private claims, which have all been settled, and the Government claim was for military expenses, amounting to \$9,655,000. China has paid on that in annual installments \$8,418,000, leaving still outstanding a claim of \$1,236,858, which was being paid in annual installments.

When the World War came on, and China entered the war with us, we stopped the collection of those payments, and it is proposed now that we shall simply collect no more money under that Boxer indemnity. It is an act of friendship and kindness to China. They have not asked for it, but it is carrying out the policy we followed before of not exacting from them an annual payment for something which has already been all paid and settled, and cost this Government nothing.

In answer to an inquiry by Senator King, as to whether this installment if paid would liquidate the entire indebtedness or claim, Senator Lodge said:

This \$1,236,000 would liquidate everything that remains. It is a small balance from our claim for military expenses at the time of the Boxer rebellion. It was punitive damages. I hope the Senate will agree to pass the joint resolution and remit the rest of the payments.

The following report on the bill was submitted to the Senate on the 10th inst., this report embodying a letter from Secretary of State Hughes, recommending the proposed remission of payments, and a communication from Assistant Secretary of the Treasury Gilbert:

The Committee on Foreign Relations, to whom was referred the joint resolution (S. J. Res. 85), to provide for the remission of further payments of the annual installments of the Chinese indemnity, having had the same under consideration, report it with the recommendation that it do pass without amendment. The resolution has the strong approval of the State Department, as shown by the following letter from the Secretary of State:

Department of State, Washington, July 19, 1921.

My Dear Senator Lodge: The delay in making a reply to your letter of May 25, with reference to the indemnity paid to the United States by China in consequence of the so-called Boxer rebellion, is due to the fact that it has been necessary to make a somewhat searching examination of the records, not only of the Department of State but of the Treasury Department as well.

In the negotiations which took place at Peking in connection with the resumption of normal relations with China after the Boxer outbreak there was much disagreement among the Powers as to the amount of indemnity to be levied upon the Chinese Government. This difficulty was finally overcome though the acceptance of a suggestion offered by this Government that a lump sum should be assessed, which should later be apportioned among the Powers. The amount thus assessed was fixed by Article 6 of the final protocol of September 7, 1901, at Haikwan taels 450,000,000 (equivalent to \$333,900,000 United States currency), payable in annual installments, with interest at 4%, over a period of 40 years. The apportionment of this sum among the various nations is shown in a table which forms inclosure No. 1 of this letter.

The proportion of the principal sum thus fixed as payable to the United States was 7.31979% of the total—i.e., Haikwan taels 32,939,055 (equivalent to gold dollars 24,440,778.81). Under the joint resolution of May 25, 1908, referred to in your letter, this principal sum was reduced by the remission to China of \$10,785,286.12, leaving \$12,655,492.69 as the principal due the United States, payable annually, with interest at 4%, over the period ending 1940, made up as follows:

Sum set aside for payment of private claims.....	\$4,000,000.00
Amount of Government claim for military expenses.....	9,655,492.69

Total	\$13,655,492.69
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Of this \$13,655,492.69 a further sum of \$1,175,835.64 was returned to China after the remaining outstanding private claims of American citizens had been settled, there remaining a net balance of \$12,479,657.05 due, with interest, under the bond as modified in 1908.

I am inclosing a copy of a letter from the Secretary of the Treasury dated June 1, 1921, from which it will appear that to date there have been received from China payments totaling \$12,413,499.77, representing the payments of principal and interest up to October 1, 1917, the date of the beginning of the five-year period of postponement allowed by the Allied and Associated Powers upon China's entry into the war, as recalled in your letter. Of that sum \$2,819,030.43 has been actually applied to the settlement of the private claims of American citizens out of the \$4,000,000 which, as indicated above, was set aside to meet private claims, leaving a balance of \$1,180,969.57, which has been disposed of as follows:

Returned to China under authority of joint resolution of May 25, 1908	\$1,175,835.64
Balance on books of Treasury held as a trust fund and not returnable under resolution of May 25, 1908.....	5,133.93

Total	\$1,180,969.57
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There has thus been paid by the Chinese Government, over and above the amount devoted to the complete settlement of all private claims, a sum of \$8,418,633.70 toward the satisfaction of the only other indemnity charge—that is, the claim of the United States Government for the naval and military expenses incurred by it in the Boxer relief expedition, represented by a principal sum of \$9,655,492.69. This Government's original claim for military and naval expenses thus amounts to only \$1,236,858.99 more than has actually been received from China on that account; and I believe with you that the remission of further payments upon the principal of such claim, as well as of interest, would be in accordance with the spirit which has traditionally characterized our relations with foreign countries, and I am heartily in sympathy with your proposal that we now put an end to any further payments from China. As stated in your letter, no appropriation would be necessary; a resolution of Congress authorizing the President, within his discretion and in such manner as seems to him wise, to forego further payments as from October 1, 1917, would suffice to accomplish that result. In accordance with your request, I am there-

fore happy to inclose herewith, for your use in bringing the matter to the attention of Congress, a draft of a resolution to that end.

Permit me, in conclusion, to express my appreciation of your interest in this matter, and to assure you of my readiness to furnish more detailed information, if that would be helpful to you, or otherwise to afford such assistance as may lie within the power of this department. I am, my dear Senator Lodge,
Sincerely yours,
CHARLES E. HUGHES.

The Hon. HENRY CABOT LODGE,

United States Senate.

Table Showing Apportionment of Indemnity.

	Original Percentage.	Original Amount in Taels.	Present Status.
Germany	20.01567	90,070,815	Cancelled.
Austria-Hungary	.88976	4,003,920	Do.
Belgium	1.88541	8,484,345	Payments postponed.*
Spain	.03007	135,315	No change.
United States	7.31979	32,939,055	Reduced to Haikwan taels, 18,403,678.96; payment postponed.*
France	15.75072	70,878,240	Payment postponed.*
Great Britain	11.24901	50,620,545	Do.
Portugal	.02050	92,250	Do.
	11.26969	50,712,795	
Italya	5.91489	26,617,100	
Japan	7.73180	34,793,100	Do.
The Netherlands	.17380	782,100	No change.
Russiab	28.97136	130,371,120	
International claims	.03326	149,670	Do.
Sweden & Norway	.01396	62,820	Do.
Grand total	100.00000	450,000,000	

* Payment postponed for five years from Oct. 1 1917. To be resumed Sept. 1 1922.

a Italian Government for reasons of internal administrative character could not at the time fix the amount of the portion of the indemnity of which it was disposed to grant the postponement. No record has been received of Italy's decision in this matter.

b Russia agreed to a postponement of payment upon a portion of the sum originally allotted to it equivalent to the average net sacrifices made by the other allies. This average, calculated upon the proportional shares of each of the other countries was fixed at 9.5926 per cent of the total indemnity; and Russia declared itself willing to bring this up to 10 per cent, or approximately one-third of the indemnity which it received.

Treasury Department, Washington, June 1 1921.

The Secretary of State.

Sir: I have the honor to acknowledge receipt of your letter of the 27th ultimo, requesting that you be furnished with data supplemental to that set forth in letter of this department of November 2, 1911, to the chairman of the Committee on Expenditures in the Department of State, House of Representatives, in connection with the Chinese indemnity resulting from the so-called Boxer insurrection of 1900.

In compliance with your request there is submitted the following statement giving the information desired, viz.:

1. Receipts by years covering payments of Chinese indemnity made to the United States from July 1, 1902, to present date:

1903	\$962,902 34	1913	\$644,500 26
1904	987,772 54	1914	806,083 88
1905	1,128,200 04	1915	535,260 60
1906	1,493,278 74	1916	533,238 47
1907	1,438,841 36	1917	535,070 09
1908	1,013,606 36	1918	269,679 76
1909	892,974 91	1919-1921	-----
1910	533,535 52		
1911	533,473 49	Total	\$12,413,499 77
1912	105 081 41		

2. Claims allowed and paid from the moneys received by the Treasury to date. The Secretary of State by letters of March 15 and 20, 1902, allotted the sum of \$2,000,000 out of the indemnity received from China to pay the claims of American citizens for losses sustained by them in the Boxer disturbances, this account being set up on the books of the Treasury Department under the appropriation title: "Chinese indemnity, claims of citizens of the United States growing out of the Boxer uprising in North China in 1900":

Payments under this fund to March 6, 1907, as shown by statement transmitted with letter of Nov. 2, 1911, referred to above	\$1,994,553.65
No further payments since March 6, 1907.	
Unexpended balance standing on books of Treasury Department under this fund	5,446.35
Total	\$2,000,000.00

Under the provisions of the joint resolution of May 25, 1908 (35 Stat., 577), in connection with decision of the Comptroller of the Treasury, dated Nov. 26, 1909, a fund not to exceed \$2,000,000 was set aside from the Chinese indemnity to pay judgments allowed by the Court of Claims, this account being set up on the books of the Treasury Department under the appropriation title: "Claims upon Chinese indemnity of 1900, judgments Court of Claims":

Payments under this fund during period Dec. 1, 1909, to Dec. 3, 1912	\$824,164.36
No further payments since Dec. 3, 1912.	
Unexpended balance under this fund returned to China as shown below	1,175,835.64
Total	\$2,000,000.00

All judgments allowed by the Court of Claims having been paid, the balance of the above-mentioned fund, \$1,175,838.64, under the provisions of the joint resolution of May 25, 1908 (in connection with decision of the Comptroller of the Treasury, dated Nov. 23, 1914), was made available for return to the Government of China, the account covering this balance being set up on the books of the Treasury Department under the appropriation title: "Balance of Chinese indemnity, 1900, reserved by joint resolution of May 25, 1908, returned to Government of China."

Payments under this fund were made by settlement warrants drawn in favor of a representative of the Chinese Government, as follows:

Fiscal Year.	
1915	\$400,000.00
1916	500,000.00
1917	200,000.00
1918	75,835.64
Total	\$1,175,835.64

The last payment of \$75,835.64, closing this account, was made to the Chinese Minister by diplomatic settlement warrant No. 1481, July 28, 1917.

From the above it will be noted that the total payments under claims presented and allowed in connection with the Boxer disturbances have amounted to \$2,818,718.01; balance returned to China under \$2,000,000 set aside to pay judgments, Court of Claims, \$1,175,835.64.

3. Balance on the books of the Treasury after payment of all claims. The only unexpended balance standing on the books of the Treasury Department under the funds established to pay claims arising under the Boxer disturbances is that referred to above under the appropriation "Chinese indemnity, claims of citizens of the United States growing out of the Boxer uprising in North China in 1900," amounting to \$5,446.35. By direction of the Secretary.

Respectfully,
S. P. GILBERT, JR.,
Assistant Secretary of the Treasury.

SOVIET RUSSIA TURNING FROM COMMUNISM TO CAPITALISM.

Important and highly significant changes have apparently taken place in recent weeks in the policy of Soviet Russia. The Bolshvist leaders, in an endeavor to continue their regime, are invoking the aid of capitalism, for which they have always expressed abhorrence and which they have averred they would annihilate.

The present policy of the Soviet Russia, at home and abroad, is detailed in a report made by Lenin to the Third Internationale, under date of July 11, which has just reached New York, and an account of which appeared in the New York "Times" of Aug. 10.

The Russian Communists are utilizing this breathing space to strengthen the power of the Soviets. But they never forget that open war may come about at any instant.

When we accomplished the revolution we were calculating on a world revolution completing what we had begun; our historic task is to lay the road for the coming world-revolution. Now, as things are, Soviet Russia is surrounded on all sides by capitalistic States. This proceeds from several causes: First, the revolutionary consciousness of the workers of the whole world has not yet attained the height after which we are striving. But on the other hand it is strong enough to prevent the bourgeoisie from strangling Soviet Russia.

We must be careful to utilize this breathing space to prepare for revolution in the capitalistic States. The more powerful the organization of the proletariat in the leading countries of capitalism, the more anxiously and assiduously must the revolution in those countries be prepared. A very favorable factor for the world revolution is the awakening of millions of the masses in the colonies and the dependencies. We must therefore organize these giant masses, despite their backwardness, and impel them on the path of world revolution.

All Capitalists Out of Russia.

The class war in Russia has finally disposed of the capitalists and land-lords. The remains of them are gathered in groups abroad and incite attacks on the Republic of Russia, and in this they are supported by the Mensheviki and Social Revolutionaries. Their strategical dispositions should attract the attention not only of Russian Communists, but of all Communist parties.

After the social revolution the Russian proletariat must turn its attention to the regulation of relations with the peasantry. There cannot be any question of expropriation. Our long years of experience show us that the peasantry can only subsist under the leadership of the bourgeoisie or of the proletariat. The alliance between the proletariat and the peasantry at first was military; the peasantry saw that the old landowners followed in the wake of the White Guards, and the proletariat gave the peasants the land and helped them in the fight against the landlords.

In return for this aid the peasantry must supply the requisite provisions. In this respect we have made many mistakes, as the Soviet authority had to obtain supplies at whatever cost. Now the war is over.

The peasantry have suffered severely in the course of seven years of war and bad harvests and seed. The proletariat must immediately enable them to restore their economic position. Hence the change in our economic policy, manifested especially in the impost on supplies.

The greatest deprivations and sufferings have befallen the Russian proletariat, and, above all, the class that brought about the revolution. The leading ranks of the Russian proletariat, which has been for three and a half years offering its best to further a revolution, are conscious that without an alliance with the peasantry the Soviet power cannot subsist. The proletariat must therefore make concessions to affirm this alliance and maintain its power.

Our policy of concessions is closely bound up with our economic policy. The situation forces us to pay dearly for our backwardness in technical appliances. At whatever cost we must restore our industry; for example, we must electrify the factories of the country, for, without electrifications, industry cannot be restored. We must be prepared to sacrifice anything to carry out the plan for electrification, as elaborated by two specialists.

This is the only means of saving the country from an economic crisis, and of freeing the peasantry from famine. Already the little that has been accomplished has opened to the peasantry a new field of work, not only for their own benefit, but for the common weal.

Although the war is over we are in a condition of war and must proceed accordingly. The dictatorship of the proletariat is in a condition of war, and therefore we cannot promise any one freedom and a democratic scheme. Under the flat of democracy the counter-revolutionaries of all colors are gathering together. The world is witnessing an amusing spectacle; the Cadets are rousing the Social Revolutionaries and Mensheviki to proclaim "A Soviet State but without the Bolsheviki." The sly bourgeoisie knows very well that the Soviets of the Mensheviki and Social Revolutionaries are only a means of restoring the capitalists and landowners. Therefore we must mercilessly fight these parties.

We must announce to the peasants that they must join the proletariat which will make the utmost concessions to them, or else they must openly take the course of civil war.

Communist Party Approved.

Lenin's speech was followed by long and acrimonious discussions. His resolution was ultimately adopted as follows:

The Third Congress of the Communist Internationale proudly revn its the four years of struggle, of the Russian proletariat to retain power iews-hands. The Congress unanimously approves the policy of the iComunist Party of Russia which in every conjuncture has been able to discount correctly a threatening peril, and find means, corresponding to the principles of revolutionary Marxism, to surmount the dangers.

In its policy in relation to the peasantry and in regard to concessions, the Russian Communist Party is inspired by the desire to restore the economic life of the country, and to maintain the dictatorship of the proletariat until the proletariat of Western Europe shall come to the aid of its Russian brothers.

The Congress expresses the opinion that Soviet Russia owing to the consistent and deliberate policy of the Communist Party, will remain the stronghold of the world revolution.

The Congress also affirms the treacherous conduct of those parties which, by their attacks on Soviet Russia, are serving the world counter-revolution. The Congress calls on the workers of countries unanimously to support the workers and the peasants of Russia and to accomplish all the world over the November revolution of Russia.

Leonid Krassin, Russian Soviet Minister of Commerce and Trade, outlined the change of policy over two months ago. This is evident from a statement made by him in the London "Times" of Sunday, June 12. The statement made by Krassin was given in substance in cablegrams of that date by the New York "Times" as follows:

"My Government at Moscow is accused of conspiring in Constantinople and in Ireland. Both these statements are utterly false, and it would be as well if the critics of Russian-British relations would understand that in the last few months a great change has taken place in the body politic of Russia.

"Before the trade agreement I often prophesied that with the cessation of war and intervention against them the Moscow Government would find it necessary to alter their internal policy. Moscow now finds it necessary to enter into trade agreements with capitalists all over the world. Britain's example they wish to be followed by France, the Scandinavian countries, Italy and America. Moscow realizes that anything like a Communistic revolution in Western Europe is more or less remote."

Krassin, of course, maintains that in fundamentals there has been no retrogression. He argues that the Soviet Government is "advancing along the path of economic progress toward an end which, while it takes cognizance of the capitalistic element in industry, is determined that it shall be used in accordance with the fundamental beliefs underlying the principles of their Government. In other words, Moscow, as far as foreign trade is concerned, has recognized private ownership and private property. Moscow has freed the peasants and allowed them as small holders to trade one with another and with larger extra-territorial organizations. Moscow has created the essential elements of a new bourgeoisie without the fundamental evils of the old, and with stern democratic control.

"Russia at the present moment welcomes the foreign capitalists, and this policy finds its immediate and purely economic expression in our new policy of concessions. She herself cannot without assistance organize her trade. She cannot bring together her resources in a productive manner, and she must rely upon capital, the experience and initiative of foreign capitalists, to bring about a stable economic condition without which a prosperous Russia will be impossible.

"Thus," he concludes, "we hope to avail ourselves of foreign capital and foreign brains and to preserve the main principles for which the Moscow Government stands. But I must emphasize the fact that we wish to do all this by peaceable means, living at peace and in confidence with our neighbors, working on the friendliest of relations with the Western world, which has not yet accepted our fundamental principles."

Among other developments of interest with respect to political conditions in Russia was the announcement that Nikolai Lenin, the Soviet Premier, had given some sound advice to the new Caucasian Soviet Republics in a letter addressed to the Communists of Georgia, Armenia, Daghestan, Azerbaijan and other new States. The letter, dated April 14, was telegraphed officially from Moscow on June 7, it was said, by the Rosta Agency. Following is a summary of the letter as then reported to the Associated Press:

After pointing out that "the Entente has burned its fingers," and that therefore there is no longer danger to the Caucasus, and calling attention to the fact that Russia has had to fight the White Guards, which the Caucasian republics have not, Lenin says:

"Do not copy our tactics, but ponder them according to the development of practical facts. The Caucasian republics are even more nations of peasants than Russia. Economically Russia is severed from the capitalistic progressive countries and will be until she has established collaboration and exchange of goods with the capitalistic West."

He then advises more prudence and yielding toward the "small bourgeoisie intelligentsia," and especially to the peasants, and the economic use of the capitalistic West in the policy of exchange of goods and concessions in petroleum, manganese and coal. This must be done, he adds, "extensively, firmly, capably and judiciously, in order to develop exchange of commodities with Italy, America and other countries."

The Soviet leader argues that Europe and the world are not the same in 1921 as they were in 1917 and 1918, and considers it advisable that the Caucasus take "a slower path to socialism." He urges electrification and irrigation to improve the conditions of the peasants, and thus reconstruct the country and strengthen it for the passage toward socialism.

In connection with the above, the correspondent of the Associated Press at Riga said:

A Moscow dispatch announces that a decree is being prepared to prevent further confiscation of money from private persons except by court trial. Another decree provides that anyone arrested must be informed of the reason for this within twenty-four hours and, if a member of a trade union, may be released if the union vouches for him.

The Congress of the Communist Party, which closed its sessions at Moscow the latter part of May, adopted a declaration approving Lenin's new and modified program, which urges, among other things, that small producers and peasants be given certain economical and political freedom, while the big industries, including transportation, be kept in the hands of the Government as a necessary basis for political strength. The chief points in Lenin's new program, presented by him to the Communist Party at Moscow, were outlined in Associated Press dispatches from Riga on June 1 as follows:

First, collection from the peasants of a fixed amount of grain by a system of tax in kind, estimated by Miliutin to amount to about one-third of the crop. The remaining two-thirds of the crop is to remain at the disposal of the peasant for trading through the newly restored co-operatives, whose power is to be extended. The former system of requisitions, which made the peasants the ardent and sometimes the fighting foes of communism, permitted the peasant to keep only a small quantity of grain for his personal consumption, while the State forcibly took the rest.

Second, retention in the hands of the State of the largest industries and means of transportation, particularly the leather, salt and textile industries. These latter are turning out the manufactured goods now most needed by the peasants. They are apt to be speeded up in order to satisfy the peasants' needs, and the workmen are to be encouraged by a bonus system and other inducements which will increase production. Supervision is to be under the trade unions, which will fix the rates of pay instead of the Government, as heretofore. These large industries and transportation facilities, as well as natural resources, such as mines, etc., are regarded as strong influences in maintaining the present regime.

Third, encouragement of small and medium-sized co-operatives and private industries. Factories will be leased to these smaller industries, and even financial assistance will be given. The trade unions will fix the wages, the Government retaining the right of factory inspection. Personal initiative of workers will be suitably rewarded and will supplant equal pay. Government officials in charge of factories who prove lax in their management will be strictly prosecuted. The chief purpose throughout will be to increase production.

Besides the foregoing, there will be general relaxation of prosecution and of hindrances to free trade.

In the course of his speech on Monday [May 30] Lenin said that the development of capitalism, through the small industries and agriculture, was not to be feared, for the reason that the proletariat always held firmly in its hands all the large sources of industry. It must be remembered, he went on, that the peasants' economy could not be stabilized without certain freedom of barter and without those capitalistic relations connected with barter. He therefore urged the collection of taxes in kind, in order to leave the peasant freedom to barter the remainder.

A significant incident throwing some light on the change of policy by the Soviet leaders was reported to the New York "Times" on May 28 by its political correspondent at Washington, who stated that authentic advices from Moscow and Petrograd had been received there announcing that at a conference with railway delegates a decision was reached by the Soviet authorities to entrust private concerns with the task of obtaining fuel for the railways. The "Times" correspondent added:

In pursuance of the Russo-British trade agreement several British commissions have left for Russia in order to acquaint themselves with the conditions prevailing at the Russian ports and the stocks of goods. The main object of the commissions is to overcome transport difficulties.

The Moscow Soviet has issued licenses to trade to the following: Bars in theatres, tea houses, restaurants, gastronomic shops, dairy shops, butchers, green grocers and owners of kiosks. Selling and buying on every street corner, on the market and elsewhere are becoming common in Moscow. The prices of foodstuffs are reported to be dropping, sugar being sold at 7,000 rubles a pound, although recently the price was 20,000 rubles.

All Russian stations are said to be crowded by "bagmen," people who take foodstuffs in bags from the country to the towns.

The report received to-day adds:

"The workmen lack sufficient money, since their pay is small; therefore, thefts of Government property are becoming very frequent indeed. Whatever is got hold of goes to the market. As trade has increased, a shortage of Government bank notes is felt. Everybody is anxious to obtain Soviet money. Formerly one Czar ruble cost 150 Soviet rubles, whereas now only 90 Soviet rubles are paid. Lately many artisans' workshops have been opened, hatters, shoemakers, etc.; big industries, however, are at a standstill, and the general economic life reminds one rather of the Middle Ages."

RUSSIA AND THE THIRD INTERNATIONALE.

An appeal to frustrate any move which it was intimated might be made by "Capitalist States and Capitalist Governments" in attempting "to make use of the famine in Russia" to reorganize attacks on Russia "under the mask of charity and benevolence, was made in a manifesto sent out on Aug. 2 by the Executive Committee of the Third Internationale to the Workers of the World. The manifesto follows:

Soviet Russia is stricken by a great national calamity, similar to that which occurred in 1891. The great drought, continuing from March to June, has caused famine and distress in the Volga provinces, which formerly yielded 30% of the entire Russian harvest. Even seeds for the coming season are non-existent. Twenty million people are threatened with hunger and death. Not only this, but also next year. Famine is inevitably accompanied by disease, which is moving down the already weakened people.

All these blows fall upon Soviet Russia at the moment when she is exhausted and well-nigh ruined by seven years of imperialist and civil wars; when she is as yet unable either to supplement the people's economic struggle by new forces or to remove old wreckage. Soviet Russia fought and suffered for the entire international proletariat. Her bleeding wounds she received in fighting the world's capitalism not alone for the Russian revolutionary proletariat, but also for the world's workers.

The capitalists of all countries, realizing this, have helped the Russian bourgeoisie to attack Russia, not only in an effort to save the profits formerly squeezed out of the Russian people, but also to destroy the State which first raised the banner of the working class revolution, which became a pillar of light indicating the way to the awakening masses of all countries.

Capitalist States and capitalist governments will now attempt to make use of the famine in Russia—after being defeated by the arms of the Red Army and the struggle of the European proletariat in their attacks upon Russia—to reorganize this attack under the mask of charity and benevolence. Part of the capitalist press declares openly and cynically, "Let the masses perish from famine if they will not rise against the Soviet Government." The French Imperialist Government sends troops and munitions to Poland to prepare a base for another attack on Soviet Russia, which shall start in at the moment of deepest distress. The French diplomats are endeavoring to

involve Rumania, the Baltic States and the Little Entente in these criminal designs.

The English and American Governments, which once vied with each other in humanitarian phraseology, now pretend to know nothing about the misery of the Russian people. Half furtively, however, they promise help to Russia while hinting their readiness to realize their promise if Soviet Russia will allow her affairs to be managed by their nominees and those of the Russian counter-revolutionary bourgeoisie. This means that they want the Russian working class to permit in return for a crust of bread the organization of the counter-revolution on Soviet soil; or, if the Russian working class refuses to cause rebellion, by starving the masses of proletarian men and women of the entire world.

Do not forget the blood of Russian workers and peasants shed for your sake. Do not forget the hunger which they have suffered these three years for the common working-class cause. Do not forget that counter-revolutionary attempts against the Russian proletariat are attempts against you. Prevent such designs by the world's capitalists. Nip them in the bud.

The Communist Internationale invites not only all Communist parties, Red trade unions and co-operators, but all honest workers, irrespective of party, to force their respective Governments to understand that they will not tolerate preparations for a new war against Russia, and that they will not allow their Governments to make any conditions in helping Soviet Russia.

The Soviet Government, discarding all party and political considerations, has already invited the assistance of the honest bourgeoisie parties, whose conscience and humanity have asserted themselves. They understand that the Soviet Government wishes to help all elements in distress and all sound elements in Russia are ready to co-operate with it in combating the famine.

But it is not only a question of preventing counter-revolutionary designs. The international proletariat must also give active help to the Russian masses. We know you are poor yourselves and have not surplus bread; but we also know that wherever misfortune befalls a working family the poorest workers help more readily than the rich who indulge in philanthropy.

We appeal to all Communist parties and Red trade unions, to all labor organizations and parties wishing to help the Russian people, to start work immediately. The time has come to show to whom international working class solidarity is a mere phrase and to whom it is deed and truth.

We suggest to the Communist parties of all countries that they establish immediate connection with all labor organizations to create joint relief committees with a view to collecting money to purchase food and medicines. Every shipload of bread sent by workers' organizations into the famine districts will stiffen the determination of Russian workers in their fight against famine. It will demonstrate practically to the suffering that they are not alone in the hard struggle against the capitalist world which seeks to profit by their hunger, but that there is mutual aid among the international working-class family, which shares its last crust of bread with its suffering comrades.

To work, working men and women of all countries. To the great work of relieving the distressed in Soviet Russia. Long live international proletariat solidarity. Long live Soviet Russia.

The manifesto is signed by members of the Executive Committee, representing twenty countries, including Zinovieff, Bukharin, Radek, Lenin and Trotzky for Russia and Baldwin for America.

GERMAN AND BRITISH INDUSTRIAL INTERESTS UNITE FOR TRADE IN RUSSIA.

In announcing that German industrial and financial interests had allied themselves with a similar group in England for the purpose of exploiting trade in Soviet Russia, a correspondent of the Associated Press in Berlin wrote on June 10 as follows:

While Germany, as England, has negotiated a trade agreement with Russia, it is declared here that these German industrial and financial interests were advised officially not to take the initiative in seeking to approach the Moscow Government independently of the other Powers.

It is believed here that official quarters have urged German big business to defer any steps until the English attitude is made known. For the same reason Germany delayed announcement of her trade agreement with the Soviet Government until England had ratified the trade pact with Leonid Krassin, Soviet Minister of Trade and Commerce.

An official communique issued yesterday said: "Official quarters have not been informed of any treaty between Anglo-German groups whose purpose is the commercial exploitation of Soviet Russia."

Since the conclusion of the German-Russian trade agreement Russian Soviet headquarters in Berlin daily has been crowded with German trade representatives seeking audiences with the Soviet delegation.

SOVIET CONFESSES RUSSIA'S DISTRESS.

Under the above head the following special correspondence (Associated Press, from Riga) (Latvia) July 18, was published by the New York "Evening Post" of Aug. 6:

All Russian news sources, Bolshevik and anti-Bolshevik alike, paint a dismal picture of Russia's economic condition. Soviet newspapers admit that the famine which threatens the country may be even worse than in preceding years of the Bolshevik regime. The Bolshevik Government, however, contends that, notwithstanding the great difficulties attending the change of Lenin's policies during what it terms as the present period of transition from civil war to peace, Russia is slowly yet steadily advancing on the road to restitution of her economic life.

The agricultural machinery which has arrived from abroad will be of little assistance this year. The crop failures in many governments have affected so large a proportion of the area sown that the machinery already on hand will be ample to harvest this year's crop. In fact, there are more machines than live stock to draw them and the already depleted supply of draft animals is threatened with extinction because pasture lands are drying up.

The Riga Bolshevik newspaper, "Novy Put," recently printed the following from Moscow:

"Several months already have passed since the new economic course has been inaugurated in Soviet Russia. But to put, as it were, the engine on a new track is no easy task and one not to be soon accomplished. The country is large, the population is sparse, communications and roads are generally bad, and the transport service is dislocated. The same is the case with the postal and telegraphic traffic.

"The new economic policy could not, of course, as yet have yielded any appreciable results. At the same time, during the transition period the

economic situation of Russia is at present an exceptionally grave one. The old distribution system has been abolished and does not yield anything, while the new (tax in kind) system can be expected to yield results only after several months.

"Moscow, Petrograd, and other large industrial centres are experiencing a grave supply crisis, which is only in a slight measure alleviated by imports from abroad, from Siberia, and from the Caucasus. This, in its turn, cannot but influence unfavorably the productivity of industrial establishments. In the Donetz district the output of coal has been only 85% of the program. In the Moscow mining district, too, the production has decreased. To make the calamity complete, there are the droughts, following upon an almost snowless winter."

A congress of food supply officials of all Russia, called by Lenin to work out a plan of averting the worst effects of the threatened famine and to devise means for collecting the available foodstuffs, has just closed at Moscow. Most of the speakers were pessimistic, according to the Moscow Bolshevik newspapers. It was shown that, because of the disorganized state of transportation, grain would rot in the fields in the productive regions, while the cities would have to be put short rations unless food could be imported from abroad.

THE AMERICAN ARMY ON THE RHINE—"THE ARMY WITHOUT A KICK."

Much has been said in the public print and in Congress with reference to calling home the American Army on the Rhine, now that by Act of Congress the war against Germany has been formally terminated. The reasons for such recall are greatly strengthened by the following article, contributed by Roger William Riis, and which appeared in "The American Legion Weekly" for August 12. It is costing a lot of money to keep this army of 13,500 men in Germany, and even though Germany may in the end have to reimburse the United States for the cost, the expense in the first instance must be defrayed by our Government, and in the meantime a big bill is being run up against Germany, which the latter will find it difficult to pay, and which when it is settled must tend further to derange the foreign exchanges:

The army without a grouch. Ever see or hear of such an organization? Did you ever, in your own service experience, know a time when there wasn't at least one general kick being made by all hands against something that military life brought in its train—food, shoes, uniforms, bunks, hikes, salutes?

I answer for you. There never has been such an army. Never, till now, but now there is one, and it wears the khaki of the American dough-boy and its headquarters are in Coblenz, Germany. It has no kick; it is happy; it doesn't want to come back home; it does want everything to stay just as it now is, with the single possible exception of the rumor that it may soon come home in spite of itself. That it would like to have abolished. And in that fact, after all, you perhaps have the grouch which we have been looking for.

It is truly a remarkable story, that of the American Forces in Germany. When I sat down beside Maj. Gen. Henry T. Allen's desk and asked him what he and his men were doing in Coblenz, I unconsciously expected, as anyone would, an answer to the effect that he was busy holding down enemy territory. But that's not what I got.

"We are running a big school of citizenship," he said. "Our idea is to make every man a better citizen for having been in the army. If we don't do that, we have failed to justify ourselves."

Toward this surprising end the staff has built an elaborate and exhaustive program covering every activity that men indulge in, from sewing to shooting. And it has done so in such a way that everybody is happy. Briefly, here is an outline, first, of the regulation duties that kept the men busy during the past year, and second, of what the men do when off duty that makes life in Coblenz so pleasant.

During the closed, or winter, season, the men bore up under three hours' drill in the morning, regular old army drill. In the afternoon, the entire time was devoted to the unit schools and to vocational training, which was voluntary. This included special training of all kinds, such as commercial work, Signal Corps work, cooking, baking, horse-shoeing, mechanics, and so on. Every man in every company, moreover, was required to qualify in special work with the Browning automatic rifle, which involved, among many other familiar details, firing on a thousand-inch range.

In fact, an unusual amount of time has been devoted to target practice. The machine gun companies, for example, have gone through hours of drill in firing at landscape targets by squads and by companies. This continued until the open season, when winter melted away and the country was in usable condition. As a result, every battalion up to date has qualified 80% of its personnel as marksmen or better, while one battalion the other day qualified 91%, and still another 98% as sharpshooters. No, there is no mistake in the figures; it's just two below a hundred. This has not been accomplished without effort. Since the open season has been on, three hours in the morning and one in the afternoon have been spent over preliminary target and firing study, including drill in company and section problems. The men then went to the range by battalions, where they spent four weeks on the middle distances and two on combat and range proficiency firing by squads, sections, platoons and companies.

That's what the men are doing right now. Most of the battalions have come off the range, with the above-mentioned results. When they are all off, they will go ahead to battalion fire problems, such as men of the First Division will remember doing in the neighborhood of Moschheim. A battalion is assumed to hold part of a regimental sector, is supported overhead by machine gun and artillery fire and goes through regular battle conditions with live ammunition. More cartridges are being fired into the Rhine hills than there are grapes on them at harvest time.

Then, looking into the future, there will come regimental maneuvers and later brigade maneuvers, separately, and against one another, directed by the War Plans Section. Finally, the last step will be the division maneuvers, with divisional attack problems and a grand, culminating review by the commanding general. The afternoon schools have been suspended from July 1 to October 1, to give more time for the occasional small-arms competitions and outside work.

That is the routine Headquarters has laid down for the men. It isn't in that that one finds the big reasons, however, for the Garden-of-Eden attitude that every Yank assumes, although certainly such work is pref-

erable to 'six or eight hours' drill a day, with a few hours' guard duty thrown in to vary the monotony. It's more interesting and more profitable than the way some of the other armies of occupation are passing the time. But there is this to be considered:

The men are rated in three conduct classes, first, second, and third, according to the number of company punishments inflicted. First grade entitles a man to be absent from barracks, when not on duty, from four in the afternoon until reveille. He doesn't have to stand retreat or anything but Coblenz between four o'clock and the next ensuing reveille. Second class entitles him to be out from drill until retreat, but not after retreat, which he must stand. Third class carries nothing with it at all in the way of leave, except by special order. Every month grades are overhauled, and men who have a clean record travel into the first grade, much leisure, and little work.

Furthermore, there are little things called furloughs. Thirty days a year, according to regulations, come to each man, and all he has to show are a first-class conduct card and enough money to carry him through the month, and he can go to France (including Paris), England, Belgium, Italy, Scandinavia, and, if he wants, Czecho-Slovakia. Or apparently anywhere else that he can show some reason for wanting to go, although men are not yet allowed to get off the trains in Switzerland. Traveling up with me from Paris to Coblenz was a private who had saved up for a long time, shifted his pay into francs, and in one rapid week in Paris had blown it all skyhigh. He was coming back to the army to rest up.

Many of the men went to the Olympic games last summer, and every now and then they take a tour of the battlefields, in order that those who were not in Europe when the battlefields were being constructed may have an idea of what those who were then in Europe went through.

Oh, there are plenty of little things to make life easy in Coblenz. All the men have serge uniforms, except on company formation—tailor-made uniforms which help to make them by far the best-looking body of soldiers I have ever witnessed. It is to be frankly stated that they outshine both the French and British in the matter of creased clothes, well-fitting and clean suits, polished shoes, and general carriage.

Coblenz under the old empire was a garrison town. That means that there are excellent barracks, built for the German Army in the heyday of its efficiency. It gives one a more or less curious sensation to see the Stars and Stripes floating over Ehrenbreitstein, the huge rocky fortress across the river from the city, but up there is quartered a machine-gun company, high over the surrounding country, in airy, light, well-decorated rooms. One man told me he had spent over 1,100 marks in having his room attractively painted, and he did his best to look grieved when he said it. But marks were then worth about one cent each, so the young millionaire wasn't deeply damaged.

In the matter of uniforms, helmets are worn only on reviews, and at other times the barracks cap is used. Feet are encased in a new combination barracks and field shoe, without hobs, which these amazing men admit is very comfortable and easy to wear. The trusty old hobs are still kept in the lockers for use in field work.

One has heard a good deal about intermarriage with the frauleins. The figures indicate that the lower the rank the more frequent the marriages. Thus, last year there were 284 such marriages of men below grade three, and four above grade three. The generals hardly marry at all. Enlisted men under the grade of sergeant-major are sent home when they contract a wife, and this acts somewhat as a deterrent to marriage. Enlisted men above sergeant-major have their wives and families with them, as do the commissioned officers, and the army quarters them in exceedingly pleasant city billets.

Now you begin to see why the men want to stay here. They have gone through three stages of reaction to things German. When they arrived, in December, 1918, they were enthusiastic about the place. Coming from war-torn trench lands, where everything was discomfort, they found themselves in beautiful farm country, where hills on both sides of a majestic river were covered in the summer season with prosperous crops. They were pleased. Then, when month after month went by while the German delegation at Versailles dickered and hung back, the men turned around and began to believe the Germans were a mean sort after all. Finally, as time passed and things settled down and the Germans in the neighborhood got to know the men and the men got to occupy a regular place in the community, they became entirely satisfied again. Now they are completely members of the community. They like the Germans and the Germans like them—the women, certainly. The German men are a trifle sullen, often enough, when they see themselves crowded out of their wooing by strangers who are better mannered, better looking, and far better heeled.

And by that last statement hangs a long tale. The Yanks here find themselves literally millionaires. Their thirty-odd dollars a month, translated into marks under present exchange rates, become about 2,400 of the German coins or their paper equivalent. And while prices are high here, they are nothing at all like as high as in the States, nothing at all. One pays for a room in a good hotel on the corner of the most important square the equivalent of 25 cents a day. The best wines and cognacs can be had for 25 cents a bottle to at most \$5. Meals for more than 40 cents are practically impossible. First grade tailor-made uniforms, made by city tailors, are all of \$18, and handkerchiefs can be had for 3 or 4 cents. I personally lived four days in the town for \$3.20, and I lived high.

So it comes about that each soldier is a capitalist. Things he has always wanted he can now get without planning and saving. It is only Americans that one sees driving cars about the streets and riding in taxis—of which, by the way, there aren't more than half a dozen. The streets are singularly bare of traffic, for the Germans can't afford to ride. But the Yanks can and do. They can buy their girls the best of whatever the girls want without making a nick in the bank-roll. They can indulge in a little dickered in exchange on the side and clean up in one day's drop and rise as much as a week's work would bring them back home. Naturally, this makes a hit with the girls, and whom the men want they take, while the German men frown and fume. The Americans are lords in their own right.

Once in a great while there is a little piece of trouble with the inhabitants, but not often. When it does come, it is usually the American who is the aggressor. As one soldier remarked, "The Americans may have the money, but the Germans sure have the brains."

Which means that the Germans know a good thing when they have it, and are making the most out of a willing victim. It isn't that our men have forgotten their own country; but:

"Why should we want to rush back to a country where we have always been sort of outcasts, when here we are just the opposite?" demanded one high private. "Here we are rich, well-treated, getting a lot both educationally and in the line of pleasure; no, sir, about two more years of it will suit me fine."

What do you know about the Happy Army, eh? General Allen says they have a remarkably high morale. Certainly they look it. They hold

every boxing and small-arms championship of all the Rhine armies, although they number only 13,500, while the French, for example, number more than 80,000. Much weeding out and cutting down has left a group of exceptional high character and ability. The rate of re-enlistment is the highest of any part of the army, so that while 75% of the American forces in Germany are men who were not in the war, the great majority are men in the second enlistment, the first having been for one year. They are quartered excellently, so that they will grudgingly admit, "We have no kick coming on this hangout. I've seen lots worse." They are all withdrawn now from the outposts on the thirty-mile zone limit beyond the Rhine, where they were billeted in German families and in cantonments, so that now they are in Coblenz, Mayen, Andernach, Engers, Weisenturm, Neuwied, and the two forts opposite Coblenz—Ehrenbreitstein and Astein. They have, under the able and efficient direction of the Y. M. C. A., the Salvation Army, and the Red Cross, unusual entertainments, movies, swimming pools, carnivals of all kinds of sports.

And they have just held their own July Fourth celebration. They did it in decidedly their own way, shooting rockets through the principal streets, not in the air, but along the ground. There were no casualties except an elderly German who was hit in the ankle by a rocket just as it exploded and who fainted in access of terror. The war was certainly brought home to Coblenz for once. The natives crossed the streets only on the dead run, and suffered from such bad cases of nerves that they jumped and fled if a cigarette butt landed beside them. But that was only one day out of 365.

No, the Army on the Rhine doesn't want to come back. Morale? It's almost an issue commodity. "They even salute me across the street," said one amazed officer, and there can be no higher proof of morale than that. They are happy. They are the world's first Army Without a Kick.

BILL REGULATING PACKING INDUSTRY SIGNED BY PRESIDENT HARDING.

On Aug. 17 President Harding signed the bill regulating the packing industry. After the Senate had on June 17 adopted with amendments the bill passed by the House on June 2, the measure was sent to conference, and on Aug. 4 the Senate accepted the conference report by a vote of 48 to 10, while the House agreed to the report on Aug. 9. Under the conference agreement the House bill, regarded as far less drastic than the original Kenyon-Kendrick Senate measure, virtually stands. Senator Kenyon, Republican, of Iowa, told the Senate on Aug. 4 that the Senate conferees had been compelled to yield on every amendment except three. He said:

The amendments from which the House receded are amendment numbered 16, giving the right to the Secretary of Agriculture to request the Federal Trade Commission to "make investigations and report in any case"; amendment numbered 17, which provides that the Secretary may make rules and regulations; and amendment numbered 15, which is not an important amendment. As it was a question merely of acceding to the demands of the House conferees or securing no legislation, we did not feel warranted in such insistence as would bring about the failure of all legislation. Amendment 16 gives to the Federal Trade Commission the right to make investigations and reports when requested to do so by the Secretary of Agriculture. It does not, as I understand it, permit the making of orders, although there is dispute as to that proposition.

Regarding Senate amendments stricken out by the House, Speaker Kenyon said:

The amendments in regard to publicity and what we termed uniform accounting were the two amendments that some of us considered very important. They are numbered 13 and 14. I ought to say, in fairness, that the House bill does provide that in specific instances investigations can be made and systems of accounting established. Our provision was for uniform accounting so that the Secretary could establish rules and regulations without any particular complaint as to particular instances; but if the Senator will observe amendment No. 13 he will see that it does in a way cover those questions. It is much better than nothing.

In a statement in the House on Aug. 9, Representative Haughen said:

The bill as agreed to in conference is substantially the same as it was passed by the House. It was drafted with a view not to destroy but to build up, to promote worthy and legitimate enterprises and activities in connection with the great packing industry. It gives the Secretary of Agriculture complete visitorial, inquisitorial, supervisory and regulatory power over the packers and stock yards. It extends over every ramification of the packers and stock yard transactions in connection with the packing business. It provides for ample court review. The bill is designed to supervise and regulate and thus safeguard the public and all elements of the packing industry, from the producer to the consumer, without injury or to destroy any unit in it. It is the most far-reaching measure and extends further than any previous law into the regulation of private business—with few exceptions, the war emergency measure and possibly the Inter-State Commerce Act.

Representative Haughen also said in part:

The results of the conference on the packer-control legislation are set forth in the printed report and statement. I did not intend to comment on it, but with the wholesale misrepresentation that has been scattered broadcast, while I am aware that little, if any, attention is given to unfounded and uncalled-for statements such as have been made in reference to the bill now before the House, notwithstanding, in view of the misinformation that has gone into the "Record," a brief statement of facts seems timely and proper. The subject of packer-control legislation has been under consideration for more than a third of a century, one which has been more vigorously contested than any. It has been bitterly opposed naturally by those affected by the legislation, and its progress has been substantially hindered and obstructed by "supposed" friends. In securing the passage of this bill, as of most other measures, the difficulty has not been so much in overcoming the frank, open, out-and-out opposition which it has encountered as the opposition from the professed friends of effective legislation, as, for instance, that constant plea for delay, for the adoption of amendments designed to weaken, to destroy the bill, and the numerous devices resorted to in delaying and defeating the passage of effective legislation.

H. R. 6320, introduced and reported by me, passed the House by practically a unanimous vote on June 2 and passed the Senate on June 17, but it was not until 40 days later, on July 28, that an agreement was reached in conference. The conferees' report was agreed to by the Senate Aug. 4 by a vote of 48 ayes and 10 noes.

In another body this bill has been characterized as a packer bill and it has been alleged to contain seven amendments written by an attorney for the meat packers and accepted by the House Committee on Agriculture. A careful reading of the "Record" discloses no evidence beyond the bare statement of an alleged champion of the people's rights making the charge that seven amendments were written into the bill by an attorney for the meat packers. The professed friend of effective packer-control legislation did not even give any intimation as to what were the amendments to which he referred. He specified only one, which had to do with taking away the jurisdiction of the Federal Trade Commission.

The champion of the people's rights was mistaken about that. Why he did not specify what were the other six amendments I know not. Probably they were not of enough importance. But, inasmuch as no amendments have been written into the bill by any packer or any other interest, it matters not. He was mistaken as to the one specified and it goes without saying that he was mistaken as to all of them. Hence the House bill did not, as stated on page 2757 of the "Congressional Record" of June 16, carry seven amendments which the packers' attorney wrote in the original Haugen bill. If he had taken the pains to inform himself of the facts he would not have made the statement. He would have found that the suggestion giving the jurisdiction to the Secretary of Agriculture was made by many excellent persons and which seemed to be the consensus of opinion of all. If he had turned to Secretary Wallace's statement before the Committee, page 234 of the House hearings of May 1921, he would have found, in response to a request for his opinion as to the question of jurisdiction over the packers, as follows:

"Secretary Wallace: I think the interest of the public will be served if you put all of this thing and all of this control and regulation in the hands of one supervisory body and no distribute it among several.

"We have a large number of people who are very well informed, certainly, on agriculture. So that from that standpoint I think it would be wiser to put this matter in the Department rather than in the hands of some commission which was not so closely related to agriculture."

Certainly the champion of effective legislation would not contend that Secretary Wallace acted as an attorney for the packers.

While the other amendments alleged to have been written in the bill by an attorney for the packers was not specified, I assume that they were amendments enumerated by Mr. Lightfoot, attorney for Wilson & Co., which appear on page 2810 of the "Congressional Record" of June 27. If so, they were amendments suggested by the American Farm Bureau Federation. I refer you to pages 2809-2810 of the "Congressional Record" of June 17, in which Mr. Lightfoot states that the suggestions made by him were a response to Mr. Atkeson's request for the packers' views. The first amendment referred to is the one conferring jurisdiction upon the Secretary of Agriculture instead of the Inter-State Commerce Commission over the stockyards, commission men, and traders. This amendment, as I have stated, was suggested to the Committee by the present Secretary of Agriculture and his predecessor, by Mr. Atkeson [representing the National Grange] and also by various other representatives of farm organizations, and was in accord with the Senate bill, which created a live-stock commissioner in the Department of Agriculture and gave him complete authority over the stockyards, commission men and traders.

The next amendment referred to was to amend the definition of the term "live-stock products," so as to remove the objection that the bill subjected to regulation many industries never engaged in the slaughtering of animals, such as tanneries, fertilizer plants, woolen mills, automobile manufacturers, and many others using by-products of the packing industry. Mr. Lightfoot's statement does not indicate the nature of the amendment which he proposed to Mr. Atkeson. The only suggestion of which the Committee had any knowledge was one proposed by the American Farm Bureau Federation (see p. 481 of the hearings), which proposed to strike out from the bill the definition of "live-stock products" and substitute a definition of the term "meat-food products," which was to be defined to mean "all edible products and by-products of the slaughtering and meat-packing industry." At the same time the Farm Bureau suggested that the definition of the term "packer" be so amended as to confine packers to those manufacturing or preparing meats or meat-food products for sale or shipment in commerce. While recognizing the justice of the complaint that the definition in the original Haugen bill might be construed to include independent tanneries, fertilizer plants, and other industries using by-products of the packing industry, the committee at once perceived that the adoption of the suggestions of the American Farm Bureau Federation would be to leave outside of all regulation such industries when conducted as subsidiaries of the packing industry. It therefore amended the Haugen bill in such manner as to relieve from regulation these outside industries only when having no affiliation with a packer, but subjecting the packer to complete regulation, no matter what line of business he goes into.

The next amendment which Mr. Lightfoot states was suggested to Mr. Atkeson was to Section 207 of the original Haugen bill relating to the accounts of the packers. Section 207 provided that any packer who kept any other or different accounts than those prescribed by the Secretary should be guilty of a criminal offense. Here again the committee had no knowledge of any amendment suggested by the packers' attorney either to the Committee or to Mr. Atkeson, but the Committee did receive from the American Farm Bureau Federation (see p. 481 of the hearings) a suggestion to strike out these words and to insert a provision that any packer who fails to keep his accounts "in the manner and form prescribed or approved by the Secretary" shall be guilty of a criminal offense. This suggestion was adopted by the Committee and appears as Section 401 of the House bill.

The next amendment which Mr. Lightfoot states was suggested by him to Mr. Atkeson was to Section 205 (f) of the original Haugen bill, which provided that the findings of the Secretary as to the facts, if supported by evidence, should be conclusive. The suggestion was to insert after the words "supported by" the words "the weight of the."

This suggestion was not made by the packers' attorney to the Committee, but the same suggestion was made by the American Farm Bureau Federation (see p. 481 of the hearings), but was not adopted by the Committee. It adopted an amendment striking out of the bill all reference to the conclusiveness of findings of fact of the Secretary. In this connection it should be noted that the amendment suggested by the American Farm Bureau Federation appeared in the Senate bill, both as reported to the Senate at this session and as passed by the Senate in the last Congress. (See 66th Cong., S. 3944.) The amendments, in connection with the one referred to relating to the jurisdiction of the Federal Trade Commission, amount to only five in number. What the other two amendments referred to may be I have no knowledge or means of surmising, but whatever they may be they were not put there as a result of any request made to the Committee by any packer or his attorney or any other outside interest.

Another insinuation made was that the sub-committee was carefully selected. The sub-committee consisted of the three authors of the bills then before the Committee and were appointed on a motion unanimously adopted by the Committee. It is difficult to see what better method of harmonizing the conflicting views of the membership of the Committee as to the form this legislation should take than to create a sub-committee

composed of the individuals who had already put forward in bill form these views. The statement that the bill framed by the sub-committee was reported by the full Committee without change and passed the House without amendment would seem to be the best possible proof that the bill, as passed by the House, was a meritorious measure. The foregoing considerations should convince any fair-minded person that the charges alleged that the Committee was very "carefully" selected, that it wrote into the bill seven important suggestions made by an attorney for the packers—radical suggestions—suggestions that completely change the character of the bill as it was first introduced, are absolutely without foundation.

As stated on pages 2817 and 2818 of the "Congressional Record," after the adoption of certain amendments, the Member preferring the charges voted for the bill. Amendments referred to were as follows: First, No. 13, the adoption of the publicity section of the Senate bill, a provision practically the same as one carried in the Agricultural appropriation bills for a number of years, giving the Secretary ample authority to gather and publish any related information pertaining to marketing and distributing of live-stock, meats, fish, animal by-products, and so forth. As the publicity had already been provided for, it did not seem necessary to incorporate it in the bill, certainly not as proposed in this Senate amendment, which, according to the definition of live-stock products as given in the bill, it excludes from the investigation and report the meats and meat-food products.

The other amendment referred to was the adoption of the provision of the Senate bill for uniform accounting. The amendment No. 13, page 25, strikes out Section 401 of the House bill, that whenever the Secretary finds that the accounts, records, and memoranda of any packer, stockyard owner, market agency, or dealer do not fully and correctly disclose all such transactions involved in such business, the Secretary may prescribe the manner and form in which such accounts, records, and memoranda shall be kept. The amendment No. 14 provides that the Secretary may in his discretion prescribe a uniform system of accounts and records and require the installation and use thereof by packers or operators, thus eliminating from the section the stockyard owner, market agency, and dealer, as defined in the bill. While there may be no serious objection to the uniform system of accounts, it seems of much importance that accounts, records, and memoranda of packers, market agencies, stockyard owners, and dealers should fully and correctly disclose all transactions involved in their business. If it is proper and necessary to apply it to one, I can see no objection to applying it to all; besides, it would be necessary in order to check up the books of the packers. The penalty that may be imposed under the House bill for failure to keep such accounts, records, and memoranda, are upon conviction not more than \$5,000 or imprisonment not more than three years, or both. In the amendment penalties are upon conviction not more than \$5,000 or imprisonment for more than three years, or both. Past experience has proven that excess penalties, such as are provided in the proposed amendment, a minimum fixed at more than three years imprisonment has made it impossible to convict and has thus rendered the laws ineffective. It goes without saying, if the minimum fines and penalties are made so high that no conviction can be had, the whole structure falls and would fail in its purpose.

The next amendment referred to "the adoption of the provision which makes the Sherman anti-trust law applicable to the packers, of which it is claimed that it radically improves the bill." Inasmuch as the provision was already contained in Section 405 of the House bill, I am at a loss to know why it is necessary to insert the provision twice and in what respect it radically improves the bill. (See Senate amendment No. 18.)

It would seem that if the bill was worthy of support after the Senate had added 20 amendments, three-fourths of which materially weakened the bill and the remainder of which were immaterial or merely restated what was in the bill before, this would simply indicate the bill as passed by the House was an effective piece of legislation.

As to the Senate amendments, I desire to say the Senate recedes from 13 of its 20 amendments and agrees to modifications of 4 of the amendments, which substantially restore the provisions of the House bill. The House recedes from its disagreement and agrees to three immaterial amendments, practically restating what was already in the bill. The amendments agreed to are Nos. 15, 16 and 17.

Amendment No. 15, Section 402, page 27, lines 15 and 16, strikes out the words "for the purpose of securing effective enforcement of the provision of this Act" and inserts in lieu thereof "for the effective execution of the provision of this and in order to provide information for the use of Congress." The amendment is harmless, and the House recedes.

Amendment No. 16, Section 405, took away from the Federal Trade Commission its power and jurisdiction over the packer and stockyards and gave the Secretary of Agriculture exclusive jurisdiction. The Senate amendment retains the provisions of the House bill and adds a clause to continue in force the power of the Commission to make investigations and report, to be exercised only on request of the Secretary of Agriculture. Section 407 of the bill already provides that the Secretary may co-operate with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivision thereof, or any person, which deals with the matter more effectively, hence the Senate amendment is unnecessary; it neither adds nor detracts. As it is harmless, the House recedes.

Next, amendment No. 17, page 30. The Section 407 "empowers the Secretary to make such rules and regulations and order as is given the Federal Trade Commission by Section 6 of the Federal Trade Commission Act." The Senate amendment adds, on line 11, "make such rules, regulations, and order as may be necessary to carry out the provisions of this Act, and may," hence it is substantially the same as the House bill, and the House recedes.

The three amendments, Nos. 15, 16 and 17, unlike the other 17 amendments, though they add nothing nor do they strengthen the bill in any particular, are harmless and will do no injury to the bill, so the House recedes on these three.

Amendments Nos. 6, 10 and 11: These amendments insert the words "buying or selling on a commission basis." The effect of these amendments was to take away from the Secretary of Agriculture all power to regulate the practices in relation to buying or selling at the stockyards unless such buying or selling was done on a commission basis. The packers and traders do not buy or sell on a commission basis, therefore the effect of the Senate amendment would have been to leave them entirely outside of all regulation, in so far as related to their buying or selling at a stockyard, thus cutting out one of the most important portions of the bill. The House insisted on and the Senate agreed to an amendment to its amendment making it clear that the Secretary's power relates to all buying or selling, whether on a commission basis or not. This was the effect of the House bill before the insertion of the Senate amendment for the word "marketing" used in the House bill clearly included all buying or selling, whether or not on a commission basis.

Amendments 1 and 2, page 2, lines 1 and 2, excludes horses, mules and goats from the bill. Horses, mules and goats are sold in the stockyards and slaughtered by the packers and are under the Meat Inspection Act. There seems to be no good reason why they should be excluded from the Act. The Senate recedes.

Amendment No. 3, page 2, lines 14 and so forth, strikes out the definition of commerce intended to make it clear that Congress intended to exercise in the bill the fullest control of packers and stockyards which the Constitution permits. Recent decisions in the Supreme Court show the wisdom of making clear the intention of Congress. The Senate recedes.

Amendment No. 4, page 4, line 20, strikes out of the bill making it unlawful for a packer to engage in or use any unjustly discriminatory practice or device in commerce. The Senate recedes.

Amendment No. 5, page 4, line 22, strikes out making it unlawful for a packer to make or give in commerce any undue or unreasonable preference or advantage to any particular person or locality. It seems proper to make unjustly discriminatory practices unlawful and that for any packer to give in commerce undue or unreasonable practices or advantages should be prohibited. The Senate recedes.

Amendment No. 7, page 14, line 19, subdivision (b): The House bill defines dealers to mean any person engaged in the business of buying or selling in commerce live stock at the stockyard, either on his own account or as the employee or agent of the vender or purchaser. The Senate amendment adds "and including any packer in his capacity as a buyer or seller of live-stock in commerce and any employee or agent of any packer in such capacity." Words which merely repeat what was in the House bill. The Senate recedes.

Amendment No. 8, page 12, line 22: The Senate amendment adds a provision requiring the packers to dispose of their holdings in stockyards. The Senate amendment was totally ineffective to produce any useful results, inasmuch as it placed the prohibition only on the packer, the effect of which would have been to make it possible for the packers to indirectly retain their interest in stockyards by selling their stock to individual stockholders and members of their families. This matter is now dealt with more effectively in the consent decree as it relates to the Big Five. The Senate recedes.

Amendment No. 9 reduces from one year to sixty days the period for filing complaints with the Secretary against stockyard owners, commission men, and traders. Inasmuch as the complainant may not know that his cause of action had accrued until after sixty days, and inasmuch as he has, in most States, six years to file a claim under the State law, it would seem that the period fixed by this amendment is too short. The Senate agrees to an amendment to its amendment which gives ninety days for filing complaints with the Secretary.

Amendment No. 12, page 25: The House bill makes applicable to the jurisdiction and powers of the Secretary the provisions of the laws relating to the suspending or retaining the enforcement, operation, or execution or the setting aside of the Inter-State Commerce Commission. The Senate amendment strikes out that provision and in lieu thereof inserts a provision making sections 203 and 204 of this Act applicable in enforcing the provision of the stockyard title. This amendment of the Senate was entirely inconsistent with all of the rest of the stockyard title and its adoption would have necessitated an entire rewriting of the title, which was beyond the power of the conferees. Furthermore the adoption of the amendment would have materially weakened the bill. Amendments 13, 14, 15, 16, 17 and 18 I have already discussed. The Senate recedes.

Amendment No. 19, page 31, deals with the live-stock exchanges which is taken care of on lines 3, 4, 5, 6, 7 and 8, page 17. The Senate recedes.

Amendment No. 20, page 31, excludes all persons whose chief business is the raising of live-stock or agricultural products, which would deprive farmers shipping live-stock from all the benefits of the bill, including the right to petition the Secretary on having his damages assessed, which assessment becomes prima facie evidence in an action in the courts and entitles the petitioner to attorney's fees and relieves him from the payment of the cost. The adoption of this amendment would be to deprive the farmers of the greatest advantages given by the bill, and the Senate recedes.

Thus I have made it clear that three of the amendments agreed to, while adding nothing materially to the bill, did it no harm, but that every one of the other 17 amendments materially weakened the bill. In view of this fact, the House will agree with me that the managers on the part of the House acted wisely in insisting upon the Senate receding from its amendments. It is indeed pleasing and gratifying, especially to the members of the Agricultural Committee, who worked arduously, night and day, to promote just, fair, and effective legislation, to know that the bill, if the conference report is agreed to, is substantially the same as reported out of the Committee and that it has successfully withstood all efforts in and out of Congress to weaken it.

A reference to the bill as it passed the House and Senate in June appeared in our issue of July 2, page 29.

SENATE POSTPONES VOTE ON FREE TOLLS BILL UNTIL OCT. 10.

A unanimous consent agreement was entered into by the Senate on Aug. 15 to postpone until Oct. 10 the vote on Senator Borah's bill providing free tolls for American ships passing through the Panama Canal. Senator Borah in stating that the bill had been made the unfinished business of the Senate asked that the vote thereon be deferred until Oct. 3, inasmuch as a number of Senators had expressed a desire for more time in which to consider the bill. At the instance of Senator Simmons, Senator Borah changed the date to Oct. 10 to give more time to discuss the bill. Senator Borah told the Senate on Aug. 15 that the President had assured him he had no objection to the consideration of the bill and that he favored free tolls. He added:

That was some time ago, however. I do not intend to postpone it until after the disarmament conference; neither do I intend to consent that the question as to what we shall do with our domestic trade shall be taken up for consideration with foreign nations. That is a business of our own. I take the position that our domestic trade is a matter for the consideration of this Government and that we are under no obligations—treaty obligation, courtesy, comity, or any other obligation—to consult foreign Powers.

Commenting on the bill, and the proposal to postpone the vote, Senator King said:

I should have been very glad, Mr. President, if the paramount reason prompting the Senator from Idaho to a postponement of a vote upon this measure was bottomed upon the fact that the President of the United States is negotiating with Great Britain, as I hope he is, with reference to the matter. A discussion will reveal the fact that there is sharp controversy as to whether or not the bill of the Senator from Idaho, if passed, would contravene a treaty existing between the United States and Great Britain. I hope that the President of the United States is considering the matter

and I feel, Mr. President, that so long as it is the subject of negotiation between the Executive of the United States and the Government of Great Britain, Congress could afford to defer consideration of it. Speaking for myself, I should be glad if we could postpone the consideration of the bill until the President of the United States indicated there was no diplomatic situation which should occasion any postponement of action by the Senate and by Congress.

The following is the unanimous consent agreement as entered into:

It is agreed by unanimous consent that at not later than 4 o'clock p. m. on the calendar day of Monday, October 10 1921, if the Senate is in session on said date, or at not later than the said named hour on the first calendar day after Oct. 10 on which the Senate may be in session, the Senate will proceed to vote without further debate upon any amendment that may be pending, any amendment that may be offered, and upon the bill (S. 665) to provide for free tolls for American ships through the Panama Canal.

RESOLUTION PASSED BY SENATE PROVIDING FOR ADMISSION OF ALIENS SAILING AFTER JUNE 8.

A resolution permitting the admission into the United States of certain aliens who sailed from foreign ports on or before June 8 was passed by the Senate on Aug. 15. In indicating in the Senate the object of the resolution Senator Dillingham said:

The present immigration law went into operation on the 8th of June. At that time there were a large number of immigrants on the seas, and they came in during the month of June. The condition was presented where the department would have to deport about 5,000 of them. The hardship was such that the Secretary of Labor did not feel at liberty to do that, and he admitted them temporarily.

The joint resolution simply ratifies that act and provides that the number so admitted shall be applied on the quota under the existing law, so that at the end of the year no more will have come into the United States from those countries by reason of this joint resolution than would have come in otherwise. It simply provides that those who were admitted temporarily may be admitted permanently and the act of the Secretary ratified, but that they shall be counted upon the quota that would be permitted to come from the countries whence they came under the law itself.

The following is the resolution as adopted by the Senate:

Resolved, etc., That aliens of any nationality who are brought to the United States on vessels which departed from foreign ports on or before June 8 1921, destined for the United States, and who apply in the month of June 1921, for admission to the United States, may, if otherwise admissible, be admitted to the United States, although the limit prescribed by Section 5 of the Act entitled "An act to limit the immigration of aliens into the United States," approved May 19 1921, may have been reached before such application for admission. The number of aliens of any nationality so admitted shall be deducted, under such regulations as the Secretary of Labor may prescribe, from the number of aliens of that nationality admissible, during the fiscal year beginning July 1 1921, under the provisions of such act of May 19 1921, but nothing in this resolution shall prohibit the admission of otherwise admissible aliens of any nationality during the month of July 1921, up to 20% of the number of aliens of that nationality admissible during such fiscal year under the provisions of such act of May 19 1921, as heretofore promulgated.

NELSON BILL, TAXING NATIONAL BANK SHARES, REFERRED TO COMMITTEE OF A. B. A.

Commenting on the status of the Nelson bill, which would permit the States to tax National bank shares at any rate they please, provided only that the tax would not be greater than that imposed upon the moneyed capital "used in banking," General Counsel Thomas B. Paton, of the American Bankers Association, says the bill "has been referred to a sub-committee of the Banking and Currency Committee of the Senate. Senator Newberry, Chairman of the sub-committee, has requested the views of the American Bankers' Association upon the bill and my office is now in process of obtaining the views of the members of the Executive Council upon the proposition. The general feeling is one of opposition, it being the opinion that the result would be unjust and discriminatory taxation."

THE PROPOSED 12½% INCOME TAX ON CORPORATIONS.

Commenting on the proposed 12½% tax on the net income of corporations, Max Rolnik, of Leslie, Banks & Co., chartered accountants, and formerly Deputy Collector of Internal Revenue, criticised the proposal as giving insufficient tax relief to public utility and banking companies that normally earn a small return on their investment. The average company, he said, was, however, receiving a considerable reduction in taxes from the high 1918 rates. This is shown in the following table prepared by his firm, based on the Statistics of Income for 1918, the latest available.

COMPARISON OF NEW RATES WITH 1918 RATES.

Income Classes—	Average Per Cent of Tax to Net Income.	
	Year 1918.	Year 1922.
No net income	0	0
0 to \$2,000	0	0
\$2,000 to \$5,000	6.0	4.8
\$5,000 to \$10,000	13.4	9.0
\$10,000 to \$50,000	25.5	11.3
\$50,000 and over	40.9	12.4

Explaining the effect of the proposed 12½% rate, Mr. Rolnik said: "The new bill, like the present law, carries a \$2,000 exemption. As a result all corporations earning less

than that amount will pay no tax. The average tax of corporations in the other income classes will range from 4.16% for corporations earning \$3,000 to 12.48% for corporations earning \$1,000,000, as is shown in the following table:

PROPOSED CORPORATION TAX.

Net Income.	Tax.	% of Tax to Net Income.	Net Income.	Tax.	% of Tax to Net Income.
\$2,000	\$0	0%	\$15,000	\$1,625	10.83%
3,000	125	4.16%	20,000	2,250	11.25%
4,000	250	6.25%	40,000	4,750	11.88%
5,000	375	7.50%	80,000	9,750	12.19%
6,000	500	8.33%	150,000	18,500	12.33%
7,000	625	8.93%	300,000	37,250	12.42%
8,000	750	9.38%	500,000	62,250	12.45%
9,000	875	9.72%	1,000,000	124,750	12.48%
10,000	1,000	10.00%			

AMERICAN BANKERS' ASSOCIATION'S PROTEST AGAINST CONTINUANCE OF EXCESS PROFITS TAX.

A vigorous protest against the continuation of the excess profits tax until 1922 is contained in a message from the American Bankers' Association which has been sent to Congressman Fordney and Senator Penrose by John S. Drum, President of the Association. The tax is characterized as one of the chief reasons for the continued high cost of production and finished products as against farm products and raw materials, and it is further considered in the message as retarding the re-employment of labor. The message reads:

The American Bankers' Association, representing 23,000 banks and more than 95% of the country's banking strength, without at this time going into other features of the bill now before Congress, most earnestly protests against the continuation of the excess profits tax to Jan. 1 1922, and urges these objections:

1. The excess profits tax never could be justified except on the ground that it was an emergency measure required under the unusual conditions of war.
2. The restoration of peace has destroyed both the reason and the excuse for the tax.
3. Continuation of the tax is one of the most important factors operating to keep up the cost of production of manufactured goods, and the higher cost of finished products as against that of farm products and raw materials prevents the restoration of an equitable and harmonious price level.
4. The effect of these inequitable prices is to reduce and restrict the purchasing power of farmers, live stock men, cotton growers, lumber men, oil producers, and miners, for the reason that they are forced to sell at prices relatively too low and with the proceeds of their sales can buy finished products only at prices relatively too high.
5. Reduced buying by farmers and producers of raw materials naturally means reduced selling by producers of manufactured goods, and the buying power of manufacturers and their employees, therefore, is likewise reduced.
6. The so-called excess profits tax is actually not a tax on profits, but a diversion of working capital, and by inhering the working capital of the country it prevents that full development of productive enterprise without which there cannot be full employment of labor.

Considering all the foregoing facts it is apparent that the excess profits tax, while it will produce relatively small revenue, is a destructive influence that works against the farmer, the cattleman, the miner, the lumber man, the oil producer, the cotton grower, and the workman. It is a tax that impairs the prosperity of all classes. Its economical fallacy has been recognized by other nations that imposed the tax, and England and Canada have already repealed and substituted other and sounder methods of raising revenues required.

The American Bankers' Association, therefore, is convinced that it should place these facts before Congress, before Congress assumes the responsibility for continuing this tax until 1922 and thereby adopts a course which, the American Bankers' Association firmly believes, interferes with the natural movement toward restoration of a price level at which agricultural products and raw materials can be exchanged so as to receive full value in finished goods; that restricts the purchasing power of the farmer, the cattle man, and the miner; that keeps workmen out of employment; that delays, in short, with disastrous effect, the operation of natural forces which, if unwise legislature does not interfere, will restore normal conditions.

PRESIDENT HARDING SAYS TAX REVISION WILL ASSIST BUSINESS.

According to a White House statement issued on Aug. 13, relative to the revision of taxes now under way "the whole tax reform program contemplates freeing business from what have been found paralyzing and exasperating restrictions, encouraging to the utmost the resumption of enterprise and business." Furthermore the statement indicates the revised measures are intended to remove "every possible incentive to evasion and fraud," and to distribute "the tax burden with the greatest possible equity among all classes of people, keeping in mind the purpose to impose the larger share on those best able to pay." The following is the statement:

During the consideration of the revenue revision program of which an outline has heretofore been given to the public the effort was to devise a measure of practical, workable tax reform. The aim was to establish methods that would raise the needed revenue within reasonable certainty, that would make collections sure and inexpensive, and that would properly adjust the burden among all classes of the community. It is felt that highly important progress has been made along these lines.

The social and economic bearings of the new proposals are significant. There has been no effort to relieve the rich of their share of burdens, but rather to insure that no class will be left an avenue of escape from these. A casual analysis of the proposal shows that what may be described as "the rich man's taxes" will produce about \$1,800,000,000, while the balance will be distributed over the entire community, rich and poor; the rich being certain, because they are proportionately the greatest consumers, to pay a proportionately much greater share.

For example, the reduction of 32% of the highest income and surtax brackets is expected by the experts to produce actually more revenue from these sources than do the present much higher rates. The present rates prevent transactions which would involve application of the high rates, and thus keep taxes away from the Government. Also they drive money into tax-free securities, to the distress of business; and they lead to fraud and evasions. It has been calculated that aside from customs, half the Treasury personnel is engaged in collection of these taxes, and that their readjustment will permit the reduction of this force by several thousand.

The basis of the program, of course, is economy in expenditure. The tax burden is to be reduced \$550,000,000 by cutting that amount of the Government's requirements. To do this requires rigid and rapidly executed economies, which the Government departments have undertaken to effect. Experience has shown, in dealing with the excess profits taxes, that where there is periodic selling, this tax is pyramided, multiplying the burden of the consumer and inducing speculation and waste. It has been largely responsible for the intense speculation that followed the war. It is an unsatisfactory tax on which to base revenue estimates because its product of revenue is so extremely variable and in the present epoch of reduced earnings it would utterly fail to produce the amount needed.

The alternative to this tax is the increase of the direct tax on all corporation earnings rather than on excess profits. The present corporation tax is 10%. It is proposed to increase this to 12½ or 15%, and through this increase to produce \$222,500,000 more.

In increasing the tax on corporation earnings, an exemption is made of those having earnings of \$2,000 or less—the poor man's corporations. The number that would thus be exempted would exceed 300,000.

The reduction and ultimate wiping out of the transportation tax will bring relief to both producer and consumer. The farmer, as a producer, finds this tax deducted from the value of what he produces; the consumer, as to other articles, finds it added to the price of what he buys. It reaches both, and its abolition would be a great relief to both.

The so-called "nuisance taxes" are to be done away with. They are a source of constant annoyance to the public, of expense to dealers who must make minute change over their counters, and are easily and constantly evaded. It is proposed to substitute for these an increase in the imposition through a taxation mechanism already established, functioning efficiently, and sure to produce what is demanded.

In short, the whole tax reform program contemplates freeing business from what have been found paralyzing and exasperating restrictions, encouraging to the utmost the resumption of enterprise and business, removing every possible incentive to evasion and fraud, and distributing the tax burden with the greatest possible equity among all classes of people, keeping in mind the purpose to impose the larger share on those best able to pay. It is believed that as the proposals are studied and it is increasingly realized to what extent they are adapted to these ends, they will be recognized as a long step toward restoration of improved conditions of general business.

ITEMS ABOUT BANKS, TRUST COMPANIES, &c.

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

Since his operation of a week ago, H. P. Davison of J. P. Morgan & Co. has continued to improve, his progress it was said yesterday, being so satisfactory that he may be able to leave the hospital in about three weeks. The operation performed on Mr. Davison was referred to in our issue of last Saturday, page 704. The "Times" in stating yesterday, that it is learned that no further operation on Mr. Davison is contemplated, said:

The operation did not involve the removal but the lifting of a circular section of the skull over the tumor. The section forms a kind of lid which, when the scalp and bone have knitted, will furnish protection over the region of the growth without exerting any pressure.

J. P. Morgan, who had planned to sail for Europe on Aug. 6 on the White Star liner Cedric, but canceled his reservation just before the departure of the steamer, sailed on the Olympic on the 13th inst. Charles Steele, another member of the firm of J. P. Morgan & Co., accompanies Mr. Morgan, who before leaving stated that he was going on his usual autumn vacation to England and France, and that he would remain away as long as he could. Mr. Morgan is quoted as saying:

I canceled my sailing a week ago because of Mr. Davison's sickness and the financial difficulty that you know of. As I am sailing to-day, you can be sure that both these matters have been cleared up. I shall be gone as long as possible on my annual vacation.

The financial difficulty referred to by Mr. Morgan had to do with the affairs of the Mercantile Bank of the Americas.

Financial measures looking to the righting of the affairs of the Mercantile Bank of the Americas were announced in a statement issued as follows by J. P. Morgan & Co. on Aug. 12:

The Mercantile Bank of the Americas, Inc., on May 31 last received from its shareholders \$20,000,000 of fresh funds and at the same time a banking syndicate was organized to extend \$35,000,000 of additional credits to the bank. Although, up to date, only about one-half of these credits have been availed of, it was considered desirable to provide for further facilities which might possibly be required for the effective working out of the bank's affairs. These facilities have now been arranged and further cause for anxiety is, in our opinion, eliminated.

Commenting on the occasion for these measures, the New York "Herald" of the 13th inst. said:

Dislocation of exchanges between the United States, Cuba, Central and South America, the drop in commodity prices and the depression which occurred in trade with the countries where the Mercantile Bank of the Americas was interested were responsible for the frozen credit situation which developed, giving the company slow assets with definite maturities to be met.

The bank was organized in the war period to finance exports and imports with the countries in which the bank was represented by branch or agency, to handle collections, issue letters of credit for commercial transactions, accept foreign deposits and to transact other banking functions. The

Mercantile Bank has offices in New Orleans, Paris, Madrid and Barcelona, and its affiliated banks or branches are in Argentina, Brazil, Colombia, Costa Rica, Cuba, Honduras, Nicaragua, Peru and Venezuela. Agencies are located in Ecuador, El Salvador and Guatemala.

According to the "Wall Street Journal" of last night, a complete statement of the affairs of the Mercantile Bank of the Americas will be issued next Monday at the offices of J. P. Morgan & Co. An item concerning the bank appeared in our issue of Saturday last, page 704.

At a meeting of the directors of The National City Bank of this city on Aug. 16, R. W. Stewart was elected a director to succeed J. Ogden Armour, resigned. The latter resignation was stated to be the result of a possible conflict arising under the Clayton Act. Mr. Stewart is Chairman of the Board of the Standard Oil Company of Indiana and is a director of the Continental & Commercial National Bank of Chicago.

The Capitol National Bank, the new institution which, as stated in our issue of Aug. 6, is being organized by Max Radt, formerly a Vice-President of the Irving Trust Co. of this city, will open its doors for business in the early fall. The Capitol National, as also stated before, will be situated in the garment centre Capitol Building at Seventh Ave. and 37th St., and will have a capital of \$2,000,000 and surplus of \$500,000. The stock (par \$100) will be sold at \$125 per share. Besides Mr. Radt, the organizers of the bank and those who will comprise the board of directors are the following:

Joseph Durst of Joseph Durst, Inc., suits, 1333 Broadway; E. Eisman, of Eisman & Co.; John Farson, of Farson, Son & Co., bankers, 115 Broadway; W. T. Grant, of the W. T. Grant Co.; Alexander Herbert, President of Philip Morris & Co., Ltd.; S. A. Lerner, of the Lerner Blouse Corporation; F. A. Powdrell, of Boston; Leon Schinasi, of the Schinasi Commercial Corporation; George L. Storm, of the American Safety Razor Corporation; Arthur Worth, of Worth & Co., Inc., and Henry J. Topping, son of John A. Topping, of the Republic Iron & Steel Co.

At a meeting on Aug. 16 of the directors of the First National Bank of Boston the following promotions were authorized: Charles F. Mills and William O. LeFavre to become Vice-Presidents; John H. Casey, Charles C. McCauley and Wallace G. Rood, to become Assistant Cashiers, and Wilbur L. Lawson to become Auditor. Mr. William F. Benkiser, Vice-President of the Bank, in charge of its Foreign Department, will sail for Buenos Aires in November to take up the supervision of the Bank's South American interests as Resident Vice-President. Mr. Benkiser will make his headquarters at Buenos Aires, where a branch of the Bank is located.

A press dispatch from Boston on Thursday of this week (Aug. 18) states that State Bank Commissioner Joseph C. Allen had on that day brought suit in the Supreme Court against the directors of the Cosmopolitan Trust Co. of Boston for approximately \$5,000,000. Specification, it is said, allege that losses incurred in the conduct of the bank's business exceed \$4,764,159. We quote from the dispatch as follows:

Charges against the directors allege "gross and repeated negligence in making loans and investments" and "repeated violations of the banking laws of trust companies, both in the commercial and savings departments."

Mr. Allen charges that the directors named "did not exercise due diligence in the matter of making investments" or "in lending the funds of the plaintiff company." He alleges that they are "guilty of gross and repeated negligence both as regards investments and loans," and that they "repeatedly violated" the laws governing the investment and lending of the funds of trust companies.

"The negligence and carelessness of the several defendants," the bill reads, "in negligently and recklessly lending the funds of the plaintiff company and in negligently making investments therefor, resulted in very large losses" and "wiped out its capital and surplus and undivided profits."

Commissioner Allen closed the Cosmopolitan Trust Co. in September of last year. We last referred to the company in these columns in our issue of July 9 1921.

Frank Miller, Chairman of the board of directors of the City National Bank of Bridgeport, Conn., died at his home in Long Hill, Conn., on Aug. 14. Death was due to heart disease. Mr. Miller was President of the City National Bank until about a year ago. He was 73 years of age.

Colonel Samuel P. Colt, Chairman of the board of directors of the Industrial Trust Co. of Providence, R. I., and widely-known financier, died at his home, "Linden Place," Bristol, R. I., on Aug. 13. Death was due to a stroke of apoplexy which followed an illness of two months. Colonel Colt was born in Paterson, N. J. He was graduated from the Massachusetts Institute of Technology at the age of 21, spent a year abroad, and after graduating from the Columbia Law School was admitted to the New York Bar

in 1876 and the Rhode Island Bar in 1877. His business career began in 1887, when he founded the Industrial Trust Co. of Providence, of which institution he was President until 1908 when he became Chairman of the board of directors. In 1888 Colonel Colt was called upon to reorganize the National Rubber Co. of Bristol. He consolidated three rubber factories, the result being the National India Rubber Co., of which he became President. In 1892 Colonel Colt combined many firms in establishing the United States Rubber Co. He became President of the company in 1901, serving in that capacity until 1918, when he was made Chairman of the board of directors. In addition to the activities mentioned above, Colonel Colt at the time of his death was prominently identified as an official or a director with numerous other financial and industrial organizations. In 1876 Colonel Colt was elected a member of the House of Representatives of Rhode Island and was re-elected in the next three years. He was appointed Assistant Attorney-General of Rhode Island in 1879, an office he filled for two years, and in 1882 was elected Attorney-General. He received the title of Colonel when as a young man he served as an aide-de-camp to Governor Henry Lippitt of Rhode Island.

John B. Ramsay, well known in banking and financial circles of Baltimore, recently resigned as Chairman of the Board of Directors and as a member of the Executive Committee of the Merchants National Bank of Baltimore on account of failing health. Mr. Ramsay's resignation was accepted with deep regret. Mr. Ramsay went to Baltimore from Port Deposit, Md., his home town, when a young man. In January 1887 he was elected President of the National Mechanics' Bank of Baltimore, a position he held until 1913, when upon his institution being merged with the Merchants National Bank of Baltimore, under the title of the Merchants-Mechanics' National Bank, Mr. Ramsay became Chairman of the Board of Directors and a Vice-President of the new bank. Upon the death of Douglas H. Thomas, the President of the Merchants-Mechanics' National Bank, in 1919, Mr. Ramsay yielded to the importunities of his associates and assumed the Presidency of the institution, holding the same until June of this year, when upon the consolidation of the National Bank of Commerce with the Merchants National Bank (the bank had earlier in the year adopted its original name) Mr. Ramsay became Chairman of the Board of Directors and a member of the Executive Committee of the enlarged Merchants National Bank, the positions he recently resigned.

A new financial institution, namely the East Side State Bank of Indianapolis, Ind., will open its doors for business on Sept. 12. The new institution will be situated at 2440 East Washington Street. The bank will have a capital of \$35,000. Its stock is being sold at \$150 per \$100 share. The officers are: Harvey Coonse, President; Dr. M. J. Spencer, Vice-President; Charles F. Bechtold, Cashier.

A press dispatch from Chicago dated yesterday (Aug. 19) states that permission to assess the stockholders of the defunct Michigan Avenue Trust Co. of Chicago, whose absconding President, Warren C. Spurgin, is supposed to be hiding in Mexico, twice the amount of their stock has been granted by Judge John A. Swanson in the Circuit Court. The petition was filed in the name of Andrew Russel, State Auditor, by John W. O'Leary, the Receiver, and seeks to "enforce payment of individual liability on the part of stockholders by suit or otherwise." The dispatch further states that of the 2,000 shares of stock of the Michigan Avenue Trust Co., 1,176 was owned by Mr. Spurgin, leaving 824 to be levied against. This, it is said, will amount to \$164,800 and the liabilities of the institution are said to be far in excess of \$1,000,000. We last referred to the failure of the Michigan Avenue Trust Co. in these columns in our issue of Aug. 6.

Harry H. Merriek, former President of the Great Lakes Trust Co. of Chicago, and now a Vice-President of the Central Trust Co. of Illinois, Chicago, which recently took over the business of the former institution explained the progress in liquidation of the Great Lakes Trust Co. to several hundred stockholders recently, according to a press dispatch from Chicago under date of Aug. 15. Mr. Merriek estimated, it is said, the value of the Great Lakes Trust Co. stock, it is said, at between \$122 and \$123 a share. We referred to the taking over of the business of the Great Lakes

Trust Co. by the Central Trust Co. of Illinois, in these columns in our issue of July 23.

A press dispatch from Rochester, Minn., Aug. 18, stated that the People's State Bank, of that city had been closed by the State Banking Department because of lack of cash reserves. The capital of the bank is \$50,000 and the deposits are estimated at \$270,000.

The Nebraska State Bank at Sidney, Neb., has been taken in charge by a State Bank Examiner, according to a press dispatch from Lincoln, Neb., on Aug. 12. The dispatch says that J. E. Hart, Secretary of the State Trade and Commerce Department, attributes the cause of the closing to "too much slow paper."

Willis M. Marshall, President and founder of the Central Savings Bank of Denver, died suddenly in Los Angeles on Aug. 15. Mr. Marshall was born in New Concord, Ohio, in 1890 he went to Denver, where he established a private bank under the name of Marshall Brothers. Two years later (1892) Mr. Marshall organized the North Side Savings Bank and became its Cashier. In 1894 the bank was moved to another location in Denver and its name changed to the Central Savings Bank. Subsequently the institution was reorganized under the trust law and Mr. Marshall became its President. He was 55 years of age.

The Yellowstone National Bank (capital \$100,000) and the Merchants National Bank (capital \$250,000) both of Billings, Montana, were consolidated on July 5 under the title of the Merchants-Yellowstone National Bank. The consolidated institution will occupy the quarters of the Yellowstone National Bank. The officers of the combined institution are: Chairman of the Board, Lewis C. Babcock, formerly President of the Yellowstone National Bank; President Roy J. Covert, formerly President of the Merchants National Bank; Vice-Presidents, Charles M. Bair, formerly Vice-President of the Merchants National; W. A. Selvidge, formerly Vice-President of the Yellowstone National; Edroy H. Westbrook, formerly Vice-President of the Merchants National; W. L. Clark, formerly Vice-President of the Yellowstone National; and George M. Hays formerly Vice-President of the Merchants National; Cashier, Dean A. White, formerly Cashier of the Merchants National Bank; Assistant Cashiers, F. E. Hanly, formerly Assistant Cashier of the Yellowstone National, and W. J. Tobin formerly Assistant Cashier of the Merchants National.

According to a press dispatch from Miami, Okla., under date of Aug. 15, the Miami State Bank of that place did not open its doors on that date. A notice on the door of the institution, it is said, stated that the bank was in the hands of the State Bank Examiner. Walter E. Lindsey, Assistant Cashier of the bank, it is stated, authorized a brief statement that plans were being made for the reopening of the bank with no loss to any one but the stockholders.

According to press dispatches from Denver, dated Aug. 16, Edwin F. Morse, for three years head Teller of the International Trust Co. of that city, had disappeared, and about \$75,000 in cash of the institution's funds were also missing. John Evans, the President of the International Trust Co., who announced the disappearance of Mr. Morse, stated, it is reported, that the books of the bank had not been tampered with in an effort to cover up the loss, and that the condition of the bank would not be affected, as the loss was fully covered by insurance.

According to the Denver "Rocky Mountain News" of Aug. 16, State Bank Commissioner Grant MacFerson on Aug. 15 closed the First State Bank of Mesita, Colo. A. B. Olson, Chief Deputy Commissioner, it is said, has taken charge of the institution. According to the June 30 bank statement, it is said the First State Bank had total resources of \$65,613 with deposits of approximately \$25,000. The capital of the bank is \$10,000 with surplus of like amount.

The Union Trust & Saving Bank of East St. Louis, Ill., has changed its name to the Union Trust Company of East St. Louis.

A press dispatch from Paris, Tenn., dated Aug. 12, reported the arrest of Ed. Barton Lasater, a bookkeeper in the Commercial Bank of Paris, for alleged misappropriation

of the bank's funds. The extent of the alleged shortage, it was said, had not been determined, but officials of the bank denied that it was a large sum and declared that the bank would not be seriously affected by the loss. The Commercial Bank, the dispatch stated, according to its last statement July 1, had a combined capital and surplus of \$250,000 and deposits of \$600,000.

The United States National Bank of Owensboro, Ky., was placed in voluntary liquidation, effective June 23 1921, having been absorbed by the Central Trust Company of Owensboro, Ky. The United States National Bank had a capital of \$250,000.

According to a press dispatch from Clarksdale, Miss., dated Aug. 9, W. F. Wall, former President of the First National Bank of Rosedale, Miss., and his brother, R. F. Wall, former Cashier of the institution, were arrested on that date for alleged "embezzling, abstracting and misapplying large sums of money, funds and credits of the First National Bank of Rosedale, and, without authority of the directors of the bank, assigning numerous notes and making false entries on the books, with intent to injure and defraud the Federal Reserve Bank of Memphis, Tenn." Further charges made against the defendants, it is said, were the alleged "making of certain false entries with intent to deceive the duly authorized agents or examiners appointed to examine the affairs of the bank." The accused officials, the dispatch states, after a preliminary hearing before the United States Commissioner at Clarksdale, were released under \$10,000 bond. We reported the closing of the First National Bank of Rosedale in these columns in our July 30 issue. The dispatch further states that E. M. Burton of Greenville was recently appointed by the directors of the bank to make an audit of the books, and during the course of this audit discovered a number of notes which appeared to have been tampered with. He reported his findings, and Frank G. Paden, a National Bank Examiner of Rosedale, "then began an investigation which is even now (Aug. 9) in progress." We quote further from the dispatch as follows:

Paden in a conference with Assistant United States Attorney Longino here about a week ago stated that he had found a total of about \$150,000 in misapplied funds. It is believed that the total sum will after the investigation is completed show somewhere in the neighborhood of \$160,000. It appears that President Wall of the Rosedale bank had allowed certain of the bank's customers to overdraw their accounts and the deficit had been covered by notes being used as collateral to cover the funds secured from Reserve banks.

When the bank failed to open its doors on July 16 it became known that "dummy" notes to the extent of \$100,000 had been discounted. National Bank Examiner Woods of St. Louis was placed in charge of its affairs.

There was no profit for any one in the "dummy" transactions, it was declared. Planters and business men who required more money than usual were financed by means of the notes.

The most recent statement of the bank showed deposits of \$182,000. Of this amount \$55,000 was public funds. It was capitalized at \$100,000 and had \$30,000 surplus. Bills payable at the time of closing amounted to \$756,000, of which nearly \$400,000 was due the Federal Reserve. Of the latter indebtedness \$38,700 was secured by Government securities. The remainder was borrowed on other collateral, at discount. The banking laws forbid national banks to lend more than 10% of its combined capital and surplus to any individual, firm or corporation.

The system practiced at the bank, it was said, was to permit planters to borrow beyond their limit of credit. "Dummy" notes, in some instances signed by men who had no accounts, were sent to the Federal Reserve Bank for rediscount, while the Rosedale bank held the original paper.

Plans to reorganize the institution are said to be under way.

The new bank building of the Third National Bank of Columbus, Ga., and its allied institution, the Columbus Savings Bank & Trust Co., was formally opened on August 11. The building was originally the old Third National Bank Building, at the southeast corner of Broad and Twelfth Streets, which has been enlarged and transformed into a modern banking home. The combined resources of the allied banks as of Aug. 1 1921 were \$5,390,990. W. C. Bradley is President of both the institutions.

The Citizens Trust Co., a new Atlanta (Ga.) institution, situated in the heart of the negro business district of the city, was formally opened for business on Aug. 16. The capital stock of the new bank is said to be \$250,000. The institution, it is understood, will do a general banking business. The bank is located in spacious, handsome quarters at 176 Auburn Ave. H. C. Dugas is President.

The election of A. C. Way and W. H. Lutz as Junior Vice-Presidents has been announced by the Directors of the First National Bank of Los Angeles. Both Mr. Way and Mr. Lutz have been in the service of the bank for many years, and until their new appointment each served as an

assistant cashier. Mr. Way located in Los Angeles in 1886. The following year he began his banking career with the Los Angeles County Bank and remained with it until its voluntary liquidation seven years later. On March 1 1894 he entered the employ of the First National Bank of Los Angeles, with which financial institution he has served continuously for the intervening twenty-seven years. Just before the end of his term President Wilson appointed Mr. Way Chairman of the Southern California Committee of the China Famine Fund, of which T. A. Lamont of New York was the national chairman. Largely through Mr. Way's efforts more than \$75,000 was raised in approximately two months. Mr. Lutz began his banking career with the Centennial National Bank of Philadelphia in 1889. In 1894 he came to Los Angeles and entered the service of the National Bank of California as Receiving Teller. At the invitation of J. M. Elliott, now Chairman of the Board of Directors, Mr. Lutz entered the employ of the First National Bank of Los Angeles as Receiving Teller in March, 1898. During the twenty-three years' service with this bank, Mr. Lutz worked his way up through the various grades until his appointment as Junior Vice-President.

W. M. Fitzmaurice, City Treasurer of Oakland for the past four years, and actively connected with that office since 1900, has been appointed Assistant Cashier of the Bank of Italy in Oakland, effective Aug. 15, according to announcement of A. P. Giannini, President of the Bank of Italy. The association of Mr. Fitzmaurice with the Bank of Italy's business development activities in the East Bay District follows the appointment of A. J. Mount as Vice-President in charge of the present and future branch organizations maintained in Alameda and Contra Costa counties. Mr. Fitzmaurice will maintain his office in the Bank of Italy, at Broadway and 11th Streets.

It is reported that the voluntary petition in bankruptcy filed by the bond brokerage house of Irving White House Company, with offices in Spokane and Seattle, shows assets at from \$25,000 to \$30,000 in value with liabilities of about \$100,000. The appointment of a receiver was referred to by us last week, page 599.

J. E. Chilberg, the former President and director of the defunct Scandinavian-American Bank of Tacoma, was on Aug. 6 freed of all charges in connection with the failure of the institution, according to a press dispatch from Tacoma of that date. Judge M. L. Clifford, who dismissed the five indictments returned by the County Grand Jury against Mr. Chilberg, held, it is said, that the same were vague and did not charge definite crimes under the State law. Mr. Chilberg surrendered himself to the Tacoma authorities on July 1 last, as reported in these columns in our July 16 issue.

A merger of the Guaranty Bank & Trust Co. of Seattle, Wash., with the Northwest Trust & Savings Bank under the title of the Northwest Trust & State Bank became effective Aug. 15. The consolidated institution has a capital of \$350,000 and surplus and undivided profits of \$75,000. The officials of the new institution are: Edgar Ames, Chairman; E. Shorroek, President; E. L. Grondahl, T. S. Lippy and Hugo Carlson, Vice-Presidents.

The annual report of the Provincial Bank of Canada (head office Montreal) for the fiscal year ending June 30 1921, was submitted to the shareholders at their 21st annual meeting on Aug. 10, and makes a very satisfactory showing for the period. Net profits, after deducting management expenses, interest, rebate on current discounts (\$81,504), etc., amounted to \$425,648, which, when added to the balance of profit and loss brought forward from last year (\$38,467), together with premium on new stock, \$200,000, made the sum of \$664,115 available for distribution. From this total the following appropriations were made: \$264,024 to pay four quarterly dividends at the rate of 9% per annum on the paid-up capital; \$29,114 to cover war tax on circulation; \$5,000 to pay first installment on a subscription of \$25,000 to "l'Universite de Montreal"; \$25,000 contributed to pension fund and \$300,000 transferred to reserve fund, leaving a balance of \$40,977 to be carried forward to next year's profit and loss account. Total assets are shown in the report as \$45,629,743 (of which \$28,366,227 are quick assets) as compared with \$39,077,524 at the close of the preceding twelve months, while total obli-

gations to the public for deposits, etc., are given at \$41,048,388, as against \$35,788,363 on June 30 1920. The paid-up capital of the bank is \$3,000,000 and its reserve fund \$1,400,000. The Provincial Bank confines its operations to four Provinces of the Dominion, namely Quebec, Ontario, New Brunswick and Prince Edward Island, in which it now has 108 regular branches and 177 sub-branches. Sir Alexandre Lacoste is President, and Hon. N. Perodeau, Vice-President.

THE ENGLISH GOLD AND SILVER MARKETS.

We reprint the following from the weekly circular of Samuel Montagu & Co. of London, written under date of Aug. 4 1921:

GOLD.

The Bank of England gold reserve against its note issue is £126,563,335, as compared with £126,558,020 last week. A fair amount of gold came on offer and was taken for New York. It is reported from New York that gold to the value of \$13,890,000 has been received there—\$13,500,000 from France, \$295,000 from South America and \$95,000 from Columbia. A substantial shipment of gold from India to the United States has been announced by cable. The total is given as 74 lacs of rupees—over £465,000. As it has been stated for some time past that the free supplies of gold in the Indian market have been becoming scarce, this consignment probably represents an accumulation over a period. Considering that the gold equivalent of the Indian rupee is now fixed officially at one-tenth of a sovereign, it is interesting to read in the "Times" of India, under date of the 9th ult., that the price of sovereigns had advanced to 20 rupees per coin, that is to say a premium of 100% over their legal tender value. By mail advice from Calcutta July 13 last we are informed that the following gold shipments were made: From Bombay to Kobe, 21,71,467 rupees, and Bombay to New York, 62,78,411. From Calcutta sovereigns worth 19,500 rupees were exported to Mauritius and gold worth 3,35,680 rupees to San Francisco. Gold worth 21,84,247 rupees arrived in Bombay from various Asiatic ports.

SILVER.

The tendency of the market has been somewhat easier. Inquiry from the Indian Bazaars appears to have been satisfied for the present and demand from other quarters is not much in evidence. The tendency of the U. S. dollar to appreciate still checks sales from that quarter, but the market has not lacked supplies, as the Continent seems more disposed to sell. The outlook remains doubtful, largely owing to the uncertainty attaching to the movements of the U. S. exchange. We hear that a duty has been imposed upon the export of silver from Mexico, as from the 1st inst. The rate is said to be 5% when the price in New York rules 60 cents or under, and 5½% when over that figure. Another of the links between Chinese currency and the remote past has been broken in Amoy. Accounts are no longer kept in Spanish dollars. More than a year ago the option was given by the banks of opening accounts in Mexican dollars. At the end of May this year all accounts were transferred at par from Spanish to Mexican dollars, and fluctuating quotations in the former obsolete currency are no longer a source of annoyance to the public. During the last three months the gradual increase in the total Indian note circulation has been accompanied by a similar increase in the total of silver reserves. The increase of the former was 747 lacs and of the latter 744. This indicates the confidence held by the masses of India in the Government system of currency, and also that the supplies of silver rupees are somewhat redundant and that for some time to come silver is not likely to be required for coinage purposes in India upon a large scale. The stock in Shanghai on the 30th ult. consisted of about 34,200,000 ounces in sycee, 27,000,000 dollars and 840 bars of silver, as compared with about 34,300,000 ounces in sycee, 27,500,000 dollars and 300 bars of silver on the 23d ult. The Shanghai exchange is quoted at 3s. 9d. the tael. Statistics for the month of July are appended:

		-Bar Silver per oz. Standard-		-Bar Gold	
		Cash Delivery.		For'd Deliv'y. per oz. Fine.	
Highest price	39½d.	38¾d.	115s. 2d.		
Lowest price	35½d.	35¼d.	110s. 1d.		
Average price	37.480d.	36.942d.	113s. 1.0d.		
		-Bar Silver per oz. Standard-		-Bar Gold	
		Cash.		Two Mos. per oz. Fine.	
July 29	38¾d.	38d.	115s. 2d.		
July 30	39½d.	38¾d.			
Aug. 2	38¾d.	38¾d.	115s. 5d.		
Aug. 3	38¾d.	38¾d.	115s. 5d.		
Aug. 4	38¾d.	38¾d.	115s. 1d.		
Average	38.825d.	38.150d.	115s. 3.2d.		

The silver quotations to-day for cash and forward delivery are respectively ¾d. and ¼d. 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:

	London.	Aug. 13.	Aug. 15.	Aug. 16.	Aug. 17.	Aug. 18.	Aug. 19.
Week ending Aug. 19—	Sal.	Mon.	Tues.	Wed.	Thurs.	Fri.	
Silver, per oz.	d. 37½	38	38	38½	38½	38½	
Gold, per fine ounce	112s. 1d.	112s.	112s. 4d.	113s. 9d.	112s. 6d.	112s. 5d.	
Consols, 2½ per cents	48¾	48¼	48½	48¼	48	48	
British, 5 per cents	88½	88½	88½	88½	88	88	
British, 4½ per cents	81½	81½	81½	81½	81½	81½	
French Rentcs (in Paris), fr.	Holiday	56.35	56.50	56.30	56	56.35	
French War Loan (in Paris), fr.	Holiday	81.45	81.45	81.45	81.45	81.45	

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

Silver in N. Y., per oz (ets.):						
Domestic	99¼	99¼	99¼	99¼	99¼	99¼
Foreign	61	61¼	61¼	62	62	62¼

TREASURY CASH AND CURRENT LIABILITIES.

The cash holdings of the Government as the items stood July 30 are set out in the following. The figures are taken entirely from the daily statement of the United States Treasury for July 30:

CURRENT ASSETS AND LIABILITIES.

		GOLD.	
Assets—	\$	Liabilities—	\$
Gold coin	259,189,752 24	Gold cts. outstanding	769,539,609 00
Gold bullion	2,474,119,430 41	Gold settlement fund,	
		Federal Reserve Board	1,580,655,063 97
		Gold reserve	152,979,025 63
		Gold in general fund	230,135,484 05
Total	2,733,309,182 65	Total	2,733,309,182 65

Note.—Reserved against \$346,681,016 of U. S. notes and \$1,568,884 of Treasury notes of 1890 outstanding. Treasury notes are also secured by silver dollars in the Treasury.

show all the monthly changes in national bank notes and in bonds and legal tenders on deposit therefor:

Table showing monthly changes in national bank notes and in bonds and legal tenders on deposit therefor, with columns for Bonds and Legal Tenders on Deposit for and Circulation Afloat Under.

\$136,200,400 Federal Reserve bank notes outstanding July 31 (of which \$135,445,400 secured by U. S. bonds and \$755,000 by lawful money), against \$207,400,000 in 1920.

The following shows the amount of each class of U. S. bonds and certificates on deposit to secure Federal Reserve bank notes and national bank notes on July 31:

Table showing U. S. Bonds Held July 31 to Secure, with columns for Bonds on Deposit July 31 1921, On Deposit to Secure Federal Reserve Bank Notes, On Deposit to Secure National Bank Notes, and Total Held.

The following shows the amount of national bank notes afloat and the amount of legal-tender deposits July 1 and Aug. 1 and their increase or decrease during the month of July:

Table showing National Bank Notes—Total Afloat—Amount afloat July 1 1921, Net amount retired during July, Amount of bank notes afloat Aug. 1 1921, Legal-Tender Notes—Amount on deposit to redeem national bank notes July 1 1921, Net amount of bank notes retired in July, Amount on deposit to redeem national bank notes Aug. 1 1921.

Commercial and Miscellaneous News

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

Table listing Applications to Organize Received, with columns for Date, Bank Name, Correspondent, and Capital.

Table listing Applications to Convert Received, with columns for Date, Bank Name, Correspondent, and Capital.

Table listing Application to Convert Approved, with columns for Date, Bank Name, Correspondent, and Capital.

Table listing Charters Issued, with columns for Date, Bank Name, President, Cashier, and Capital.

Table listing Corporate Existence Extended, with columns for Date, Bank Name, Effective Date, and Capital.

Table listing Corporate Existence Re-Extended, with columns for Date, Bank Name, and Capital.

Table listing Voluntary Liquidation, with columns for Date, Bank Name, Effective Date, Liquidating Agents, and Capital.

Table listing Consolidation, with columns for Date, Bank Name, Capital, and Consolidated under provisions of Act of Nov. 7 1918.

Canadian Bank Clearings.—The clearings for the week ending Aug. 11 at Canadian cities, in comparison with the same week in 1920, show a decrease in the aggregate of 22.7%.

Table showing Canadian Bank Clearings for the week ending August 11, with columns for Clearings at, Week ending August 11, 1921, 1920, Inc. or Dec., 1919, and 1918.

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, including Shares, Stocks, Price, Bonds, and Per cent.

Table listing Auction Sales by Messrs. R. L. Day & Co., Boston, including Shares, Stocks, Price, Bonds, and Per cent.

Table listing Auction Sales by Messrs. Wise, Hobbs & Arnold, Boston, including Shares, Stocks, Price, Bonds, and Per cent.

Table listing Auction Sales by Messrs. Barnes & Lofland, Philadelphia, including Shares, Stocks, Price, Bonds, and Per cent.

DIVIDENDS.

Dividends are now grouped in two separate tables. In the first we bring together all the dividends announced the current week. Then we follow with a second table, in which we show the dividends previously announced, but which have not yet been paid.

Table listing Dividends, with columns for Name of Company, Per Cent., When Payable, and Books Closed Days Inclusive.

Table with columns: Name of Company, Per Cent., When Payable, Books Closed, Days Inclusive. Includes sections for Miscellaneous (Concluded), Railroads (Steam), Street and Electric Railways, Trust Companies, and Miscellaneous.

Below we give the dividends announced in previous weeks and not yet paid. This list does not include dividends announced this week.

Table with columns: Name of Company, Per Cent., When Payable, Books Closed, Days Inclusive. Includes sections for Railroads (Steam), Street and Electric Railways, Trust Companies, and Miscellaneous.

Table with columns: Name of Company, Per Cent., When Payable, Books Closed, Days Inclusive. Includes sections for Miscellaneous (Concluded), Nat. Enameling & Stamping, and various other companies.

* From unofficial sources. † The New York Stock Exchange has ruled that stock will not be quoted ex-dividend on this date and not until further notice.

o Dividends of 50c. a month declared on common stock, payable on the first day of each month to holders of record on the 25th day of the month preceding date of payment.

p Transfers received in London on or before Sept. 10 will be in time for payment of dividend to transferee.

t New York Stock Exchange has ruled that Stern Bros. pref. be not quoted ex the 3 3/4% stock dividend on Aug. 26 and not until Sept. 2.

r Payable in preferred stock.

Transactions at the New York Stock Exchange daily, weekly and yearly.—Brought forward from page 828.

Table with columns: Week ending Aug. 19 1921, Stocks (Shares, Par Value), Railroad & Bonds, State, Mun. & Foreign Bonds, U. S. Bonds. Includes weekly and total data for various categories.

DAILY TRANSACTIONS AT THE BOSTON, PHILADELPHIA AND BALTIMORE EXCHANGES.

Table with columns: Week ending Aug. 19 1921, Boston (Shares, Bond Sales), Philadelphia (Shares, Bond Sales), Baltimore (Shares, Bond Sales). Shows daily transaction data for three cities.

New York City 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 Returns" in the next column:

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

Table with columns: CLEARING NON-MEMBERS (Capital, Profits, Loans, Cash, Reserve, Net Demand, Net Time, Nat'l Circulation). Lists various banks and trust companies with their financial data.

a U. S. deposits deducted, \$723,000. Bills payable, rediscounts, acceptances and other liabilities, \$1,967,000. Excess reserve, \$344,160 increase.

Philadelphia Banks.—The Philadelphia Clearing House statement for the week ending Aug. 13 with comparative figures for the two weeks preceding is as follows. Reserve requirements for members of the Federal Reserve system are 10% on demand deposits and 3% on time deposits, all to be kept with the Federal Reserve Bank.

Table with columns: Week ending Aug. 13 1921, Members of F.R. System, Trust Companies, Total. Includes comparative data for Aug. 6 and July 30 1921 across various financial categories.

*Cash in vaults not counted as reserve for Federal Reserve members.

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

Table with columns: BOSTON CLEARING HOUSE MEMBERS, Aug. 13 1921, Changes from previous week, Aug. 6 1921, July 30 1921. Lists various bank categories and their weekly financials.

Statement of New York City Clearing House Banks and Trust Companies.—The following detailed statement shows the condition of the New York City Clearing House members for the week ending Aug. 13. The figures for the separate banks are the average of the daily results. In the case of totals, actual figures at end of the week are also given.

NEW YORK WEEKLY CLEARING HOUSE RETURNS. (Stated in thousands of dollars—that is, three ciphers [000 omitted].)

Large table with columns: CLEARING HOUSE MEMBERS (Capital, Profits, Loans, Cash, Reserve, Net Demand, Net Time, Nat'l Circulation), Members of Fed. Res. Bank, various bank names, and weekly totals for Aug. 13, 6, and 30. Includes detailed breakdown of assets and liabilities.

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

	Averages.				
	Cash Reserve in Vault.	Reserve in Depositories	Total Reserve.	a Reserve Required.	Surplus Reserve.
Members Federal Reserve banks	\$	\$	\$	\$	\$
State banks*	6,244,000	3,776,000	10,020,000	9,032,400	987,600
Trust companies	2,247,000	4,661,000	6,908,000	6,791,850	116,150
Total Aug. 13	8,491,000	470,289,000	478,780,000	469,215,830	9,564,170
Total Aug. 6	8,335,000	476,913,000	485,248,000	476,736,580	8,511,420
Total July 30	8,482,000	483,974,000	492,456,000	483,000,990	9,455,010
Total July 23	8,723,000	486,007,000	494,730,000	483,925,490	10,804,510

	Actual Figures.				
	Cash Reserve in Vault.	Reserve in Depositories	Total Reserve.	b Reserve Required.	Surplus Reserve.
Members Federal Reserve banks	\$	\$	\$	\$	\$
State banks*	6,033,000	3,832,000	9,865,000	9,111,030	753,970
Trust companies	2,179,000	4,785,000	6,964,000	6,866,850	99,150
Total Aug. 13	8,242,000	478,935,000	487,177,000	471,373,050	15,803,950
Total Aug. 6	8,312,000	481,308,000	489,620,000	469,839,710	19,780,290
Total July 30	8,307,000	459,746,000	468,053,000	481,374,120	113,321,120
Total July 23	8,600,000	480,455,000	489,055,000	482,759,719	6,295,290

* Not members of Federal Reserve Bank.
 a This is the reserve required on net demand deposits in the case of State banks and trust companies, but in the case of members of the Federal Reserve banks includes also amount of reserve required on net time deposits, which was as follows: Aug. 13, \$4,830,090; Aug. 6, \$4,812,660; July 30, \$4,906,830; July 23, \$4,975,860.
 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: Aug. 13, \$4,821,510; Aug. 6, \$4,812,300; July 30, \$4,921,350; July 23, \$4,902,300.

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:

SUMMARY OF STATE BANKS AND TRUST COMPANIES IN GREATER NEW YORK, NOT INCLUDED IN CLEARING HOUSE STATEMENT.

(Figures Furnished by State Banking Department.)

	k Aug. 13.	Differences from previous week.
Loans and investments	\$606,670,400	Dec. \$1,176,800
Gold	6,876,400	Inc. 43,400
Currency and bank notes	16,030,700	Inc. 51,400
Deposits with Federal Reserve Bank of New York	50,423,100	Dec. 1,295,800
Total deposits	631,473,200	Dec. 3,394,300
Deposits, eliminating amounts due from reserve depositories, and from other banks and trust companies in N. Y. City, exchanges and U. S. deposits	582,704,500	Dec. 4,543,500
Reserve on deposits	104,007,500	Dec. 1,161,600
Percentage of reserve, 20.5%.		

	RESERVE.			
	State Banks		Trust Companies	
Cash in vaults	*\$25,501,200	15.89%	\$47,829,000	13.80%
Deposits in banks & trust companies	8,480,500	5.28%	22,196,800	6.40%
Total	\$33,981,700	21.17%	\$70,025,800	20.20%

* Includes deposits with the Federal Reserve Bank of New York, which for the State banks and trust companies combined on Aug. 13 were \$50,423,100.
 k The Equitable Trust Co. is no longer included in these totals, it having become a member of the Clearing House and being now included in the statement of the Clearing House member banks. The change began with the return for Sept. 25.

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:

The Federal Reserve Banks.—Following is the weekly statement issued by the Federal Reserve Board on Aug. 18. The figures for the system as a whole are given in the following table, and in addition we present the results for seven preceding weeks, together with those of corresponding weeks of last year. The second table shows the resources and liabilities separately for each of the twelve banks. The Federal Reserve Agents' Accounts (third table following) gives details regarding transactions in Federal Reserve notes between the Comptroller and Reserve Agents and between the latter and Federal Reserve banks. In commenting upon the return for the latest week the Federal Reserve Board says:

Further gains of \$24,400,000 of gold and of \$24,600,000 of total cash reserves, accompanied by a reduction of \$17,100,000 in Federal Reserve note circulation and an increase of \$8,800,000 in deposit liabilities, are indicated in the Federal Reserve Board's weekly bank statement issued as at close of business on Aug. 17 1921. The banks' reserve ratio shows a rise for the week from 65 to 65.8%.

All classes of earning assets show smaller totals than the week before: Bills secured by United States Government obligations by \$3,200,000, other discounts by \$11,300,000, acceptances purchased in open market by \$3,100,000, Pittman certificates to secure outstanding Federal Reserve bank note circulation by \$3,000,000 and other Treasury certificates, largely held under repurchase agreements by the New York and Chicago Reserve banks by \$11,300,000. Total earning assets in consequence of the changes noted show a further reduction for the week of \$32,100,000 and on Aug. 17 stood at \$1,799,300,000, or about 44% below the total reported about a year ago.

Of the total holdings of \$559,700,000 of paper secured by United States Government obligations, \$367,200,000, or 65.6%, were secured by Liberty and other U. S. bonds, \$161,300,000, or 28.8%, by Victory notes, \$5,300,000, or 1% by Treasury notes and \$25,900,000, or 4.6%, by Treasury certificates, compared with \$370,700,000, \$165,100,000, \$5,200,000 and \$21,900,000 reported the week before.

Discounted bills held by the Boston, New York and Cleveland banks include \$54,400,000 of bills discounted for the Richmond, Atlanta, Minne-

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.
June 11	\$ 5,133,916,400	\$ 4,344,640,400	\$ 115,862,000	\$ 593,039,900
June 18	5,159,297,200	4,356,385,400	111,206,200	615,166,100
June 25	5,202,318,800	4,291,071,600	112,499,100	595,220,400
July 2	5,204,031,100	4,326,379,600	109,716,700	580,941,200
July 9	5,137,681,600	4,274,515,500	115,158,000	582,114,000
July 16	5,077,470,000	4,255,964,300	116,703,500	574,530,600
July 23	5,020,355,400	4,247,218,500	108,531,900	568,566,800
July 30	5,012,064,900	4,241,523,600	108,482,600	566,326,300
Aug. 6	5,074,549,200	4,191,083,000	105,260,300	559,269,800
Aug. 13	5,035,730,400	4,128,636,500	107,530,100	551,389,400

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

Condition of the Federal Reserve Bank of New York.—The following shows the condition of the Federal Reserve Bank of New York at the close of business Aug. 17 1921, in comparison with the previous week and the corresponding date last year:

	Aug. 17 1921.	Aug. 10 1921.	Aug. 20 1920.
Resources—	\$	\$	\$
Gold and gold certificates	318,092,776	334,492,658	95,414,000
Gold settlement fund—F. R. Board	39,771,166	23,858,059	36,576,000
Gold with foreign agencies			40,905,000
Total gold held by bank	357,863,943	358,350,718	172,895,000
Gold with Federal Reserve Agent	472,526,278	442,746,278	277,126,000
Gold redemption fund	20,000,000	20,000,000	35,983,000
Total gold reserves	850,390,221	821,096,996	486,004,000
Legal tender notes, silver, &c.	61,968,645	63,299,393	124,111,000
Total reserves	912,358,866	884,396,389	610,115,000
Bills discounted: Secured by U. S. Government obligations—for members	140,099,160	145,641,417	542,099,000
For other F. R. Banks	27,862,160	28,728,100	230,000
All other—for members	167,961,320	174,369,517	542,329,000
For other F. R. Banks	195,439,938	208,289,868	334,450,000
For other F. R. Banks	4,735,000	5,310,000	8,076,000
Bills bought in open market	200,174,938	213,599,868	342,526,000
Total bills on hand	20,268,742	25,506,568	112,907,000
Total bills on hand	388,405,001	413,475,954	997,762,000
U. S. Government bonds and notes	1,005,400	1,005,400	1,512,000
U. S. certificates of indebtedness—			
One-year Certificates (Pittman Act)	52,276,000	52,276,000	59,276,000
All others	5,522,000	14,807,000	10,353,000
Total earning assets	447,208,401	481,564,354	1,068,903,000
Bank premises	5,514,838	5,464,465	3,846,000
5% redemp. fund agst. F. R. bank notes	1,658,960	1,712,760	2,189,000
Uncollected items	120,167,193	103,893,367	168,254,000
All other resources	2,615,292	2,814,077	782,000
Total resources	1,489,523,552	1,479,845,414	1,854,089,000
Liabilities—			
Capital paid in	26,983,000	26,968,300	25,336,000
Surplus	59,318,368	59,318,368	51,308,000
Reserved for Government Franchise Tax	18,677,010	18,484,010	
Deposits:			
Government	282,693	5,477,798	19,089,000
Member Banks—Reserve Account	610,152,279	610,660,704	706,632,000
All Other	15,132,306	11,742,531	21,410,000
Total deposits	625,567,279	627,881,034	747,131,000
F. R. notes in actual circulation	637,644,500	638,044,700	854,295,000
F. R. bank notes in circula'n—net liability	28,492,200	29,361,200	35,267,000
Deferred availability items	88,663,186	75,682,562	110,143,000
All other liabilities	4,178,008	4,105,239	30,609,000
Total liabilities	1,489,523,552	1,479,845,414	1,854,089,000
Ratio of total reserves to deposit and F. R. note liabilities combined	72.2%	69.9%	39.5%
Ratio of total reserves to F. R. Notes in circulation after setting aside 35% against deposit liabilities	108.7%	104.2%	43.2%
Contingent liability on bills purchased for foreign correspondents	15,297,969	15,389,840	6,079,000

Note.—In conformity with the practice of the Federal Reserve Board at Washington, method of computing ratios of reserves to liabilities was changed beginning with the return for March 18. Instead of computing reserves on the basis of *net* deposits—that is, including in the total of deposits "deferred availability items" but deducting "uncollected items"—the new method is to disregard both amounts and figure the percentages entirely on the gross amount of the deposits. For last year, however, the computations are on the old basis; that is, reserve percentages are calculated on basis of *net* deposits and Federal Reserve notes in circulation.

apolis and Dallas banks, compared with \$53,300,000 reported on the previous Wednesday. The Richmond Bank reports a further reduction of its accommodation at the New York Reserve Bank from \$24,000,000 to \$20,000,000, the Atlanta bank shows an increase in the amount of bills rediscounted with the Boston Reserve Bank from \$1,500,000 to \$2,100,000. The Reserve Bank of Minneapolis reports an increase in bills discounted with the New York bank from slightly over \$10,000,000 to \$12,600,000, while the Dallas bank shows an increase in its accommodation at the Boston and Cleveland banks from \$17,700,000 to \$19,800,000.

As against a decrease of \$16,600,000 in Government deposits, there is shown an increase of about \$20,000,000 in members' reserve deposits, and of \$5,400,000 in other deposits, composed largely of non-members' clearing accounts and cashier's checks.

In addition to the decrease of \$17,100,000 in Federal Reserve note circulation, there is also shown a reduction of \$3,800,000 in the Reserve banks' combined liabilities on Federal Reserve Bank notes in circulation. Since Dec. 23 1920, when the high total of \$3,404,931,000 was reached, Federal Reserve note circulation has fallen off over \$900,000,000, or over 26%. During the same period the Reserve banks' aggregate liabilities on Federal Reserve bank notes have decreased by over \$104,000,000, or nearly 48%.

Owing largely to increases in capitalization of member banks in the Kansas City, Philadelphia, New York and Boston districts, the Reserve banks' paid-in-capital shows an increase of \$296,000 for the week.

COMBINED RESOURCES AND LIABILITIES OF THE FEDERAL RESERVE BANKS AT THE CLOSE OF BUSINESS AUG. 17 1921

	Aug. 17 1921.	Aug. 10 1921.	Aug. 3 1921.	July 27 1921.	July 20 1921.	July 13 1921.	July 6 1921.	June 29 1921.	Aug. 20 1920.
RESOURCES.	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gold and gold certificates	407,452,000	423,005,000	412,836,000	389,665,000	368,448,000	352,341,000	338,957,000	323,900,000	183,125,000
Gold settlement fund, F. R. Board	418,738,000	408,756,000	425,766,000	419,741,000	404,005,000	402,248,000	403,146,000	407,234,000	366,892,000
Gold with foreign agencies									111,455,000
Total gold held by banks	826,190,000	831,761,000	838,602,000	809,406,000	772,453,000	754,589,000	742,103,000	731,134,000	661,472,000
Gold with Federal Reserve agents	1,660,062,000	1,640,626,000	1,615,482,000	1,616,287,000	1,624,332,000	1,623,321,000	1,598,265,000	1,597,219,000	1,164,264,000
Gold redemption fund	114,043,000	103,514,000	98,729,000	105,538,000	111,513,000	114,634,000	137,438,000	133,576,000	140,615,000
Total gold reserve	2,600,295,000	2,575,901,000	2,552,813,000	2,531,231,000	2,508,298,000	2,492,544,000	2,477,806,000	2,461,931,000	1,966,351,000

	Aug. 17 1921.	Aug. 10 1921.	Aug. 3 1921.	July 27 1921.	July 20 1921.	July 13 1921.	July 6 1921.	June 29 1921.	Aug. 20 1920.
Legal tender notes, silver, &c.	\$ 145,173,990	\$ 144,947,000	\$ 151,030,000	\$ 154,065,000	\$ 151,068,000	\$ 155,050,000	\$ 153,405,000	\$ 163,527,000	\$ 155,486,000
Total reserves	2,745,468,000	2,720,848,000	2,703,843,000	2,685,296,000	2,659,366,000	2,647,594,000	2,631,211,000	2,625,458,000	2,121,837,000
Bills discounted									
Secured by U. S. Govt. obligations	559,689,000	562,918,000	572,609,000	591,450,000	609,779,000	618,784,000	674,377,000	647,761,000	1,301,609,000
All other	952,428,000	953,741,000	1,045,009,000	1,059,046,000	1,076,370,000	1,085,196,000	1,126,986,000	1,123,801,000	1,320,820,000
Bills bought in open market	41,910,000	44,978,000	29,961,000	19,424,000	23,907,000	25,135,000	31,136,000	31,601,000	320,597,000
Total bills on hand	1,554,027,000	1,571,637,000	1,647,579,000	1,669,920,000	1,710,056,000	1,729,115,000	1,832,499,000	1,803,165,000	2,943,026,000
U. S. Bonds and notes	34,028,000	34,152,000	34,114,000	34,175,000	35,407,000	36,098,000	36,610,000	34,549,000	26,878,000
U. S. certificates of indebtedness:									
One-year certificates (Pittman Act)	203,375,000	203,375,000	207,875,000	214,375,000	215,875,000	215,875,000	215,875,000	215,875,000	259,375,000
All other	7,876,000	19,215,000	13,541,000	938,000	2,892,000	18,534,000	10,551,000	6,908,000	17,783,000
Total earning assets	1,799,308,000	1,831,379,000	1,903,109,000	1,919,408,000	1,964,230,000	1,999,622,000	2,095,535,000	2,060,495,000	3,247,062,000
Bank premises	26,952,000	26,720,000	25,892,000	25,846,000	25,762,000	25,519,000	24,861,000	24,845,000	14,654,000
5% redemp. fund agst. F. R. bank notes	9,471,000	9,516,000	9,614,000	9,666,000	9,954,000	10,033,000	9,679,000	10,042,000	11,600,000
Uncollected items	531,871,000	483,446,000	493,700,000	494,948,000	544,655,000	590,694,000	557,162,000	506,454,000	781,125,000
All other resources	17,302,000	16,787,000	17,176,000	15,046,000	12,813,000	14,698,000	13,088,000	14,747,000	4,942,000
Total resources	5,130,370,000	5,088,696,000	5,153,334,000	5,150,210,000	5,216,780,000	5,288,360,000	5,331,536,000	5,242,041,000	6,181,220,000
LIABILITIES.									
Capital paid in	102,896,000	102,600,000	102,372,000	102,263,000	102,222,000	102,090,000	102,103,000	102,184,000	96,759,000
Surplus	213,824,000	213,824,000	213,824,000	213,824,000	213,824,000	213,824,000	213,824,000	202,036,000	164,745,000
Reserved for Govt. franchise tax	47,008,000	45,608,000	45,826,000	45,503,000	44,231,000	43,419,000	42,065,000	40,910,000	---
Deposits—Government	19,014,000	35,595,000	56,747,000	31,709,000	34,967,000	10,942,000	34,024,000	15,352,000	54,959,000
Member banks—reserve account	1,621,570,000	1,601,583,000	1,619,920,000	1,638,637,000	1,630,196,000	1,655,303,000	1,651,757,000	1,641,156,000	1,793,675,000
All other	30,665,000	25,294,000	28,399,000	24,928,000	27,856,000	27,746,000	27,371,000	29,280,000	44,828,000
Total	1,671,249,000	1,662,472,000	1,705,066,000	1,695,274,000	1,693,019,000	1,693,991,000	1,713,152,000	1,685,788,000	1,893,462,000
F. R. notes in actual circulation	2,503,642,000	2,520,744,000	2,536,673,000	2,537,617,000	2,564,613,000	2,603,833,000	2,671,916,000	2,634,475,000	3,174,725,000
F. R. bank notes in circulation—net liab	114,502,000	118,301,000	122,379,000	125,143,000	127,875,000	130,556,000	133,303,000	132,400,000	198,563,000
Deferred availability items	458,120,000	405,696,000	409,227,000	413,037,000	453,543,000	483,901,000	438,455,000	412,214,000	591,094,000
All other liabilities	19,131,000	18,451,000	17,967,000	17,549,000	17,453,000	16,746,000	16,718,000	32,034,000	61,872,000
Total liabilities	5,130,370,000	5,088,696,000	5,153,334,000	5,150,210,000	5,216,780,000	5,288,360,000	5,331,536,000	5,242,041,000	6,181,220,000
Ratio of gold reserves to deposit and F. R. note liabilities combined	62.3%	61.6%	60.2%	59.8%	58.9%	58.2%	56.5%	56.9%	38.8%
Ratio of total reserves to deposit and F. R. note liabilities combined	65.8%	65.0%	63.7%	63.4%	62.5%	61.6%	60.0%	60.8%	41.8%
Ratio of total reserves to F. R. notes in circulation after setting aside 35% against deposit liabilities	86.3%	84.9%	83.1%	82.4%	80.6%	78.9%	76.0%	77.3%	45.9%
Distribution by Maturities—									
	\$	\$	\$	\$	\$	\$	\$	\$	\$
1-15 days bills bought in open market	24,264,000	30,069,000	19,028,000	9,675,000	14,258,000	17,225,000	19,311,000	16,225,000	112,734,000
1-15 days bill discounted	860,478,000	877,117,000	947,421,000	943,796,000	971,150,000	984,521,000	1,049,579,000	1,032,489,000	1,515,379,000
1-15 days U. S. certif. of indebtedness	19,026,000	23,895,000	15,265,000	4,700,000	3,700,000	10,063,000	4,228,000	2,600,000	25,538,000
16-30 days bills bought in open market	8,472,000	5,548,000	3,053,000	2,951,000	3,277,000	3,243,000	6,708,000	7,706,000	70,815,000
16-30 days bills discounted	157,136,000	146,977,000	149,629,000	156,985,000	163,545,000	160,140,000	169,610,000	165,256,000	219,669,000
16-30 days U. S. certif. of indebtedness	12,397,000	15,010,000	12,500,000	10,245,000	6,595,000	4,700,000	4,700,000	6,528,000	19,483,000
31-60 days bills bought in open market	4,813,000	4,931,000	4,271,000	3,259,000	2,983,000	2,827,000	3,434,000	4,760,000	110,891,000
31-60 days bills discounted	273,237,000	268,905,000	270,797,000	281,629,000	286,529,000	265,996,000	280,130,000	271,088,000	511,330,000
31-60 days U. S. certif. of indebtedness	32,663,000	38,929,000	36,450,000	34,317,000	29,742,000	28,002,000	20,959,000	17,669,000	28,524,000
61-90 days bills bought in open market	4,358,000	4,267,000	3,606,000	3,536,000	3,379,000	1,830,000	1,683,000	2,910,000	26,157,000
61-90 days bills discounted	181,320,000	185,668,000	198,782,000	198,559,000	190,922,000	215,803,000	223,550,000	213,178,000	332,684,000
61-90 days U. S. certif. of indebtedness	13,659,000	20,425,000	29,456,000	25,742,000	35,092,000	44,376,000	39,482,000	34,814,000	16,908,000
Over 90 days bills bought in open market	3,000	163,000	3,000	3,000	10,000	10,000	---	---	---
Over 90 days bills discounted	39,946,000	47,992,000	50,989,000	69,527,000	74,003,000	77,520,000	78,194,000	89,551,000	40,367,000
Over 90 days certif. of indebtedness	133,506,000	127,331,000	127,745,000	140,309,000	143,638,000	147,268,000	157,057,000	161,172,000	186,705,000
Federal Reserve Notes—									
Outstanding	2,885,217,000	2,900,323,000	2,917,123,000	2,933,241,000	2,969,666,000	3,000,507,000	3,014,824,000	2,996,025,000	3,462,875,000
Held by banks	381,575,000	379,579,000	380,450,000	395,624,000	405,053,000	396,674,000	342,908,000	361,550,000	288,150,000
In actual circulation	2,503,642,000	2,520,744,000	2,536,673,000	2,537,617,000	2,564,613,000	2,603,833,000	2,671,916,000	2,634,475,000	3,174,725,000
Amount chargeable to Fed. Res. agent in hands of Federal Reserve Agent	3,714,561,000	3,717,657,000	3,720,177,000	3,742,072,000	3,781,176,000	3,785,977,000	3,784,499,000	3,803,365,000	3,922,738,000
Issued to Federal Reserve banks	2,885,217,000	2,900,323,000	2,917,123,000	2,933,241,000	2,969,666,000	3,000,507,000	3,014,824,000	2,996,025,000	3,462,875,000
How Secured—									
By gold and gold certificates	373,992,000	344,992,000	344,992,000	344,993,000	344,993,000	344,992,000	344,993,000	344,992,000	260,226,000
By eligible paper	1,225,155,000	1,259,697,000	1,301,641,000	1,316,954,000	1,345,334,000	1,377,186,000	1,416,559,000	1,398,806,000	2,298,611,000
Gold redemption fund	125,550,000	107,104,000	119,176,000	117,047,000	118,896,000	119,094,000	126,558,000	127,264,000	118,254,000
With Federal Reserve Board	1,160,520,000	1,188,530,000	1,151,314,000	1,154,247,000	1,160,443,000	1,159,235,000	1,126,714,000	1,124,963,000	785,784,000
Total	2,885,217,000	2,900,323,000	2,917,123,000	2,933,241,000	2,969,666,000	3,000,507,000	3,014,824,000	2,996,025,000	3,462,875,000
Eligible paper delivered to F. R. Agent	1,506,343,000	1,528,776,000	1,607,793,000	1,626,719,000	1,659,119,000	1,676,862,000	1,773,005,000	1,744,990,000	2,860,488,000

WEEKLY STATEMENT OF RESOURCES AND LIABILITIES OF EACH OF THE 12 FEDERAL RESERVE BANKS AT CLOSE OF BUSINESS AUG. 17 1921.

Two ciphers (00) omitted. Federal Reserve Bank of—	Boston.	New York.	Phlla.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneap.	Kan. City.	Dallas.	San Fran.	Total.
RESOURCES.													
Gold and gold certificates	\$ 8,150.0	\$ 318,093.0	\$ 2,295.0	\$ 6,608.0	\$ 2,725.0	\$ 4,809.0	\$ 21,549.0	\$ 2,981.0	\$ 8,634.0	\$ 2,177.0	\$ 8,645.0	\$ 20,785.0	\$ 407,452.0
Gold settlement fund—F. R. B'd	31,295.0	39,771.0	48,627.0	58,200.0	22,471.0	5,660.0	107,773.0	18,338.0	7,986.0	44,093.0	4,602.0	29,922.0	418,738.0
Total gold held by banks	39,445.0	357,864.0	50,922.0	64,808.0	25,196.0	10,469.0	129,322.0	21,319.0	16,620.0	46,270.0	13,248.0	50,707.0	826,190.0
Gold with F. R. agents	186,874.0	472,526.0	147,512.0	181,555.0	30,220.0	49,294.0	306,521.0	57,392.0	19,239.0	37,669.0	10,281.0	160,969.0	1,660,062.0
Gold redemption fund	26,981.0	20,000.0	6,395.0	8,520.0	12,018.0	4,653.0	16,348.0	3,672.0	2,055.0	2,348.0	3,349.0	7,703.0	114,043.0
Total gold reserves	253,300.0	850,390.0	204,829.0	254,893.0	67,434.0	64,415.0	452,191.0	82,383.0	37,924.0	86,287.0	25,869.0	219,379.0	2,600,295.0
Legal tender notes, silver, &c.	16,548.0	61,969.0	3,010.0	5,816.0	4,136.0	7,762.0	17,923.0	13,130.0	928.0	3,949.0	6,598.0	3,404.0	145,173.0
Total reserves	269,848.0	912,359.0	207,839.0	260,709.0	71,570.0	72,178.0	470,114.0	95,513.0	38,852.0	90,236.0	33,467.0	222,783.0	2,745,468.0
Bills discounted: Secured by U. S. Govt. obligations	38,095.0	167,961.0	85,949.0	38,406.0									

LIABILITIES (Concluded)— Two ciphers (00) omitted.	Boston.	New York.	Phila.	Cleveland.	Richmond	Atlanta.	Chicago.	St. Louis.	Minneap.	Kan. City.	Dallas.	San Fran.	Total.
Ratio of total reserves to deposit and F. R. note liabilities combined, per cent.	76.6	72.2	64.5	69.2	44.0	40.9	69.1	58.5	39.6	59.6	40.5	64.5	65.8
Contingent liability as endorser on discounted paper rediscounted with other F. R. banks					20,000.0	2,071.0			12,597.0		19,753.0		54,421.0
Contingent liability on bills purchased for foreign correspondents	3,279.0	15,298.0	3,594.0	3,683.0	2,201.0	1,617.0	5,345.0	2,111.0	1,213.0	2,156.0	1,168.0	2,066.0	43,731.0
Includes bills discounted for other F. R. banks, viz.:	17,031.0	32,597.0		4,783.0									54,421.0

STATEMENT OF FEDERAL RESERVE AGENTS' ACCOUNTS AT CLOSE OF BUSINESS AUG. 17 1921.

Federal Reserve Agent at—	Boston.	New York	Phila.	Cleve.	Richm'd	Atlanta	Chicago	St. L.	Min.	K. City	Dallas	San Fr.	Total.
Resources— (In Thousands of Dollars)													
Federal Reserve notes on hand	94,010	303,120	29,620	43,320	22,929	78,183	167,720	24,540	14,090	3,840	25,012	31,960	829,344
Federal Reserve notes outstanding	261,151	783,269	243,180	262,462	118,265	139,151	483,293	121,093	58,480	84,183	43,488	287,193	2,885,217
Collateral security for Federal Reserve notes outstanding:													
Gold and gold certificates	5,600	316,924		23,775		3,400		6,110	13,052		5,131		373,992
Gold redemption fund	21,274	19,302	19,123	12,790	3,220	5,894	15,876	3,451	1,987	3,309	2,915	16,109	125,550
Gold settlement fund—Federal Reserve Board	160,000	135,000	128,389	145,000	27,000	40,000	290,645	47,831	4,200	34,360	2,235	144,860	1,160,520
Eligible paper (Amount required)	74,277	310,743	95,668	80,897	88,045	89,857	176,775	63,704	39,241	46,517	33,207	126,224	1,225,155
Excess amount held	13,113	49,798	5,144	51,173	12,450	13,601	44,211	10,420	30,030	20,635	21,051	6,555	281,188
Total	629,422	1,919,453	512,124	622,417	271,919	370,086	1,178,523	277,152	161,080	192,847	133,039	612,901	6,880,966
Liabilities—													
Net amount of Federal Reserve notes received from Comptroller of the Currency	355,161	1,983,389	263,800	305,782	141,194	217,334	651,016	145,633	72,570	88,023	68,500	319,153	3,714,561
Collateral received from (Gold)	183,874	472,523	147,512	181,535	30,220	49,294	306,521	57,392	19,239	37,669	10,281	160,969	1,660,062
Federal Reserve Bank (Eligible paper)	87,337	339,541	109,812	135,073	100,595	103,458	220,983	74,124	69,271	67,152	54,258	132,779	1,506,343
Total	629,422	1,919,453	512,124	622,417	271,919	370,086	1,178,523	277,152	161,080	192,847	133,039	612,901	6,880,966
Federal Reserve notes outstanding	261,151	783,269	243,180	262,432	118,265	139,151	483,296	121,096	58,480	84,186	43,488	287,193	2,885,217
Federal Reserve notes held by banks	19,540	145,324	23,637	25,672	8,590	7,405	59,049	21,798	2,863	8,605	3,542	61,249	381,575
Federal Reserve notes in actual circulation	241,611	637,645	216,543	236,790	109,675	131,745	433,247	99,298	55,617	75,581	39,946	225,944	2,503,642

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, published in the "Chronicle" Dec. 29 1917, page 2523.

STATEMENT SHOWING PRINCIPAL RESOURCE AND LIABILITY ITEMS OF REPORTING MEMBER BANKS IN FEDERAL RESERVE BANK AND BRANCH CITIES AND ALL OTHER REPORTING BANKS AS AT CLOSE OF BUSINESS AUG. 10 1921.

Net liquidation of about \$80,000,000 of loans and discounts, accompanied by commensurate reduction in borrowings from Federal Reserve banks, is indicated in the Federal Reserve Board's consolidated weekly statement of condition on Aug. 10 of 813 member banks in leading cities.

No change is shown in loans secured by Government obligations, while loans secured by corporate obligations declined by \$16,000,000 and other loans and discounts, largely of a commercial and industrial character, decreased by \$63,000,000. Corresponding changes for member banks in New York City include a nominal increase in loans secured by Government obligations, a reduction of \$15,000,000 in loans secured by corporate obligations and a reduction of \$40,000,000 in commercial loans and discounts.

Investments of reporting member banks in United States bonds and Victory notes show an increase of about \$5,000,000, holdings of Treasury notes fell off \$4,000,000, those of United States certificates of indebtedness \$22,000,000, and those of other securities about \$1,000,000. Only nominal changes in the several classes of investments are shown for the member banks in New York City. In consequence of the above changes, total loans and investments of the reporting institutions show a further

decline for the week of \$102,000,000, the Aug. 10 total of \$14,949,000,000 being about 11.1% below the figure reported about a year ago. For the New York City banks the corresponding decrease since Aug. 13 of last year was about 16.2%.

Accommodation of reporting banks at the Federal Reserve banks shows a further decrease for the week from \$1,079,000,000 to \$997,000,000, or from 7.2 to 6.7% of the banks' total loans and investments. For the New York City banks a decrease from \$299,000,000 to \$273,000,000 in the total borrowings from the local Reserve bank and from 6.3 to 5.8% in the ratio of accommodation is shown.

Government deposits show a reduction for the week of \$9,000,000, other demand deposits (net) declined by \$20,000,000, while time deposits show an increase of \$2,000,000. For member banks in New York City decreases of \$5,000,000 in Government deposits, of \$36,000,000 in other demand deposits, as against an increase of \$3,000,000 in time deposits, are noted.

Reserve balances with the Federal Reserve banks were \$19,000,000 less than the week before, while cash in vault shows an increase of \$6,000,000. For the New York City banks a decrease of \$9,000,000 in Reserve balances and a gain of about \$2,000,000 in cash are noted.

Data for all reporting member banks in each Federal Reserve District at close of business Aug. 10 1921. Three ciphers (000) omitted.

Federal Reserve District.	Boston.	New York	Philadel.	Cleveland.	Richm'd.	Atlanta.	Chicago.	St. Louis.	Minneap.	Kan. City	Dallas.	San Fran.	Total.
Number of reporting banks	49	112	58	87	82	43	112	37	35	79	52	67	813
Loans and discounts, including bills rediscounted with F. R. Bank:													
Loans sec. by U. S. Govt. obligations	34,886	242,272	71,059	55,997	24,911	20,443	80,437	19,103	12,991	19,225	6,850	27,037	615,211
Loans secured by stocks and bonds	183,815	1,250,989	180,597	333,641	107,535	52,874	448,136	118,512	32,729	70,125	37,155	146,712	2,962,920
All other loans and discounts	601,415	2,693,029	365,383	674,420	332,345	304,621	1,186,071	304,590	236,038	371,397	203,651	742,252	8,015,218
Total loans and discounts	820,116	4,186,290	617,039	1,064,058	454,891	377,938	1,714,644	442,211	281,758	460,747	247,656	916,001	11,593,349
U. S. bonds	36,214	313,386	48,212	103,722	60,390	31,114	70,794	25,580	16,004	32,742	34,391	97,521	868,072
U. S. Victory notes	5,986	78,482	6,208	16,490	4,933	2,302	28,499	1,945	769	2,947	1,232	15,801	165,513
U. S. Treasury notes	2,059	33,356	8,964	1,641	700		6,902	220	254	480	726	3,804	59,089
U. S. certificates of indebtedness	8,243	99,897	29,307	19,694	8,356	3,377	26,662	4,568	2,062	10,868	3,816	23,236	240,086
Other bonds, stocks and securities	137,292	714,672	155,509	278,163	53,530	37,182	339,184	66,144	19,744	44,745	9,573	167,191	2,022,935
Total loans, disc'ts & investments, incl. bills rediscounted with F. R. Bank	1,099,901	5,426,083	863,226	1,483,770	592,817	451,913	2,186,595	549,671	320,591	552,599	297,394	1,223,554	14,949,044
Reserve balance with F. R. Bank	75,090	552,645	61,348	90,711	31,476	25,338	175,932	37,474	16,033	37,830	20,357	75,701	1,199,941
Cash in vault	21,164	105,559	17,137	28,244	14,774	9,550	54,922	6,842	6,455	12,954	10,149	22,728	310,480
Net demand deposits	712,987	4,388,796	611,082	791,276	297,562	209,484	1,298,200	285,862	174,489	377,205	183,323	561,136	9,895,403
Time deposits	178,451	418,304	41,470	429,954	121,432	143,185	651,137	142,372	68,823	101,873	60,207	541,650	2,898,858
Government deposits	28,197	175,911	40,703	31,526	10,930	5,349	37,260	10,632	9,349	8,727	7,234	15,326	381,144
Bills payable with Federal Reserve Bank:													
Secured by U. S. Govt. obligations	9,424	112,543	27,430	19,906	21,279	12,303	27,100	11,372	3,457	5,521	3,851	18,747	272,933
All other				27	580				25		410	141	1,183
Bills rediscounted with F. R. Bank:													
Secured by U. S. Govt. obligations	6,940	14,792	21,452	7,228	2,877	7,113	9,210	2,358	1,040	2,273	376	3,001	78,660
All other	26,745	195,552	25,140	81,495	44,937	33,092	90,943	30,591	27,123	28,118	13,634	47,188	644,558

2. Data of reporting member banks in Federal Reserve Bank and branch cities and all other reporting banks.

Three ciphers (000) omitted.	New York City.		City of Chicago.		All F. R. Bank Cities.		F. R. Branch Cities.		All Other Report. Bks.		Total.		
	Aug. 10.	Aug. 3.	Aug. 10.	Aug. 3.	Aug. 10.	Aug. 3.	Aug. 10.	Aug. 3.	Aug. 10.	Aug. 3.	Aug. 10 '21	Aug. 3 '21	Aug. 13 '20
Number of reporting banks	70	70	51	51	280	280	214	214	319	319	813	813	818
Loans and discounts, incl. bills rediscounted with F. R. Bank:													
Loans sec. by U. S. Govt. obligations	219,940	218,647	57,021	60,395	434,467	440,113	99,476	97,202	81,268	77,765	615,211	615,080	964,008
Loans secured by stocks & bonds	1,094,490	1,109,350	326,042	326,342	2,078,804	2,093,475	471,356	439,330	412,730	416,112	2,962,920	2,978,920	2,998,313
All other loans and discounts	2,394,710	2,434,980	755,325	765,081	5,191,352	5,244,327	1,456,354	1,465,287	1,357,512	1,368,962	8,015,218	8,078,576	a
Total loans and discounts	3,709,140	3,763,977	1,138,388	1,151,818	7,704,623	7,777,915	2,027,180	2,031,828	1,851,512	1,862,839	11,593,349	11,672,582	a
U. S. bonds	266,982	266,439	18,667	18,935	442,758	440,273	214,634	213,466	210,680	209,698	868,072	863,435	875,610
U. S. Victory notes	70,652	71,684	12,721	12,300	98,434	98,387	39,306	38,878	27,772	27,839	165,513	165,104	191,234
U. S. Treasury notes	30,257	31,732	1,696	1,574	43,179	45,702	7,935	9,320	7,975	8,459	59,089	63,481	
U. S. certificates of indebtedness	92,440	93,626	13,410	15,740	164,692	178,533	48,443	52,512	26,951	31,285	240,086	262,330	393,644
Other bonds, stocks and securities	533,201	537,290	130,987	131,353	1,097,305	1,098,571	579,208	578,012	346,422	347,511	2,022,935	2,024,094	p
Total loans & disc'ts, & invest'ts, incl. bills rediscounted with F. R. Bk.	4,707,690	4,763,748	1,315,579	1,331,722	9,550,991	9,639,331	2,916,706	2,924,016	2,481,347	2,487,629	14,949,044	15,051,026	16,828,278
Reserve balance with F. R. Bank	508,748	517,848	125,842	123,342	876,252	886,016	185,362	192,546	138,327	139,975	1,199,941	1,218,537	1,392,231
Cash in vault	92,557	90,615	32,434	31,080	178,262	174,774	57,163	57,562	75,055	72,442	310,480	304,778	354,506
Net demand deposits	3,925,140	3,961,557	888,381	880,626	6,908,394	6,928,571	1,568,762	1,570,895	1,418,247	1,415,871	9,895,403	9,915,337	11,382,363
Time deposits													

Bankers' Gazette.

Wall Street, Friday Night, Aug. 19 1921.

Railroad and Miscellaneous Stocks.—Business in the stock market during the early part of the week was almost wholly of a routine character. No buying for investment was in evidence and few if any shares disappeared from the Street. As practically all the business originated with operators on the short side of the market, prices dropped automatically, although generally within a narrow range.

As the week advanced word came from Washington that sentiment in favor of early attention to the railway situation is increasing and from the steel industry that orders for repair shop stock are becoming more frequent. Moreover, the money market is somewhat easier and foreign exchange has recovered a little from its recent depression.

From these and perhaps other influences, the stock market has assumed a more cheerful aspect. The railway list has been relatively firm throughout the week and in several cases net gains of a point or more are shown at the close.

Many industrial stocks have been the foot ball of speculation. Practically every active issue in the group has declined, led by Mexican Pet. which has lost 6½ points, while Pan. American and U. S. Rubber are down 5, Studebaker 4½, Royal Dutch and Chandler 4 and Kelly Tires 2¾.

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

STOCKS. Week ending Aug. 19.	Sales for Week.	Range for Week.		Range since Jan. 1.	
		Lowest.	Highest.	Lowest.	Highest.
Par. Shares		\$ per share.	\$ per share.	\$ per share.	\$ per share.
All America Cables...100	100	104 Aug 19	104 Aug 19	100 Feb 105½	May
Amer Bank Note...50	200	50¼ Aug 17	50¼ Aug 17	46½ Jan 54	Feb
American Chicle...no par	400	11 Aug 18	12 Aug 18	11 Aug 29	Jan
American Radiator...25	100	68½ Aug 17	68½ Aug 17	66½ Jan 75½	Mar
Ann Arbor...1,100	11	Aug 17	11 Aug 17	8 Mar 12¼	Feb
Preferred...100	300	20 Aug 17	25 Aug 19	20 Apr 25	Aug
Atlantic Petroleum...25	2,700	11¼ Aug 18	12 Aug 16	11¼ Aug 23¼	Apr
Atlantic Refg, pref...100	100	107¾ Aug 15	107¾ Aug 15	103¾ July 110½	Jan
Atlas Tack Corp...no par	100	15 Aug 19	15 Aug 19	15 Aug 20	Apr
Auto Sales Corp...50	200	3½ Aug 16	3½ Aug 16	2¾ June 4¾	Jan
Preferred...50	200	13 Aug 16	13½ Aug 16	10 Apr 15	Jan
Barnet Leather...no par	100	41 Aug 16	41 Aug 16	29 Jan 41	Aug
Barnsdall, Class B...25	200	17 Aug 19	17½ Aug 19	14½ June 35	Jan
Brown Shoe Inc...100	200	35 Aug 16	36 Aug 15	33 Feb 42½	May
Brunswick Terminal...100	400	2¼ Aug 17	2¾ Aug 16	2¾ Aug 5¼	Jan
Buff Roch & Pittsb...100	142	52 Aug 17	52 Aug 17	52 Aug 72¼	Mar
Calumet & Arizona...10	200	45½ Aug 18	45½ Aug 18	41½ Jan 53	May
Canada Southern...100	20	41 Aug 19	41 Aug 19	40 Jan 40	Jan
Chicago & Alton, pref...100	100	9½ Aug 17	9½ Aug 17	9½ Aug 12	Apr
Cleveland & Pitts...50	12	60½ Aug 15	60½ Aug 15	60½ Aug 60½	Aug
Cluett, Peabody & Co...200	41	Aug 19	41¼ Aug 18	36¼ June 62½	Jan
Davison Chemical no par	300	31¼ Aug 17	34 Aug 15	23 Mar 44	May
Eastman Kodak...100	100	527 Aug 13	327 Aug 13	625 July 690	Feb
Emerson Brant...100	100	4 Aug 17	4 Aug 17	4 July 9½	May
Fisher Body Ohio pref...100	300	60 Aug 19	62 Aug 16	60 Aug 62	Aug
Homestake Mining...100	200	57¼ Aug 17	57¼ Aug 17	49½ Mar 61	May
Indian Refining...10	100	8 Aug 13	8 Aug 13	7¼ June 15½	Jan
Kaysor (Julius) & Co...100	200	78 Aug 19	78 Aug 19	68 Mar 79	Jan
Kelly Springf 6% pref...100	100	70 Aug 15	70 Aug 15	70 May 80	June
Kelsey Wheel Inc...100	300	59 Aug 15	59 Aug 13	35 Mar 62	May
Mallinson (H R)...no par	200	11 Aug 18	12 Aug 17	10 Jan 17½	Feb
Preferred...100	200	54¾ Aug 19	55 Aug 13	46½ Jan 67	June
Market St Ry prior pt...100	200	29 Aug 15	30 Aug 15	29 Aug 45½	May
Marland Oil...no par	2,500	12½ Aug 16	13½ Aug 15	12½ Aug 21½	May
Maxwell Motor Corp— Class B...no par	100	10 Aug 15	10 Aug 15	8 June 10½	Aug
M St P & S S M leased line certificates...100	100	54¼ Aug 15	54¼ Aug 15	54¼ July 59¼	Feb
Mullins Body...no par	100	19 Aug 19	19 Aug 19	17¼ July 28½	Jan
N Y State Railways...100	100	26 Aug 19	26 Aug 19	26 Aug 25	June
Norfolk Southern...100	100	9 Aug 19	9 Aug 19	9 Apr 13¼	May
Otis Elevator...100	100	88 Aug 16	88 Aug 16	87 Aug 148	May
Preferred...100	100	80 Aug 18	80 Aug 18	79¼ June 86	Mar
Pacific Mail SS...5	100	8 Aug 18	8 Aug 18	8 Aug 17¼	Jan
Pacific Tel & Tel...100	10	46½ Aug 16	46½ Aug 16	38¼ Jan 51	July
Panhandle P & R pt...100	100	70 Aug 18	70 Aug 18	70 June 72	Aug
Phillips Jones...no par	100	68 Aug 16	68 Aug 16	37½ Apr 77½	Aug
Sears, Roebuck, pref...100	100	94 Aug 19	94 Aug 19	94 Aug 104	June
Shattuck Arizona...10	200	6¼ Aug 13	6¼ Aug 13	4¾ Jan 7¼	May
Standard Oil of Cal...25	600	70¾ Aug 16	71 Aug 18	67¼ June 75½	Aug
Stern Bros, pref...100	100	119 Aug 19	119 Aug 19	85 Jan 119	Aug
Temtor C&FP el A no par	100	5 Aug 18	5 Aug 18	5 Aug 25¼	Jan
Third Ave Ry...100	900	13½ Aug 18	14½ Aug 17	13 Jan 20½	Mar
Union Tank Car...100	100	88 Aug 15	88 Aug 15	88 Aug 107	Mar
United Drug...100	5,200	54¾ Aug 13	57¼ Aug 15	52¾ Aug 106	Jan
1st preferred...50	200	39½ Aug 18	40 Aug 18	36¾ July 47	Feb
Weber & Heilbr'r no par	100	11 Aug 15	11 Aug 15	8½ Jan 13	Jan
Wright Aeronaut no par	300	8¼ Aug 16	8½ Aug 15	6½ June 9¼	July

For volume of business on New York, Boston, Philadelphia and Boston exchanges, see page 824.

State and Railroad Bonds.—No sales of State bonds have been reported at the Board this week.

The market for railway and industrial bonds has reversed last week's record by showing a considerable increase in the volume of business, a larger number of bonds traded in and a substantial advance in prices. Of a list of 28 prominent issues all except 2 have advanced and 9 close a point or more higher than last week. Among the latter are Balt. & Ohio, Ches. & Ohio, Rock Island, Du Pont, Hend. & Man., New York Cent., Frisco and Readings.

Foreign Government and Municipal bonds have continued conspicuously active and Liberty loans seem to have lost none of their popularity.

United States Bonds.—Sales of Government bonds at the Board are limited to \$6,000 4s reg. at 104¼ and the various Liberty Loan issues.

Daily Record of Liberty Loan Prices.	Aug. 13	Aug. 15	Aug. 16	Aug. 17	Aug. 18	Aug. 19
First Liberty Loan						
3½% bonds of 1932-47... (High)	88.78	88.78	88.80	88.80	88.70	88.60
(First 3¼s) (Low)	88.66	88.66	88.66	88.66	88.46	88.22
(Close)	88.66	88.70	88.80	88.70	88.60	88.40
Total sales in \$1,000 units...	480	263	111	663	181	596
Converted 4% bonds of 1932-47 (First 4s) (High)	87.70				87.80	
(Low)	87.70				87.80	
(Close)	87.70				87.80	
Total sales in \$1,000 units...	2				2	
Converted 4¼% bonds of 1932-47 (First 4¼s) (High)	87.96	87.96	87.94	88.00	88.00	87.98
(Low)	87.86	87.70	87.82	87.80	87.86	87.88
(Close)	87.94	87.90	87.82	87.90	87.96	87.86
Total sales in \$1,000 units...	37	89	67	46	117	122
Second Converted 4¼% bonds of 1932-47 (First 4¼s) (High)		96.00		96.10		
(Low)		96.00		96.10		
(Close)		96.00		96.10		
Total sales in \$1,000 units...		2		1		
Second Liberty Loan						
4% bonds of 1927-42... (High)	87.80	87.60	87.74	87.88	87.78	87.60
(Low)	87.56	87.60	87.60	87.66	87.78	87.60
(Close)	87.56	87.60		87.88	87.78	87.60
Total sales in \$1,000 units...	3	2	10	26	4	1
Converted 4¼% bonds of 1927-42 (Second 4¼s) (High)	87.78	87.76	87.84	87.78	87.98	87.78
(Low)	87.66	87.68	87.68	87.68	87.72	87.66
(Close)	87.78	87.68	87.84	87.78	87.78	87.70
Total sales in \$1,000 units...	503	243	208	889	884	447
Third Liberty Loan						
4¼% bonds of 1928... (High)	91.88	91.94	91.90	91.94	92.00	91.98
(Low)	91.82	91.82	91.84	91.82	91.92	91.00
(Close)	91.86	91.90	91.86	91.94	91.96	91.92
Total sales in \$1,000 units...	128	360	334	840	588	283
Fourth Liberty Loan						
4¼% bonds of 1933-38... (High)	87.90	87.90	87.90	88.00	88.04	88.00
(Low)	87.74	87.74	87.82	87.84	87.92	87.90
(Close)	87.86	87.86	87.88	88.00	88.00	87.92
Total sales in \$1,000 units...	342	644	538	1,166	1,011	629
Victory Liberty Loan						
4¾% notes of 1922-23... (High)	98.74	98.76	98.76	98.78	98.80	98.76
(Low)	98.68	98.70	98.70	98.70	98.70	98.62
(Close)	98.74	98.76	98.74	98.78	98.72	98.74
Total sales in \$1,000 units...	663	2,247	2,160	1,947	584	731
3¾% notes of 1922-23... (High)	98.72	98.76	98.74	98.76	98.74	98.74
(Low)	98.68	98.72	98.72	98.70	98.70	98.72
(Close)	98.72	98.76	98.74	98.76	98.72	98.74
Total sales in \$1,000 units...	30	38	259	269	1,119	347

Note.—The above table includes only sales of coupon bonds. Transactions in registered bonds were:

5 1st 4¼s	87.64 to 87.70	79 4th 4¼s	87.68 to 87.98
22 2d 4¼s	87.52 to 87.56	225 Victory 4¼s	98.50 to 98.60
23 3d 4¼s	91.66 to 92.08		

Quotations for Short-term U. S. Govt. Obligations—

Maturity.	Int. Rate.	Bid.	Asked.	Maturity.	Int. Rate.	Bid.	Asked.
Sept. 15 1921	5½%	100	100¾	Feb. 16 1922	5½%	100¼	100¼
Sept. 15 1921	6%	100	100¼	Mar. 15 1922	5½%	100	100¼
Oct. 15 1921	5½%	100¾	100¾	Mar. 15 1922	5¾%	100¾	100¾
Oct. 15 1921	5¾%	100¾	100¾	June 15 1922	5½%	100¼	100¼
Dec. 15 1921	6%	100¾	100¾	Aug. 1 1922	5½%	100¼	100¼
				June 15 1924	5¾%	100¾	101

Foreign Exchange.—Sterling exchange ruled dull and for the most part almost nominal. Changes were unimportant with the trend fractionally downward. Continental exchange was rather more active, with Reichsmarks conspicuously weak.

To-day's (Friday's) actual rates for sterling exchange were 3 58½@3 60¼ for sixty days, 3 64½@3 66 for checks and 3 64½@3 66½ for cables. Commercial on banks, sight 3 64¼@3 66½, sixty days 3 59@3 60½, ninety days 3 56½@3 57¾ and documents for payment (sixty days) 3 59¼@3 60½. Cotton for payment 3 64¼@3 65½ and grain for payment 3 6¼@3 65½.

To-day's (Friday's) actual rates for Paris bankers' francs were 7.61@7.66 for long and 7.67@7.72 for short. German bankers' marks are not yet quoted for long and short bills. Amsterdam bankers' guilders were 30.49@30.59 for long and 30.85@30.95 for short.

Exchange at Paris on London 47.40; week's range, 47.16 high and 47.40 low.

The range for foreign exchange for the week follows:

Sterling, Actual—	Sixty Days.	Checks.	Cables.
High for the week	3 61	3 66½	3 67
Low for the week	3 57	3 62¾	3 63¼
Paris Bankers' Francs (in cents per franc)—			
High for the week	7.73½	7.81½	7.82½
Low for the week	7.57	7.65	7.66
Germany Bankers' Marks—			
High for the week		1.20¼	1.21¼
Low for the week		1.05	1.06
Amsterdam Bankers' Guilders—			
High for the week	30.74	31.15	31.20
Low for the week	30.40	30.81	30.86

Domestic Exchange.—Chicago, par. St. Louis, 15@25c. per \$1,000 discount. Boston, par. San Francisco, par. Montreal, \$121 25 per \$1,000 premium. Cincinnati, par.

New York Curb Market.—Curb market trading this week was slow and uninteresting, prices moving without definite trend. About the middle of the week some selling pressure developed and fractional losses were sustained, but sharp rallies followed and a partial recovery ensued. The close to-day was without feature, with a steady undertone. Glen Alden Coal dropped from 35 to 30¾ and closed to-day at 31½. Cities Service com. moved down from 115½ to 109 and recovered finally to 114. Durant Motors on few transactions weakened from 27¼ to 24¾. Wm. Farrell & Son com. declined from 12 to 8¾, recovered to 10¼ and ends the week at 9¼. Oil stocks were quiet and featureless. Chesebrough Mfg. passed the dividend on the com. stock, and while no transactions were reported, the bid price dropped to 125 as against 170 previously. Arkansas Natural Gas fell from 9½ to 7½ and closed to-day at 7¾. Internat. Petroleum eased off from 10¾ to 10¾. Maracaibo Oil Exploration declined from 20¼ to 18¾ and sold finally at 19½. Bonds were only moderately active.

A complete record of Curb Market transactions for the week will be found on page 837.

New York Stock Exchange—Stock Record, Daily, Weekly and Yearly

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OCCUPYING THREE PAGES
For sales during the week of stocks usually inactive, see preceding page.

HIGH AND LOW SALE PRICE—PER SHARE, NOT PER CENT.						Sales for the Week.	STOCKS NEW YORK STOCK EXCHANGE		PER SHARE Range since Jan. 1. On basis of 100-share lots		PER SHARE Range for Previous Year 1920	
Saturday Aug. 13.	Monday Aug. 15.	Tuesday Aug. 16.	Wednesday Aug. 17.	Thursday Aug. 18.	Friday Aug. 19.		Shares	Par	Lowest	Highest	Lowest	Highest
							Railroads.					
\$ per share	\$ per share	\$ per share	\$ per share	\$ per share	\$ per share		Atoch Topeka & Santa Fe	\$ per share	\$ per share	\$ per share	\$ per share	
837 84	84 84	837 84	837 84	84 84	84 85	4,200	Do pref	77 1/2 June 24	87 1/2 Aug 2	76 Feb	90 3/8 Nov	
*80 1/4 81	80 80 3/4	*80 81	*80 81	80 80	80 1/4 80 1/4	900	Atlanta Birm & Atlanta	75 1/2 Jan 3	80 3/4 Aug 15	72 May	82 Jan	
*2 1/2 3	2 3/8 2 3/8	*2 1/4 2 1/4	*2 1/4 2 1/4	*2 1/4 2 1/4	2 1/2 2 3/8	300	Atlantic Coast Line R.R.	2 1/4 Feb 26	7 1/2 Jan 4	4 1/4 Dec	12 1/4 Sept	
*85 86 1/2	*84 1/2 86	*84 86 1/2	*85 86	*84 1/2 86	*85 87		Baltimore & Ohio	77 Apr 27	89 1/4 July 28	28 1/2 Dec	104 1/2 Oct	
36 3/4 37	36 1/2 37 1/2	36 3/8 36 7/8	36 1/2 37	37 1/8 37 7/8	37 3/8 38 1/4	13,600	Do pref	30 3/8 Mar 11	42 3/8 May 9	27 3/8 Feb	49 3/8 Oct	
*51 52	51 51	51 51	*50 3/4 51 1/2	51 51	51 51 1/4	600	Brooklyn Rapid Transit	47 Mar 14	54 Jan 11	40 1/8 June	54 Oct	
	10 1/4 10 1/4	10 1/4 10 1/4		10 1/8 10 1/8		600	Certificates of deposit	9 1/2 June 13	14 3/8 Jan 25	9 1/4 Aug	17 Mar	
*7 7 1/2	*7 7 1/2		7 1/4 7 1/4	7 7		200	Canadian Pacific	6 1/8 June 17	10 Jan 25	5 1/2 Sept	13 1/4 Mar	
113 1/4 113 1/4	112 7/8 113 1/2	112 114	112 112 1/2	113 113 3/4	113 7/8 114	5,500	Chesapeake & Ohio	10 1/2 June 20	119 1/4 Jan 11	09 3/8 Dec	134 Jan	
53 53	52 5/8 53 1/4	53 53	52 1/4 53	53 1/4 53 3/4	53 3/4 54 1/2	2,000	Chic & East Illinois trust refts	46 June 20	65 1/2 May 9	47 Feb	70 3/8 Nov	
*5 1/2 11 1/2	*5 1/2 11 1/2	*5 1/2 11 1/2	*3 1/4 11 1/2	*5 1/2 11 1/2	*7 3/4 11 1/2		Do pref trust refts	1 1/4 Apr 28	6 3/4 Jan 29	4 Feb	15 Sept	
*7 1/2 8	*7 1/2 7 1/2	7 1/2 7 1/2	7 3/4 7 3/4	7 1/2 7 7/8	*7 1/2 8	700	Chicago Great Western	1 1/4 Apr 28	8 1/2 Jan 31	3 3/4 Dec	17 1/4 Sept	
*16 3/4 17 1/2	17 17	*16 3/4 17	16 3/4 16 3/4	16 3/4 16 3/4	16 3/4 16 3/4	700	Do pref	6 5/8 June 23	9 1/8 May 9	6 3/8 Dec	14 1/2 Oct	
26 1/2 26 1/2	25 7/8 26 1/4	25 3/8 25 3/4	25 3/8 25 3/4	25 3/8 25 3/4	26 26 1/8	4,500	Chicago Milw & St Paul	14 June 18	20 7/8 May 9	15 1/4 Dec	33 3/8 Oct	
39 1/2 40	38 3/4 40	38 7/8 39 1/2	38 3/8 39 5/8	39 40	39 1/2 40	7,300	Do pref	22 June 20	31 Jan 12	21 Dec	44 1/2 Nov	
*65 1/2 66 1/2	65 1/2 67 1/2	65 65 1/2	64 3/4 65	65 65 1/2	64 1/2 65 1/4	4,900	Chicago & Northwestern	32 June 21	46 1/2 Jan 12	36 3/4 Dec	65 Oct	
*101 110	*101 110	*101 110	*101 110	*101 110	*101 110		Do pref	60 1/8 Apr 14	71 Jan 11	60 Dec	91 1/2 Mar	
31 1/4 31 3/4	31 1/8 32	30 3/4 31 1/2	30 7/8 31 1/2	31 1/4 31 7/8	31 1/2 32 1/4	15,500	Chic Rock Isl & Pac	95 July 1	110 Jan 24	98 June	120 Jan	
*74 1/4 75 3/4	*74 1/2 75 3/4	*74 1/2 75 1/2	75 75	*75 76	76 1/2 76 1/2	300	6% preferred	22 3/8 Mar 11	34 3/8 May 18	21 1/4 Dec	41 Mar	
*63 64 1/2	*63 64	64 64	64 64	*64 65	*63 1/2 64 1/2	100	Clev Cin Chic & St Louis	63 3/4 Mar 12	78 May 10	64 Feb	84 3/4 Oct	
*37 1/4 40 3/4	*37 1/4 40 3/4	*37 1/4 40 3/4					Do pref	56 1/2 June 21	67 1/2 May 10	54 Feb	71 3/8 Oct	
*60 64	*60 64	*60 64	36 1/2 36 1/2	36 36 1/2		500	Colorado & Southern	32 June 21	48 Jan 20	31 3/8 Dec	62 Sept	
	36 1/2 36 1/2	35 1/2 35 1/2				100	Do 1st pref	60 Feb 3	66 Mar 3	60 Dec	69 Oct	
			45 45				Do 2 pref	27 Jan 8	39 1/4 May 6	20 Feb	36 1/2 Oct	
*100 102	*100 102	*100 102	*100 102	*99 1/2 101	*100 102		Delaware & Hudson	49 Jan 3	53 1/8 Apr 27	46 July	54 Oct	
*180 198	*180 195	*185 195					Delaware Lacl & Western	42 Jan 26	47 1/2 July 7	35 Aug	46 Dec	
*5 1/2 7 1/2	*5 1/2 7 1/2	*5 1/2 7 1/2				200	Denver & Rio Grande	90 Apr 14	103 7/8 May 11	83 1/4 June	108 Oct	
*11 1/2 11 1/2	11 1/2 11 1/2	11 1/2 11 1/2	11 1/4 11 1/4	11 1/4 11 1/4	11 1/4 11 1/4	800	Do pref	6 1/2 June 20	24 1/2 May 16	16 5/8 Feb	26 1/2 Sept	
*2 1/2 4	*2 1/2 4	*2 1/2 4	*2 1/2 4	*2 1/2 4	*3 4	100	Duluth S S & Atlantic	1 1/2 June 30	2 3/8 Jan 29	1 1/2 Nov	9 Jan	
*4 9	*4 7	*4 7	*4 7	*5 7	*5 7		Do pref	1 Mar 21	4 3/4 Jan 31	1 1/2 Nov	16 3/8 Feb	
13 1/8 13 1/8	13 13 3/4	*12 3/4 13 1/2	13 13 1/2	12 7/8 13 1/8	13 1/8 13 1/2	2,100	Erie	15 3/8 Mar 24	4 1/2 Jan 3	3 May	8 Oct	
19 19	19 19 1/4	*18 3/4 19 1/2	18 7/8 18 7/8	19 19	19 19	1,100	Do 1st pref	43 1/2 Feb 23	7 3/8 Jan 17	5 3/8 Dec	12 3/4 Oct	
13 1/4 13 1/4	*13 14	*12 3/4 14	13 13 1/2	*13 14	*13 14	200	Do 2d pref	11 3/8 Mar 12	15 1/4 May 9	9 1/2 Feb	21 3/8 Sept	
29 3/4 29 3/4	29 30	*28 1/2 28 3/4	*28 1/2 29	*28 1/2 29	*28 1/2 29	200	Great Northern pref	11 1/2 Apr 14	15 7/8 Jan 12	12 Dec	22 3/4 Sept	
*6 1/2 10	*6 1/2 10	*6 1/2 10	*6 1/2 10	*6 1/2 10	*6 1/2 10	100	Iron Ore properties No par	60 June 14	79 1/8 Jan 29	65 3/4 June	91 3/8 Nov	
22 22	*20 23	*20 24	*23 30	*20 23	*20 23	100	Gul Mob & Nor tr ct s	25 5/8 June 24	32 1/2 Mar 4	24 7/8 Dec	41 7/8 Mar	
*93 96	91 1/2 91 1/2	*91 96	93 93	*93 96	94 94	400	Do pref	6 1/2 Aug 10	11 1/2 May 10	7 Jan	17 1/2 Oct	
3 5/8 3 5/8	3 5/8 3 5/8	3 1/2 3 1/2	*3 1/2 3 3/4	3 1/2 3 1/2	3 1/2 3 1/2	2,300	Illinois Central	20 June 24	26 Feb 1	18 1/8 Dec	35 3/4 Oct	
*10 5/8 11 1/4	*10 16	*10 5/8 11 1/4	*10 5/8 11 1/4	10 1/2 10 3/4	*10 11	400	Interboro Cons Corp No par	85 1/2 Mar 12	98 Aug 2	80 7/8 Feb	97 1/4 Oct	
*24 5/8 25	24 3/4 25	24 1/2 24 7/8	24 3/8 24 7/8	24 1/2 25	25 1/4 26	4,400	Do pref	3 1/2 June 13	5 7/8 Jan 25	3 Aug	6 1/8 Oct	
49 5/8 49 5/8	49 1/2 49 1/2	49 1/2 49 3/4	49 1/8 49 1/2	49 5/8 49 5/8	49 3/4 50 1/4	2,100	Kansas City Southern	9 June 13	16 Jan 25	8 1/2 Dec	17 3/8 Nov	
*10 14 3/4	*11 14 3/4	*10 14	*10 11	*10 14	*10 14		Do pref	18 1/2 Feb 7	28 7/8 May 6	13 3/8 May	27 1/4 Oct	
*18 20	*19 21	*19 22	*19 22	*19 23	20 20	100	Lake Erie & Western	45 1/2 Jan 25	52 Mar 30	40 Mar	52 1/2 Oct	
*51 52	*51 51 3/4	*51 51	51 51 1/8	51 51 1/4	51 1/8 51 1/2	3,000	Do pref	10 Mar 11	14 1/2 Jan 13	8 1/8 Feb	24 1/2 Oct	
110 110	*109 110	109 109	*108 110	*108 110	108 1/2 108 1/2	300	Lehigh Valley	19 Mar 21	28 Jan 25	16 Feb	40 Oct	
45 45	*45 49 1/2	*45 49	45 1/2 45 1/2	10 7/8 11	10 3/4 10 3/4	2,100	Louisville & Nashville	47 1/8 June 21	56 1/2 Jan 5	39 3/4 May	56 1/2 Nov	
*11 12	*11 11 1/8	11 1/4 11 1/4	11 11 1/4	10 7/8 11	10 3/4 10 3/4		Manhattan Ry guar	97 Apr 14	118 July 6	94 Aug	112 1/2 Jan	
*67 71	*66 71	*67 71	*67 71	*67 70	*66 72		Do pref	36 1/2 June 14	58 1/2 Jan 25	38 1/4 July	65 1/2 Oct	
*82 90	*82 90						Minneapolis & St L (new)	9 Mar 11	14 3/4 May 9	8 1/2 Dec	21 Oct	
*2 2 1/4	*2 2 1/4	*2 2 1/4	2 2	*17 1/2 2		200	Minn St P & S S Marie	65 June 14	73 1/4 May 9	63 Feb	90 3/4 Oct	
*3 1/2 3 5/8	3 1/2 3 1/2	*3 4	3 3	3 3/8 3 3/8	3 3/8 3 3/8	900	Do pref	85 May 3	93 Jan 11	80 1/4 June	95 Nov	
19 1/4 19 1/4	19 19 1/2	19 19 1/4	18 3/4 19	19 1/8 19 3/8	19 19 3/8	3,000	Missouri Kansas & Texas	2 Mar 10	3 Jan 31	2 1/4 Dec	11 Feb	
38 38 5/8	34 38 3/4	38 1/8 38 1/4	37 3/4 38 1/8	38 38 3/8	37 7/8 38 1/2	5,100	Do pref	3 July 13	5 3/4 Jan 10	3 3/4 Dec	18 Feb	
4 1/8 4 1/4	*3 7/8 4 3/8	4 4	*3 7/8 4 1/4	*3 7/8 4 1/4	4 4	600	Missouri Pacific trust of s 100	16 Mar 11	23 1/4 May 18	11 1/2 Dec	31 3/8 Feb	
49 54	49 56	*48 54	*48 54	51 51	51 52 1/2	700	Do pref trust of s 100	33 1/2 Mar 11	43 5/8 May 9	33 3/8 Dec	55 1/2 Oct	
70 1/2 70 3/4	70 3/8 71	70 3/8 70 3/8	70 70 1/4	70 3/4 71 1/4	70 1/2 71 3/4	4,100	Nat Rys of Mex 2d pref	3 1/2 July 28	6 5/8 Feb 7	3 1/2 Dec	8 3/4 Oct	
*51 53	*51 53	*51 53	*51 51	*50 52	*50 52 1/2	100	New Ori Tex & Mex v t c	46 June 21	77 1/2 Feb 17	31 June	65 7/8 Oct	
*62 65	*62 65	*62 64	*62 64	*62 64	*62 64		Do pref	64 1/8 June 21	74 1/2 Jan 12	64 1/4 Feb	84 1/4 Nov	
16 16	15 16	*15 16 1/2	16 16 3/8	16 16 1/2	16 16 3/8	2,900	N Y Chicago & St Louis	39 June 20	54 1/2 May 10	23 3/4 Feb	65 Oct	
	17 1/4 17 1/4	17 3/4 17 3/4	*17 18	18 18 1/2	18 18	600	First preferred	58 July 16	65 June 6	50 Apr	73 1/4 Oct	
*94 95	95 95 1/2	*94 95	94 95	94 95	94 96	900	Second preferred	54 June 24	61 1/2 Aug 4	41 1/4 May	70 Oct	
75 3/4 76 1/4	75 7/8 76 1/2	74 3/4 76 1/4	74 1/2 75 1/2	75 1/4 76 1/2	75 1/2 76 3/4	24,500	N Y N H & Hartford	13 1/8 June 23	23 1/2 Jan 12	15 1/2 Dec	37 1/4 Sept	
37 1/8 37 1/4	37 37 5/8	37 1/4 37 1/2	37 1/4 37 5/8	37 1/2 38 1/8	37 7/8 38 1/8	13,300	N Y Ontario & Western	16 Mar 11	20 1/4 May 6	16 Feb	27 3/8 Oct	
18 1/4 19	18 1/4 19	18 5/8 18 7/8	18 5/8 18 7/8	18 7/8 19 1/4	19 1/4 19 1/4	1,800	Norfolk & Western	88 5/8 June 21	104 7/8 Feb 19	84 1/4 June	105 1/2 Nov	
*53 54		*53 53	*50 53	*50 53		500	Northern Pacific	61 1/4 June 14	88 Jan 28	66 3/4 June	95 7/8 Nov	
*38 39		*38 40	38 38	38 38	37 37	1,100	Pennsylvania	32 1/4 June 23	41 3/4 Jan 12	37 7/8 May	44 Oct	
*26 1/4 27	26 26 1/4	26 26 1/8	25 1/2 25 5/8	26 26	26 26 3/4	1,000	Do pref v t c	15 3/4 Mar 11	23 7/8 May 18	14 Dec	32 Feb	
*70 75 1/2	*71 75 1/2	*70 75 1/2	*72 74	74 74	*73 75	100	Do pref v t c	35 Jan 19	45 Jan 6	37 Dec	57 1/2 Oct	
67 67 1/2	67 67 7/8	67 1/8 67 7/8	66 1/8 66 7/8	66 7/8 68	67 1/2 68 7/8	15,000	Pittsburgh & West Va	24 1/8 June 21	32 Jan 10	21 1/2 Feb	39 1/4 Oct	

For sales during the week of stocks usually inactive see second preceding page

Table with columns: HIGH AND LOW SALE PRICE—PER SHARE, NOT PER CENT. (Saturday Aug. 13, Monday Aug. 15, Tuesday Aug. 15, Wednesday Aug. 17, Thursday Aug. 18, Friday Aug. 19), Sales for the Week (Shares), STOCKS NEW YORK STOCK EXCHANGE (Indus. & Miscell. (Con.) Par, Am Smelt Secur pref ser A-100, etc.), PER SHARE (Range since Jan. 1, On basis of 100-share lot, Lowest, Highest), PER SHARE (Range for Previous Year 1920, Lowest, Highest).

*Bid and asked prices; no sales on this day. † Less than 100 shares ‡ Ex-rights. § Ex-div. and rights. ¶ Pac value \$100. ** Old stock. *** Ex-dividend.

For sales during the week of stocks usually inactive, see third preceding page.

Main table with columns: HIGH AND LOW SALE PRICE—PER SHARE, NOT PER CENT. (Saturday Aug. 13 to Friday Aug. 19), Sales for the Week, STOCKS NEW YORK STOCK EXCHANGE (Indus. & Miscell. (Con.) Par), PER SHARE (Range since Jan. 1, On basis of 100-share lots), and PER SHARE (Range for Previous Year 1920). Rows list various stocks like Loft Incorporated, Mackay Companies, etc.

* Bid and asked prices, no sale on this day. † Less than 100 shares. ‡ Ex-rights. α Ex-div. and rights. x Ex-div. e Reduced to basis of \$25 par. n Par \$100.

Jan. 1 1909 the Exchange method of quoting bonds was changed and prices are now—"and interest"—except for income and defaulted bonds.

Main table containing bond listings with columns for Bond Name, Price (Bid/Ask), Week's Range (Low/High), Bonds Sold, and Range Since Jan. 1 (Low/High). Includes sections for U.S. Government, Foreign Government, State and City Securities, and Railroad.

*No price Friday; latest bid and asked. aDue Jan. bDue April. cDue May. dDue June. eDue July. fDue Aug. gDue Oct. hDue Nov. iDue Dec. jOption sale

Main table containing bond listings with columns for Bond Name, Price, Week's Range, Bonds Sold, and Range Since Jan. 1. Includes sub-sections for 'BONDS N. Y. STOCK EXCHANGE' and 'BONDS N. Y. STOCK EXCHANGE'.

* 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 August 19				BONDS N. Y. STOCK EXCHANGE Week ending August 19			
Interest Period	Price Friday August 19		Week's Range or Last Sale		Bonds Sold	Since Jan. 1	Range Since Jan. 1
	Bid	Ask	Low	High			
N Y Cent & H RR (Con)							
Mahon O' RR 1st 5s	85 3/4		93 1/4	May '20			
Michigan Central 5s	90		90 1/2	June '21	90	90 1/2	
Registered			98 1/2	Nov '18			
4s	72 1/2		82	Nov '19			
Registered			74 1/4	Sept '20			
J L & S 1st gold 3 1/2s	71 1/2		66 1/2	Mar '20			
1st gold 3 1/2s	69		67	July '21	62	71	
20-year debenture 4s	78 3/4	79 3/8	78 1/2	Aug '21	74	79 3/8	
N J June RR guar 1st 4s	70 3/4		70 1/2	Apr '21	70 1/2	70 1/2	
N Y & Harlem 3 1/2s	68 1/2		68	June '21	68	70	
N Y & Northern 1st g 5s	94 1/2		94	Aug '21	92 1/2	94 1/2	
N Y & Pu 1st cons gu g 4s	71		68	June '21	68	73	
Pine Creek reg guar 6s	99 3/4		113	May '15			
R W & O con 1st ext 5s	98 3/8	99	99 1/4	99 1/4	97 1/4	99 1/4	
Rutland 1st con g 4 1/2s	66 1/4		71 1/2	Nov '20			
Og & L Cham 1st gu 4s g	56	60	60	July '21	55 1/2	60	
Rut-Canada 1st gu g 4s	55		50	Feb '21	50	50	
St Lawr & Adir 1st g 5s		87	76	Apr '21	76	78	
2d gold 6s	96 1/2		103	Nov '18			
Utica & Blk Riv gu g 4s	84		93	Jan '21	93	93	
Pitts & L Erie 2d g 5s			90	May '21	84 1/2	90	
Pitts McK & Y 1st gu 6s	98 3/4		130 1/8	Jan '09			
2d guaranteed 6s	98 1/4		95 1/4	June '20			
West Shore 1st 4s guar	72	73	72	73	67 7/8	74 1/2	
Registered	68 1/2	71	69 1/4	69 1/4	66	73	
N Y C Lines eq tr 5s			99 1/2	Feb '19			
Equip trust 4 1/2s			67 1/2	June '20			
N Y Chic & St L 1st g 4s	79 1/4		79 3/4	Aug '21	77 7/8	82	
Registered			85	Nov '17			
Debenture 4s	72 1/2	73 3/8	71 7/8	72 1/8	70 3/8	74 1/2	
N Y Connect 1st gu 4 1/2s	76		77 1/4	77 1/4	71 1/2	78 3/4	
N Y N H & Hartford							
Non-conv debent 4s	42 1/2			Apr '21	37	46	
Non-conv debent 3 1/2s	37 1/2		35	Apr '21	35	40 1/2	
Non-conv debent 3 1/2s	36		37	July '21	35 1/2	45	
Non-conv debent 4s	37	40	41 1/2	July '21	38 3/4	50	
Non-conv debent 4s	41	Sale	41		39 1/2	49 1/2	
Conv debenture 3 1/2s	36	37	36	36	35	45	
Conv debenture 6s	57 7/8	Sale	56 1/4	58 3/4	56 1/4	72 7/8	
Cons Ry non-conv 4s			50	Oct '17			
Non-conv debent 4s			60	July '18			
Non-conv debent 4s			49	Oct '19			
Harlem R-Pt Ches 1st 4s	66	75	63 1/4	June '21	63 1/4	69	
B & N Y Air Line 1st 4s	58	62	64 1/2	Nov '20			
Cent New Eng 1st gu 4s	46		46		39 1/4	63	
Housatonic Ry cons g 5s	70 1/8		70 1/8	July '21	70 1/8	70 1/8	
Naugatuck RR 1st 4s	57 1/2		87	July '14			
N Y Prov & Boston 4s	60 3/4		83	Aug '13			
N Y W Ches & B 1st Ser L 4 1/2s	37 1/2	38 1/2	37 1/2	Aug '21	33 1/2	43	
New England cons 5s	67		70	Sept '17			
Consol 4s	56	64	70	Sept '17			
Providence Secur deb 4s	26 1/2	32	26 1/4	26 1/4	26 1/4	30	
Providence Term 1st 4s			83 3/8	Feb '18			
W & Con East 1st 4 1/2s			74 1/2	Dec '19			
N Y O & W ref 1st g 4s	60	61 1/2	60	61	56	65	
Registered \$5,000 only		58	59 1/2	Nov '20			
General 4s	50	57	59	May '21	49 1/2	59	
Norfolk Sou 1st & ref A 5s	43	44	45	Aug '21	39	54 7/8	
Norfolk & Sou 1st gold 5s	67 3/8		73 1/2	June '21	73	73 1/2	
Norfolk & West gen gold 6s	101 1/2		101 3/8	Aug '21	92 3/4	104 3/8	
Improvement & ext g 6s	99 1/2		122	Nov '16			
New River 1st gold 6s	100 1/4	102	97 1/2	June '21	97 1/2	101 5/8	
N & W Ry 1st cons g 4s	77 7/8	Sale	76 1/8	77 7/8	73 7/8	80	
Registered			74	Oct '20			
Div 1st Hen & gen g 4s	75 1/2	Sale	75 1/8	76 1/2	74	80	
10-25-year conv 4s	76 1/2		80 1/8	July '21	75	80 1/8	
10-20-year conv 4s	90		92 3/4	Apr '21	92 3/4	96	
10-25-year conv 4 1/2s	85 1/4		90	Apr '21	90	90	
10-year conv 6s	103	Sale	102 1/2	103	99	105 1/2	
Pocah C & C Joint 4s	74 3/4	77 1/2	76	Aug '21	70 3/4	80	
O C & T 1st guar gold 5s	98 3/8		98 5/8	July '21	98 5/8	98 5/8	
Soto V & N E 1st gu g 4s	72 3/8	101 1/2	74 1/2	July '21	74 1/2	77	
Northern Pacific prior lien rail- way & land grant g 4s	76 3/4	Sale	75 5/8	76 7/8	73	79	
Registered			75	Aug '21	74 1/2	75	
General lien gold 3s	56 1/4	56 7/8	56 3/8	56 3/4	52 3/4	57	
Registered			54 1/4	Feb '21	54 1/4	54 1/4	
Ref & Imp 6s ser B	101 1/2	Sale	101	101 1/2	96 3/8	103 1/2	
Ref & Imp 4 1/2s ser A	79	Sale	79	79	73	81 1/2	
St Paul-Duluth Div g 4s	86 3/4		88	Apr '21	88	88	
N P-Gt Nor Joint 6 1/2s	100 3/8	Sale	100 1/2	101 3/4	96 1/8	101 3/4	
St P & N P gen gold 6s	99 1/8	102	99 1/2	Aug '21	98 5/8	100 1/4	
Registered certificates			100	May '21	99 1/2	100	
St Paul & Duluth 1st 5s	91 1/2		92	July '21	91 1/2	92	
1st consol gold 4s	72 1/2		75 1/4	May '21	75 1/4	75 1/4	
Wash Cent 1st gold 4s	63	68	37 1/2	Dec '16			
Nor Pac Term Co 1st g 6s	105 1/8		105 1/2	June '21	104 1/2	106 1/2	
Oregon-Wash 1st & ref 4s	72	Sale	71	72	67 1/2	74 1/2	
Pacific Coast Co 1st g 5s	64	70	65	65	65	70	
Paducah & Ills 1st s f 4 1/2s	72	79 1/2	76 1/2	Jan '21	76 1/2	76 1/2	
Pennsylvania RR 1st g 4s	94 3/4		94 1/4	May '21	93 5/8	95 1/4	
Consol gold 4s	80 1/8	83	81	July '21	81	84	
Conso gold 4s	81 1/2	82	81	Aug '21	76 3/4	85 1/4	
(D) 4 1/2s	88	Sale	86 1/2	88	83	92 1/2	
General 4 1/2s	79 1/2	Sale	79	79 1/2	74 3/8	86	
General 5s	87 1/4	Sale	86 1/2	87 5/8	81	92	
0-year secured 7s	104 1/2	Sale	103 1/2	104	100	105 1/2	
15-year secured 6 1/2s	99 3/4	Sale	99 1/8	99 3/4	94 1/2	100 1/4	
Alleg Val gen guar g 4s	78		80	May '21	80	81 1/2	
D R RR & B'ge 1st gu 4s g	79 3/8		83	Feb '20			
Pennsylvania Co							
Guar 3 1/2s coll trust r g A	71 3/8		69 1/8	Mar '20			
Guar 3 1/2s coll trust S P B	67 3/4	73 3/8	67	Dec '20			
Guar 3 1/2s trust cts C	67 3/8	76 3/8	69	May '21	68	69	
Guar 3 1/2s trust cts D	67 1/4	88	70	Apr '21	67	70	
Guar 15-25-year go d 4s	80 1/4	81 1/2	79 1/2	Aug '21	76 5/8	83 7/8	
40-year guar 4s cts Ser E	73 3/4	74 3/4	72	June '21	69 3/4	72 3/8	
On Leb & Nor gu 4s g	69 1/2		80	Feb '20			
Cl & Mar 1st gu g 4 1/2s	78 1/2		80 1/4	Apr '21	80 1/4	80 1/4	
Cl & P gen gu 4 1/2s Ser A	84 1/2	96	88 7/8	Feb '21	88 7/8	88 7/8	
Series B	84 1/2	96	104	Dec '15			
Int reduced to 3 1/2s	69		96 1/4	Feb '12			
Series C 3 1/2s	68 1/2		90 1/8	Dec '12			
Series D 3 1/2s	68 1/2		67	Jan '21	67	67	
Erie & Pitts gu g 3 1/2s B	73		75	Apr '20			
Series C	73		79 1/4	May '19			
Gr R & I ex 1st gu g 4 1/2s	79 1/4	81	79 3/8	Aug '21	78 1/4	82	
Ohio Connect 1st gu 4s	75 3/8		80	Sept '20			
Pitts Y & Ash 1st cons 5s	88 1/4		93	Mar '10			
Tol W & O gu 4 1/2s A	81 5/8		84	July '21	84	84	
Series B 4 1/2s	81 5/8		82	Dec '20			
Series C 4s	76 1/2		88 1/8	Sept '17			
P C C & St L gu 4 1/2s A	85 1/4		85 1/4	85 1/4	82 1/2	85 5/8	
Series B guar	85 1/4		86	May '21	85	86	
Series C guar	84		84	Aug '21	84	84	
Series D 4s guar	82 3/4		82	May '21	82	82	
Series E 3 1/2s guar gold	82 3/4		75 1/2	Feb '21	75 1/2	75 1/2	
Series F guar 4s gold	82 3/4		82 1/4	Apr '20			
Series G 4s guar	82 3/4		80	May '21	80	81	
Series I cons guar 4 1/2s	83 1/2		72 1/8	June '20			
General 5s Series A	83 1/2	83 5/8	83 3/8	83 3/8	79	87	
O St L & P 1st cons g 5s	92 1/2	96	96	Aug '21	95 1/2	96	
Phila Balt & W 1st g 4s	81		80	Mar '21	80	80	
Sodus Bay & Sou 1st g 5s	84		02	Jan '03			
U N J RR & Can gen 4s	82 1/8		81 1/2	June '21	80 1/2	80	
Peoria & Pekin Un 1st 6s g			91 3/4	Oct '20			
2d gold 4 1/2s	81 3/4		80 1/8	Sept '20			
Pere Marquette 1st Ser A 5s	81 3/4	Sale	81	81 3/4	77 1/8	85	
1st Series B 4s	66 1/2	67 1/2	67 1/2	Aug '21	63	70	
Philippine Ry 1st 30-yr s f 4s	39 1/2	40	40	40 1/2			
Pitts Sh & L E 1st g 5s	88 3/8		90	June '21			
1st consol gold 5s	84 1/2		97 1/4	Dec '17			
Reading Co gen gold 4s	76	Sale	75	76 1/4	67	77 1/8	
Registered			77	Dec '20			
Jersey Central coll g 4s	78	Sale	78	78	76	87	
Atlantic City guar 4s g							
St Jos & Grand Isl 1st g 4s	59 3/8	64 1/2	59	June '21			
St Louis & San Fran (reorg Co)							
Prior lien Ser A 4s	62 1/4	Sale	61	62 3/4	58	63 1/2	
Prior lien Ser B 5s	74 1/2	Sale	73 1/2	74 3/4	63		

Main table containing bond listings with columns for Bond Name, Price, Week's Range, and Range Since. Includes sections for 'BONDS N. Y. STOCK EXCHANGE' and 'Manufacturing and Industrial'.

*No price Friday; latest bid and asked. aDue Jan. bDue April. cDue May. dDue June. eDue July. fDue Aug. gDue Oct. hDue Nov. iDue Dec. jOption sale

HIGH AND LOW SALE PRICE—PER SHARE, NOT PER CENT.

Sales for the Week.

STOCKS BOSTON STOCK EXCHANGE

Range since Jan. 1.

Range for Previous Year 1920.

Main table with columns for dates (Saturday Aug. 13 to Friday Aug. 19), Shares, Stock names (Railroads, Miscellaneous, Mining), and price ranges (Lowest, Highest).

* Bid and asked prices. † Ex-dividend and rights. ‡ Assessment paid. § Ex-rights. ‖ Ex-dividend. ¶ Par value \$10 per share.

Outside Stock Exchanges

Boston Bond Record.—Transactions in bonds at Boston Stock Exchange Aug. 13 to Aug. 19, both inclusive:

Table with columns: Bonds, Friday Last Sale Price, Week's Range of Prices, Sales for Week, Range since Jan. 1. (Low, High).

Chicago Stock Exchange.—Record of transactions at Chicago Stock Exchange Aug. 13 to Aug. 19, both inclusive, compiled from official sales lists:

Table with columns: Stocks, Par., Friday Last Sale Price, Week's Range of Prices, Sales for Week, Range since Jan. 1. (Low, High).

(*) No par value. z Ex-dividend.

Baltimore Stock Exchange.—Record of transactions at Baltimore Stock Exchange, Aug. 13 to Aug. 19, both inclusive, compiled from official sales lists:

Table with columns: Stocks, Par., Friday Last Sale Price, Week's Range of Prices, Sales for Week, Range since Jan. 1. (Low, High).

Pittsburgh Stock Exchange.—Record of transactions at Pittsburgh Stock Exchange Aug. 13 to Aug. 19, both inclusive compiled from official sales lists:

Table with columns: Stocks, Par., Friday Last Sale Price, Week's Range of Prices, Sales for Week, Range since Jan. 1. (Low, High).

Note.—Sold last week and not reported; 10 shares Harbison-Walker Refractories pref. @ 94, and 2 shares Peoples Savings & Trust Co. @ 210.

Philadelphia Stock Exchange.—Record of transactions at Philadelphia Stock Exchange, Aug. 13 to Aug. 19, both inclusive, compiled from official sales lists:

Table with columns: Stocks, Par., Friday Last Sale Price, Week's Range of Prices, Sales for Week, Range since Jan. 1. (Low, High).

New York Curb Market.—Below is a record of the transactions in the New York Curb Market from Aug. 13 to Aug. 19, both inclusive, as compiled for the official lists. As noted in our issue of July 2, the New York Curb Market Association on June 27 transferred its activities from the Broad Street curb to its new building on Trinity Place, and the Association is now issuing an official sheet which forms the basis of the compilations below:

Table with columns: Stocks, Par., Friday Last Sale Price, Week's Range of Prices, Sales for Week, Range since Jan. 1. (Low, High).

Stocks (Concluded) Par.	Friday Last Sale Price.	Week's Range of Prices.		Sales for Week Shares.	Range since Jan. 1.		Friday Last Sale Price.	Week's Range of Prices.	Sales for Week Shares.	Range since Jan. 1.			
		Low.	High.		Low.	High.				Low.	High.		
Cities Service com. 100	114	109	115 1/2	1,177	101	July	255	Feb	1,700	1/4	Apr	1 1/4	Feb
Preferred. 100		44	45	491	35	June	71	Feb	1,300	4 1/4	June	14 1/2	Jan
Cities Serv Bankers' sh. (t) 13	13	12 1/2	13 1/2	2,450	11 1/4	July	31 1/2	Apr	2,900	9 1/4	Feb	14 1/2	May
Cleveland Automobile. (t) 24		24	24	100	24	Aug	50	Jan	3,900	2 1/8	June	5 1/2	Jan
Colombian Emerald Synd 60e		60e	65e	1,400	60e	Aug	4 1/4	Jan	4,500	10e	July	30e	July
Commonwealth Finance com (t) 61		50 1/4	61	1,578	16	Apr	61	Aug	5,900	5 3/8	June	12 1/2	May
Preferred. 100		72	72	427	44	Feb	74	May	10	75	July	90	Mar
Continental Motors. 10		5 1/2	5 1/2	1,100	4 1/2	June	8	Jan	8,600	3	June	9 1/8	Feb
Davies (William) Co (no par) 45		45	45	10	20	Aug	45	Aug	1,000	1c	July	4c	July
Durant Motors. (no par) 24 1/4		24 1/4	26	35	13	Jan	29 1/4	July	500	1	June	9 1/2	Jan
Emerson Phonograph. 5		31e	31e	500	31e	Aug	50e	June	220	8	Aug	10	Aug
Empire Food Products. (t) 25 1/4		24 1/2	31 1/4	2,235	1 1/2	Apr	33	Aug	1,000	3c	July	1 1/8	Mar
Farrell (Wm) & Son com. (t) 9 1/4		8 1/2	12	5,800	8 1/2	Aug	21	Jan	400	60c	Aug	1 1/4	Feb
Federal Tel & Tel. 5		5	5	200	4 1/2	Jan	7 1/2	Feb	249,000	40c	Aug	1	Mar
Gillette Safety Razor. (t) 131		131	133	50	130	Jan	147	Apr	1,000	5 3/4	Jan	30	Feb
Glen Alden Coal. (no par) 31 1/2		30 3/4	35	15,600	30 3/4	Aug	50	May	900	1/2	Jan	1	Jan
Goldwyn Pictures (no par) 3 1/2		3 1/2	3 3/4	400	3 1/2	June	6	Jan	700	1/4	Jan	1 1/4	Feb
Goodyear T & R. com. 100		12	12 1/2	500	4	June	26 1/2	Jan	1,500	21c	June	38c	Aug
Preferred. 100		29	29	50	21	June	54	Jan	100	16	16	17	Jan
Grant Motor Car. 10		2 1/2	2 1/2	100	1 1/2	July	2 1/2	July	1,000	1 1/2	June	5	Feb
Griffith (D W) Inc. (t) 7 1/2		7	9 1/4	152	7	Aug	11	June	2,400	70c	Aug	2	Jan
Heyden Chem. (no par) 1 1/2		1 1/2	2	2,700	1 1/2	Mar	3 1/2	Feb	10,600	1/2	Feb	3/4	Apr
Holbrook (H F) Inc (no par) 13		12 1/4	13 1/4	2,450	11 1/4	Aug	13 1/4	Aug					
Imp Tob of G B & Ire. £1		8 1/4	8 1/4	200	4 1/4	Mar	9 1/4	Mar					
Intercontinental Rubb. 100		6 1/2	7	900	6 1/2	Aug	14 1/4	Feb					
Libby McNeil & Libby. 10		8 1/2	8 3/4	300	7 1/4	June	13	Jan					
McClures Magazine (no par) 50e		50e	1 1/2	2,900	50c	Aug	9	Jan					
Mengel Company. 100		4	30	40	114	30	Aug	64	July				
Metrop 5 to 50c Stores com 17		17	17	10	17	Aug	17	Aug					
Preferred. 100		33	33	10	30	July	35	June					
Morris (Philip) Co., Ltd. 10		3 1/2	3 3/4	400	2 1/2	June	6	Jan					
Motor Products. (no par) 45		45	45	200	40	June	48	Aug					
National Leather com. 10		7 1/2	7 3/4	2,600	6 1/2	July	10	Jan					
Nat Mot Car & Vehicle. (t) 4 1/2		4 1/2	4 1/2	200	4 1/2	Aug	5 3/4	May					
Nor Amer Pulp & Paper (t) 3 1/4		3 1/4	4 1/4	2,600	2	Apr	5 1/2	Jan					
Packard Motor Car pref. 100		56	60 1/4	110	56	Aug	76	Feb					
Parsons Auto Assn. 63c		40e	65e	4,700	29c	July	65c	Aug					
Peerless Truck & Motor. 50		28 1/4	30	920	19	Jan	30 1/2	Aug					
Perfection Tire & Rubb. 10		85c	90c	6,200	1/2	Apr	2 1/4	Feb					
Piggly-Wiggly Stores. (t) 10 1/4		10 1/4	10 1/4	100	10 1/4	Aug	19 1/2	Jan					
Radi Corp of Amer. (t) 1 1/4		1 1/4	1 1/4	6,450	1 1/4	Aug	2 1/2	Mar					
Preferred. 5		1 1/4	1 1/4	3,900	1 1/4	Aug	2 1/4	Jan					
Republic Ry & L com. 100		5 1/2	5 1/2	100	5 1/2	Aug	5 1/4	Aug					
Republic Rubber. (no par) 24c		14c	35c	4,300	14c	Aug	1 1/2	Jan					
Southern Coal & Iron. 5		2 1/4	3	1,300	1	July	10	Apr					
Stand Com'l Tob Cl B. (t) 58 1/2		59	59	500	41 1/2	Apr	60	June					
Preferred. 100		96	96	100	96	Aug	100	June					
Standard Motor Constr. 10		4 1/4	4 1/4	100	3 3/4	Aug	9 1/4	Jan					
Sweets Co of America. 10		2 1/2	2 1/2	4,000	2	Jan	3 1/4	May					
Swift International. 15		22 1/2	22 1/2	100	22 1/2	Aug	28 1/4	May					
Tobacco Prod Exp. (t) 4 1/4		4	5 1/4	4,000	4	Aug	9	Jan					
Todd Shipyards Corp. (t) 62		61	62	275	59	June	72	Feb					
Un. Carbide & Carb. (no par) 42 1/2		43 1/2	43 1/2	340	40	June	60	Jan					
United Light & Rys com 100		20	20	10	20	Aug	23	July					
United Profit Sharing. 25c		1 1/4	1 1/2-16	2,800	1 1/4	Mar	1 1/2	Jan					
U Retail Stores Candy. (t) 5 1/2		5 1/2	5 1/2	10,500	5	Aug	9	Jan					
U S Distributing com. 50		22 1/4	22 1/4	1,350	21 1/2	Apr	35	Jan					
U S Light & Heat com. 10		1 3-16	1	9,000	1	Aug	1 1/2	Mar					
Preferred. 10		1 13-16	1 1/2	1,300	1 1/2	Jan	1 1/2	July					
U S Ship Corp. 10		18c	21c	22,300	1/8	May	1 1/2	Jan					
U S Steamship. 10		30c	34c	24,900	1/4	June	1 1/2	Jan					
Wayne Coal. 5		1 1/4	1 1/4	7,400	1	July	2 1/2	Jan					
West End Chemical. 1		80c	80c	4,700	55c	Aug	1 13-16	May					
Western Knitting. 100		10 1/2	10 1/2	100	10 1/2	Aug	10 1/2	Aug					
Willys Corp. com. (no par) 45c		45c	45c	100	40c	July	3	Jan					
First preferred. 100		13	13 1/2	150	13	Aug	25 1/2	Jan					
Rights													
Reading Company. 100		15 1/2	15 1/2	100	13 1/2	Mar	20	Feb					
Former Standard Oil Subsidiaries													
Anglo-Amer Oil. £1		15 1/2	15 1/4	1,200	14 1/4	June	22	May					
Buckeye Pipe Line. 50		80 1/2	83	55	71	June	89	July					
Galena-Signal Oil com. 100		33	33	10	31	July	51	Jan					
Illinois Pipe Line. 100		150	152	62	140	June	183	May					
National Transit. 12.50		26	26	125	23	June	26	Aug					
Ohio Oil. 25		245	250	175	233	June	320	Apr					
Penn-Mex Fuel. 25		20	20	175	19 1/2	July	20	Aug					
Prairie Oil & Gas. 100		430	430	10	395	June	515	May					
Southern Pipe Line. 100		78	80	85	78	Aug	103	Mar					
South Penn Oil. 100		178	180	68	165	July	259	Jan					
Standard Oil (Ind). 25		69	67 1/2-70 1/4	7,600	60 1/4	June	77	May					
Standard Oil of N Y. 100		315	318	20	296	June	385	Apr					
Other Oil Stocks													
Allen Oil. 26c		25c	30c	1,300	25c	Aug	1 1/2	Feb					
Allied Oil. 1		4c	6c	25,500	3c	July	20c	Jan					
New. 10		28c	38c	4,300	4c	July	1 7-16	June					
American Fuel Oil. 17c		17c	17c	500	16c	Aug	37c	July					
Anglo Texas Oil. 80c		80c	82c	1,200	72c	July	82c	Aug					
Arkansas Nat Gas. com. 10		7 3/4	9 1/8	6,760	7 1/2	Mar	18 3/4	Apr					
Boone Oil. 5		17c	20c	14,900	15c	July	2 1/2	Jan					
Boston-Wyoming Oil. 1		69c	65c	32,400	44c	July	1 1/4	Mar					
Carib Syndicate. 3 3/4		3 3/4	4 1/8	5,600	3 1/2	July	10 3/4	Jan					
Cosden & Co old com. 5		7	7	409	5	Aug	7	Aug					
Creole Syndicate. 1 1/2		1 1/2	2	800	1 1/2	Aug	4 1/2	Apr					
Cushing Petrol Corp. 5		13c	15c	16,500	10c	June	1 1/2	Jan					
Denny Oil. 12c		10c	12c	5,200	8c	July	1 1/4	Jan					
Dominion Oil. 10		7 1/2	7 1/2	100	7	June	10	Jan					
Edmonds Oil & Refining. 1 3-16		1 3-16	1 1/2	3,000	1	July	1 1/2	Aug					
Elk Basin Petrol. 5		5 3/4	6 1/8	2,280	5 3/4	July	10	Apr					
Empire Ky Oil. 28c		27c	28c	4,600	25c	July	28c	Aug					
Engineers Petrol Co. 1		39c	40c	1,650	35c	July	1 11-16	Apr					
Ertei Oil. 5		15c	15c	300	13c	June	24c	July					
Federal Oil. 5		1 3-16	1 3-16	2,500	1 1/2	June	2 1/4	Jan					
Fensland Oil. (no par) 7 1/2		7 1/2	7 3/4	200	7 1/2	June	15	Jan					
Gilliland Oil, com. (t) 1 1/2													

Table with columns: Bonds (Concluded), Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week, Range since Jan. 1. (Low, High). Lists various bond issues like Gulf Oil Corp 7s, Heinz (H J) Co 7s, etc.

* Odd lots. † No par value. ‡ Listed on the Stock Exchange this week, where additional transactions will be found. o New stock. w When issued. x Ex-dividend. y Ex-rights. z Ex-stock dividend. † Dollars per 1,000 lire, flat. § Dollars per 1,000 marks. g Marks. k Correction.

CURRENT NOTICES

—West & Co. of Philadelphia have opened a branch office in the office Building, Harrisburg, Pa. This office will be under the management of Mr. William Russell, who was formerly connected with Chandler Bros. & Co.
—The Bankers' Trust Co. has been appointed Transfer Agent for the Preferred and Common stock of the United States Cast Iron Pipe & Foundry Company.
—The New York Trust Co. has been appointed trustee of Rocky River Coal & Lumber Co. First Mtge. 30-Year Sinking Fund gold 5s, 1951.
—The Columbia Trust Co. has been appointed transfer agent of 2,500,000 shares of Common stock of the Alaska Pacific Coal Co.
—The New York Trust Co. has been appointed registrar of the Common stock of the Anselmo Mining Corporation.
—H. A. Throckmorton has opened an office at 68 William Street, New York City, for the purpose of dealing in investment securities.

New York City Banks and Trust Companies.

All prices dollars per share.

Table with columns: Banks—N Y, Bid, Ask, Banks, Bid, Ask, Trust Co.'s, Bid, Ask. Lists various banks and trust companies like America, Amer Exch, Atlantic, Battery Park, etc.

* Banks marked with (*) are State banks. † New stock. ‡ Ex-dividend. § Ex-rights.

New York City Realty and Surety Companies.

All prices dollars per share.

Table with columns: Bid, Ask, Bid, Ask, Bid, Ask. Lists various realty and surety companies like Allan Realty, Amer Surety, Bond & M Co, etc.

Quotations for Sundry Securities.

All bond prices are "and interest" except where marked "f."

Large table with columns: Standard Oil Stocks, RR. Equipments—Per Ct, Basis. Lists various oil stocks, railroad equipment, and other securities like Standard Oil (California), Standard Oil (Indiana), etc.

* Per share. b Basis. d Purchaser also pays accrued dividend e New stock. f Flat price. k Last sale. n Nominal. x Ex-dividend. y Ex-rights.

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.

ROADS.	Latest Gross Earnings.			Jan. 1 to Latest Date.		ROADS.	Latest Gross Earnings.			Jan. 1 to Latest Date.	
	Week or Month.	Current Year.	Previous Year.	Current Year.	Previous Year.		Week or Month.	Current Year.	Previous Year.	Current Year.	Previous Year.
Alabama & Vicksb.	June	247,240	267,073	1,598,223	1,662,786	Mo K & T Ry of Tex	June	2,017,792	2,050,839	13,200,106	13,252,317
Ann Arbor	1st wk Aug	101,147	111,422	2,836,443	2,929,765	Mo & North Arkan.	June	92,624	147,186	566,083	917,734
Atch Topeka & S Fe	June	14850226	16321964	89,200,128	99,492,068	Missouri Pacific	June	8,584,383	9,402,991	52,400,955	54,400,768
Gulf Colo & S Fe	June	2,437,914	1,714,113	14,011,191	12,080,907	Mobile & Ohio	1st wk Aug	330,767	350,336	10,893,809	10,365,198
Panhandle & S Fe	June	737,823	725,611	4,133,564	3,992,826	Colum & Greenv.	June	96,256	122,562	769,811	908,375
Atlanta Birm & Atl.	June	261,609	467,027	1,489,894	2,868,778	Monongahela	June	307,339	290,011	1,885,173	1,712,846
Atlanta & West Pt.	June	196,055	240,850	1,254,772	1,482,698	Monongahela Conn.	June	51,769	249,250	370,064	1,513,167
Atlantic City	June	448,788	410,451	1,865,232	1,854,074	Montour	July	109,685	150,692	913,470	701,965
Atlantic Coast Line	June	4,938,183	5,453,071	36,615,406	36,918,935	Nashv Chatt & St L	June	1,612,637	2,004,493	10,096,138	11,795,260
Baltimore & Ohio	June	16316024	17584907	96,230,951	99,786,722	Nevada-Calif-Ore	1st wk Aug	10,390	11,026	198,676	172,492
B & O Chic Term.	June	195,442	151,931	1,208,657	975,668	Nevada Northern	June	14,446	171,134	207,743	939,558
Bangor & Aroostook	June	438,983	497,759	3,776,159	3,213,000	Newburgh & Sou Sh	June	99,775	139,664	648,942	774,826
Bellefonte Central	April	4,955	7,964	25,904	30,170	New Orl Great Nor	June	217,404	205,514	1,260,648	1,231,718
Belt Ry of Chicago	June	457,234	316,829	2,503,440	1,871,079	N O Texas & Mexico	June	209,564	228,266	1,385,214	1,172,118
Bessemer & L Erie	June	1,656,529	1,474,260	5,923,351	5,120,813	Beaumont S L & W	June	137,007	153,464	1,111,033	998,230
Bingham & Garfield	June	11,425	157,485	106,494	909,055	St L Browns & M	June	388,507	395,199	2,992,732	3,503,966
Boston & Maine	June	6,440,900	7,649,897	37,149,810	38,412,980	New York Central	June	27866455	29895911	157526612	163082738
Bklyn E D Term.	June	96,104	104,131	661,067	471,623	Ind Harbor Belt	June	722,323	706,193	4,402,755	3,799,399
Buff Roch & Pittsb.	2d wk Aug	291,984	477,574	9,063,957	13,124,617	Lake Erie & West	June	774,518	1,047,493	4,454,359	5,218,968
Buffalo & Susq.	June	130,268	210,774	1,035,466	1,341,785	Michigan Central	June	6,331,524	7,283,799	34,484,225	39,123,639
Canadian Nat Rys.	2d wk Aug	2,013,366	2,253,719	63,238,425	59,057,387	Cleve C & St L	June	6,942,887	7,097,044	39,593,766	39,875,873
Canadian Pacific	2d wk Aug	3,745,000	4,043,000	104959000	115444000	Cincinnati North	June	368,044	309,276	1,752,663	1,574,283
Caro Clinch & Ohio	June	609,084	589,747	3,581,720	3,393,461	Pitts & Lake Erie	June	1,639,711	1,910,266	12,360,145	13,139,352
Central of Georgia	June	1,941,431	2,055,224	11,132,682	12,314,873	Tol & Ohio Cent	June	922,950	1,072,019	4,994,529	5,247,548
Central RR of N J	June	4,426,927	4,271,777	25,149,836	20,876,340	Kanawha & Mich	June	458,242	426,579	2,280,863	2,258,840
Cent New England	June	684,373	658,682	4,109,667	2,885,141	N Y Chic & St Louis	June	2,209,245	2,165,504	13,120,307	12,146,409
Central Vermont	June	533,234	523,457	3,086,836	3,090,173	N Y Connecting	June	330,484	---	1,783,733	---
Charleston & W Car	June	247,682	295,139	1,698,092	1,734,860	N Y N H & Hartf	June	9,772,686	10486550	55,055,001	55,310,150
Ches & Ohio Lines	June	8,564,711	7,089,677	41,883,146	38,886,264	N Y Ont & Western	June	1,323,626	1,165,234	6,479,855	5,348,256
Chicago & Alton	June	2,580,089	2,504,936	14,467,083	13,174,469	N Y Susq & West	June	458,991	377,522	2,157,441	2,025,827
Chicago Burl & Quincy	June	13343056	14761245	78,397,916	84,615,664	Norfolk Southern	June	704,162	621,421	3,931,406	3,856,079
Chicago & East Ill.	June	2,101,846	2,455,108	12,850,818	13,748,415	Norfolk & Western	June	7,050,018	6,285,821	39,191,070	38,304,273
Chicago Great West	June	2,004,592	1,882,800	11,659,885	10,971,401	Northern Pacific	June	7,408,685	8,622,238	40,427,221	51,027,769
Chicago Ind & Louisv.	June	1,286,638	1,327,997	7,313,188	6,984,955	Northwestern Pac	June	834,554	671,570	3,690,774	3,356,665
Chicago Junction	June	418,833	254,671	2,461,410	1,498,448	Pennsylv RR & Co.	June	43268215	43805988	248584923	234661153
Chic Milw & St Paul	June	12353001	13844179	67,769,580	76,274,334	Balt Ches & Atl	June	156,935	122,034	719,258	626,931
Chic & North West	June	11864180	13459532	67,606,358	72,837,338	Cinc Leb & North	June	94,519	102,562	530,880	542,347
Chic Peoria & St L	June	160,588	231,789	956,618	1,165,145	Grand Rap & Ind	June	617,668	732,186	4,086,038	4,172,353
Chic R I & Pacific	June	11106854	10999228	62,313,356	62,120,995	Long Island	June	2,792,777	2,434,762	12,767,134	10,666,610
Chic R I & Gulf	June	646,319	536,908	3,568,395	3,185,681	Mary'd Del & Va	June	113,032	105,232	539,665	500,816
Chic St P M & Om.	June	2,145,519	2,517,706	13,046,971	14,911,120	N Y Phila & Norf	June	621,099	630,942	3,072,356	3,509,853
Chic Terre H & S E	June	397,789	547,503	2,386,766	2,507,382	Tol Peoria & West	June	110,619	172,748	807,315	998,287
Cinc Ind & Western	June	288,806	361,119	1,697,748	2,048,122	W Jersey & Seash	June	1,105,932	1,084,878	5,543,977	5,187,791
Colo & Southern	3d wk July	517,000	594,974	13,664,016	15,385,494	Pitts C C & St L	June	7,942,514	8,340,874	48,177,641	51,309,264
Ft W & Den City	June	789,072	995,400	5,238,254	5,896,060	Peoria & Pekin Un	July	122,421	122,659	952,753	874,408
Trin & Brazos Val	June	228,571	125,116	1,297,283	864,797	Pere Marquette	June	3,141,105	3,292,195	16,953,667	17,554,361
Wichita Valley	June	102,306	113,143	786,842	835,333	Perkiomen	June	105,195	83,035	646,297	555,423
Cumb Val & Mart'g	June	147,896	61,830	732,957	347,363	Phila & Reading	June	7,215,001	7,021,784	42,321,725	41,209,810
Delaware & Hudson	June	3,723,607	4,212,873	22,411,256	18,720,723	Pittsb & Shawmut	June	81,870	120,526	617,230	764,356
Del Lack & Western	June	7,566,132	6,596,671	42,279,985	34,767,373	Pittsb Shaw & North	June	96,683	108,627	596,211	675,832
Den & Rio Grande	June	1,858,507	2,827,042	14,240,766	17,241,933	Pittsb & West Va	June	174,199	193,714	950,071	949,978
Denver & Salt Lake	June	298,096	267,031	1,161,268	1,174,485	Port Reading	June	157,734	72,357	1,206,703	843,712
Detroit & Mackinac	June	177,362	162,715	916,794	881,394	Quincy Om & K C	June	109,145	109,787	628,264	631,281
Detroit Tol & Iront	June	713,527	408,574	3,033,072	2,241,886	Rich Fred & Potom	June	792,254	814,204	5,397,385	5,540,288
Det & Tol Shore L	June	221,527	141,719	1,172,607	967,032	Rutland	June	464,751	484,662	2,794,642	2,600,647
Dul & Iron Range	June	701,530	1,631,403	2,128,259	3,594,474	St Jos & Grand Isl'd	June	254,390	254,069	1,510,122	1,521,146
Dul Missabe & Nor	June	1,993,538	3,109,520	4,497,117	5,982,853	St Louis San Fran	June	6,406,079	7,548,942	39,950,388	42,523,374
Dul Sou Shore & Atl	1st wk Aug	82,386	122,111	2,701,120	3,129,142	Ft W & Rio Gran	June	145,172	130,942	832,944	918,211
Duluth Winn & Pac	June	119,575	206,633	1,390,987	1,185,212	St L-S F of Texas	June	154,120	105,636	855,767	780,144
East St Louis Conn.	June	125,884	110,630	808,486	607,606	St Louis Southwest	June	1,351,086	1,699,607	8,294,988	9,702,735
Eastern SS Lines	June	615,750	526,480	1,874,933	1,619,825	St L S W of Texas	June	594,587	728,141	3,613,713	4,230,732
Elgin Joliet & East	June	1,311,077	2,133,747	10,414,301	10,864,529	Total system	1st wk Aug	443,550	576,155	14,226,000	16,924,049
El Paso & Sou West	June	1,025,721	1,237,353	6,003,017	7,038,934	St Louis Transfer	June	88,057	104,528	566,072	648,282
Erie Railroad	June	8,112,296	8,845,451	49,596,485	45,619,293	San Ant & Aran Pass	June	524,403	333,786	2,813,338	2,129,902
Chicago & Erie	June	748,409	1,089,729	5,325,183	5,366,889	San Ant Uvalde & G	June	96,956	115,619	619,497	727,401
N J & N Y RR	June	124,023	104,864	719,990	594,630	Seaboard Air Line	June	3,056,711	3,970,125	22,178,211	24,677,064
Florida East Coast	June	874,873	1,030,411	8,295,665	7,348,493	Southern Pacific Co	June	23044227	24266176	130248365	125561296
Fonda Johns & Glov	June	109,748	119,308	662,414	669,052	Southern Pacific	June	17131779	18080938	91,967,338	89,813,230
Ft Smith & Western	June	109,466	125,342	913,912	858,097	Atlantic SS Lines	June	761,679	614,605	5,149,519	2,741,986
Galveston Wharf	June	199,838	132,594	1,245,161	649,342	Arizona Eastern	June	180,729	359,241	1,586,998	2,004,392
Georgia Railroad	June	412,195	599,965	2,636,265	3,180,363	Galv Harris & S A	June	1,932,907	2,042,347	12,831,852	11,889,207
Georgia & Florida	June	127,937	106,742	691,402	655,262	Hous & Tex Cent	June	1,074,835	912,152	6,071,871	5,321,101
Grand Trunk Syst.	2d wk Aug	2,291,882	2,443,144	---	---	Hous E & W Tex	June	240,650	258,338	1,353,630	1,454,248
Atl & St Lawrence	June	154,999	217,049	1,573,470	1,438,334	Louisiana West	June	298,168	456,849	2,097,288	2,569,263
Ch Det Can GT Jct	June	129,755	116,372	963,476	764,533	Morg La & Texas	June	569,585	1,042,621	4,295,347	5,162,544
Det G H & Milw	June	360,2									

Latest Gross Earnings by Weeks.—In the table which follows we sum up separately the earnings for the first week of August. The table covers 19 roads and shows 13.80% decrease in the aggregate over the same week last year:

Table with 5 columns: First Week of August, 1921, 1920, Increase, Decrease. Lists earnings for 19 roads and a total net decrease of 13.80%.

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 6 columns: Gross from Railway, Net from Railway, Net after Taxes for 1921 and 1920. Lists earnings for various companies like Detroit & Toledo Shore Line, International & Great Northern, etc.

* Corrected figures. — Deficit.

ELECTRIC RAILWAY AND PUBLIC UTILITY COS.

Large table with 6 columns: Name of Road or Company, Latest Gross Earnings (Month, Current Year, Previous Year), Jan. 1 to Latest Date (Current Year, Previous Year). Lists earnings for 100+ 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 earnings for 100+ companies.

a The Brooklyn City RR. is no longer part of the Brooklyn Rapid Transit System... b The Eighth Avenue and Ninth Avenue RR. companies were formerly leased to the New York Railways Co., but these leases were terminated on July 11 1919, respectively...

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: Company, Gross Earnings, Net after Taxes, Fixed Charges, Balance, Surplus. Lists earnings for companies like Adirondack, Cities Service, Detroit Edison Co, etc.

z After allowing for other income received. — Deficit.

FINANCIAL REPORTS.

Financial Reports.—An index to annual reports of steam railroads, street railway and miscellaneous companies which have been published during the preceding month will be given on the last Saturday of each month. This index will not include reports in the issue of the "Chronicle" in which it is published. The latest index will be found in the issue of July 30. The next will appear in that of August 27.

Western Pacific Railroad Company.
(Controlled by Western Pacific RR. Corporation.)
(5th Annual Report, Year Ended Dec. 31 1920).

President Charles M. Levey, July 1, wrote in substance:

Guaranty Declined.—Government guaranty of railway operating income for the six months' period immediately following termination of Federal control on Feb. 29 1920 was not accepted by the company.

Final Settlement With U. S.—As fully outlined in circular letter, dated June 15 1921, issued by Alvin W. Kreech, President of the Western Pacific Railroad Corporation (V. 113, p. 184) final settlement was made with the U. S. Railroad Administration for all claims, including compensation, growing out of and incidental to Federal Control and operation of your property during the period Jan. 1 1918, to Feb. 29 1920, under the terms of which settlement, the U. S. RR. Administration—

Table with 5 columns: Item description, Amount, and Total. Includes items like 'Paid in cash the sum of', 'Discharged the Railroad Company from the debt arising from prior advances', etc.

The U. S. RR. Administration received in return a complete release from the Railroad Company discharging the Government from liability on account of claims for compensation, also on account of claims, material and supplies taken by the Government then inventoried at \$1,060,605, and for cash taken and not accounted for \$322,412, loss in road property and equipment retired, damages sustained, and all other claims or demands, except certain minor adjustments to be subsequently effected.

Funded Debt.—The funded debt was reduced by purchase through its sinking fund, and cancellation of \$60,800 1st M. 5% 30-year bonds and the redemption of \$300,000 Equipment Notes Series "A" maturing Aug. 1 1920.

Dividends.—Dividends aggregating \$1,650,000 or 6% on the company's \$27,500,000 Preferred Capital stock were declared and paid from the surplus and net profits earned during the year 1920. There was also declared and paid on Jan. 7 1920, a dividend of 1% or \$275,000 from surplus and net profits of the year 1919, and applicable to dividends in such year, thereby bringing the total of dividends paid on the preferred stock for the year 1919 up to 4%.

Wages and Rates.—Effective May 1 1920, an increase in employees' wages approximating 18.97% was authorized by the U. S. RR. Labor Board, while increases in rates necessary to meet additional wage costs authorized by the I.-S. C. Commission did not become effective until Aug. 26 1920.

Branches.—The following branch lines were in course of construction: Niles-San Jose Line extending from Niles to West San Jose, Cal., 23 miles, and 8 miles of sidings, yard and industrial tracks. Work on this line begun in 1917 and suspended during Federal Control. Was resumed in 1920 and completion by Aug. 1 1921, is anticipated.

Calpine Branch—From the present main line, west of Hawley Station, Cal., 12.6 miles through timber lands and to saw mill and box factory of the Davies Lumber Corporation should be completed in July 1921.

Rolling Stock.—Following contracts for purchase of equipment were entered into: (a) Oct. 11 1920: Pressed Steel Car Co. for 700 Gondola cars. Delivery April and May, 1921. (b) Dec. 13 1920: American Locomotive Co. for 5 heavy Mikado locomotives. Delivery May, 1921.

Express Contract.—Contract with American Railway Express similar to that in effect on other roads providing for distribution of net income among roads within certain geographical groups or zones, was made, effective Sept. 1 1920. This contract has not been in force a sufficient length of time to determine its advantages or disadvantages to the Company as compared to operations under former contract. [Compare "Wells Fargo Express Co."—V. 112, p. 560].

(During the year 1920 there was expended on additions and improvements including \$511,017 for new branch lines, the sum of \$1,004,683 and on rolling stock (net) \$53,783.

In 1920 the freight traffic aggregated 2,699,572 tons averaging 224,964 tons monthly, but in December 1920, amounted to only 95,417 tons yielding gross income of \$461,558 against 260,850 tons yielding \$1,078,994 in December 1919.

Since the end of the year 1920 the Western Pacific RR. Corp. has acquired or arranged to acquire (1) a large part, over 50%, of the \$10,000,000 2d. M. adjustment income bonds of the Denver & Rio Grande, in exchange for 4% 10-yr. promissory gold notes due Oct. 1 1930, interest A. & O. The October 1921 interest on the D. & R. G. Adjustment bonds, it is announced, will not be paid. See V. 112, p. 990; V. 113, p. 730. (2) Control of the Denver & Rio Grande Western RR. following foreclosure of the Denver & Rio Grand RR. See V. 113, p. 627; V. 112, p. 399, 161; V. 111, p. 1846.

The Western Pacific RR. Co. has also acquired or agreed to acquire the stock and bonds of the Sacramento Northern RR., issuing for that purpose, at not less than 85, \$4,180,000 1st M. 5% bonds due Mar. 1 1946. V. 112, p. 2414.

The shareholders of the Western Pacific RR. Corporation voted on Nov. 18 1920 to increase the limit of Preferred stock issue from \$27,500,000 to \$40,000,000 and of Common from \$47,500,000 to \$60,000,000 with a view to a stock dividend (not yet declared) equal to one share of new common and one share of new pref. for each six shares of old stock whether common or preferred. See V. 111, p. 1846, 2042.—Ed].

GENERAL STATISTICS AND EQUIPMENT FOR CALENDAR YEARS.

Table with 5 columns: Year (1920, 1919, 1918, 1917) and various equipment metrics like 'Mi. of road oper.', 'Locomotives', 'Pass. train cars', etc.

CLASSIFIED FREIGHT TONNAGE FOR CALENDAR YEARS.

Table with 7 columns: Year (1920, 1919, 1918) and freight categories (Agricul., Animals, Mines, Forest, Mfrs., Misc.).

COMBINED COMPARATIVE STATEMENT OF INCOME FOR CAL. YRS.

Large table with 7 columns: Corporate Year (1920, 1920, 1920, 1919, 1919, '18 Revised) and various income/expense items like 'Oper. Revenue', 'Freight', 'Passenger', 'Mail', etc.

a Includes rental due from U. S. RR. Admin. for January and February, 1920, at \$1,900.350 per annum. Final settlement with the U. S. RR. Admin. fixing compensation at \$3,200,000 per annum increased this item to \$533,976 and for year 1919 to \$3,200,000.

b Includes \$154,284 being net of revenues and expenses accrued prior to Jan. 1 1918, settled through U. S. RR. Admin. during 1920.

Of the corporate net income for 1920 and 1919, there was applied each year to the Sinking Fund for retirement of First Mortgage bonds, the sum of \$50,000.

The Corporate Income account for 1919 showed; income from lease of road \$1,900,350; miscellaneous income \$469,680; deductions—interest on funded debt, \$1,213,248; amortization of discount, \$95,353; maintenance of investment organization, \$124,148; miscellaneous \$63,188, leaving a net income of \$725,780.

For comparative balance sheet see V. 113, p. 526.

Chicago & Eastern Illinois Railroad.

(32d Annual Report—Year ended Dec. 31 1920.)

Receiver William J. Jackson, Aug. 1, wrote in substance:

Six Months' Guaranty.—Under the guaranty provisions of Section 20. of the Transportation Act 1920, and on the basis of the annual compensation fixed by the Director-General for the period of Federal control, there became due to the receiver net railway operating income amounting to \$2,000,000 in respect of the operations of the railroad during the six months following Federal control and ended Aug. 31 1920. On Sept. 2 1920 the United States advanced \$1,500,000 to the receiver on account of such guaranty. The latest available accounts of the receiver show a deficit of \$563,175 resulting from the operations of the railroad during the guaranty period. The receiver therefore is prosecuting a claim before the I.-S. C. Commission for a balance of \$1,063,175, claimed to be due the receiver on this account.

ACCOUNTS WITH U. S. RR. ADMINISTRATION AS OF Dec. 31 1920

[Based on annual compensation as certified Feb. 18 1921 and including debits and credits for interest accrued to latter date.]

Table with 2 columns: Description of account items and Amount. Includes 'Due from United States \$22,639,590, viz.:', 'Cash Dec. 31 1917 (currency on hand & bk. balances taken over)', etc.

At the close of the calendar year 1919 negotiations were pending for a settlement of these accounts and resulted in mutual concessions and a final agreement of settlement, consummated Feb. 18 1921. Under the terms of the settlement the Director-General paid to the receiver \$3,000,000 and loaned to the receiver at 6% for the period of nine years from March 1 1921, \$3,425,000, representing the entire indebtedness of the receiver to the United States for additions and betterments placed upon the railroad during the period of Federal control.

Additional Federal Loans.—The foregoing statement of accounts does not include \$741,000, the cost of 15 Mikado locomotives mentioned in the last annual report as having been allotted to the railroad by the Director-General during the year 1918. This indebtedness was funded by the issue by the receiver of \$741,000 of 6% equipment trust obligations, which

were accepted at their face amount by the Director-General. These obligations were dated Jan. 15 1920 and are payable in 15 annual installments.

Pursuant to Section 210 of the Transportation Act 1920, the receiver applied to the Inter-State Commerce Commission for a loan of \$785,000 to reimburse the cost of additions and betterments placed upon the railroad by the receiver during the guaranty period. The receiver is advised that the amount of this loan has been set aside by the I.-S. C. Commission out of the fund available for similar loans, and will be paid to the receiver upon the delivery to the Secretary of the Treasury of the agreed collateral for the loan.

Additions & Betterments.—The expenditures for "additions and betterments," which were restricted for the year 1920, show a net credit of \$914,253. The large credit to this account resulted principally from the sale of refrigerator cars mentioned below. During 1920 the receiver purchased for \$12,342 cash 12 second-hand passenger coaches for service in miners' trains.

Sale of Refrigerator Cars.—In Nov. 1911, while the railroad was under the control of the St. Louis & San Francisco RR. Co., the railroad company purchased 1,000 refrigerator cars for \$1,206,200 and leased the same for 5 years to the Frisco Refrigerator Line at 12% annually upon the purchase price, one-half being credited to hire of equipment and the other half to depreciation. The lease expired and negotiations for a renewal failed because of the lessee's demand for too favorable terms. When released by the lessee on March 31 1918, the cars were found to be in need of rebuilding or very expensive repairs and as the volume of traffic was not sufficient to warrant such outlay we negotiated a sale of 969 of these cars (the remainder having been destroyed) to the Fruit Growers' Express Co., a corporation organized by the Pennsylvania RR. Co. and nine other companies, for the purpose of performing refrigeration service for the interested lines east of the Mississippi River. The cars were sold and delivered in their deteriorated condition, at the price of \$800 each, or for the aggregate amount of \$775,200 and, in addition, the purchaser took over, at cost, the materials on hand for the repair of these cars. In payment for the cars the receiver accepted the car trust obligations of the purchaser for the full purchase price, the obligations being dated Dec. 7 1920, payable in 30 equal semi-annual installments, bearing interest at the rate of 6% per annum. As a part of the same transaction, the Fruit Growers' Express Co. undertook to perform the obligations of the railroad as to refrigeration for the period of 15 years, in consideration of the receiver's subscription to \$25,800 of the capital stock of the Express Co., at par (V. 111, p. 2329).

Federal Valuation.—During the entire year negotiations proceeded between the representatives of the Commission and the receiver's valuation engineer, in harmonizing the Commission's preliminary valuation.

Rates.—The I.-S. C. Commission on July 29 1920 granted the carriers in the territory served by this railroad an increase, effective Aug. 26 1920, in freight rates of approximately 40%, and in passenger rates of 20%. There were certain exceptions to the 40% advance in freight rates, in that the inter-territorial advance was but 33 1/3% and on coal originating on this railroad, destined to points west of the Mississippi River, the increase was but 35%.

The full benefit of these increases was not immediately received on account of the refusal of the States of Indiana and Illinois to permit the full increase to go into effect on intra-State traffic. The increases on intra-State traffic became effective on the dates shown below: (a) Freight, Illinois, advanced 33 1-3%, effective Aug. 26 1920; (b) freight, Illinois, advanced from 33 1-3% to 40%, effective Feb. 19 1921; (c) freight, Indiana, coal traffic advanced 33 1-3%, effective Oct. 4 1920; (d) freight, Indiana, classes and commodities, other than iron, steel, live stock and brick, advanced 33 1-3% on Oct. 3 1920; (e) freight, Indiana, iron, steel and live stock products advanced 16% Oct. 3 1920; (f) freight, Indiana, all freight advanced to 40%, effective March 15 1921; (g) passenger, Illinois, advanced 20%, effective Dec. 7 1920; (h) passenger, Indiana, advanced 20%, effective Feb. 23 1921.

Wages.—These increases in rates followed an order of the United States Railroad Labor Board previously issued on July 20 1920, retroactive to May 1 1920, under which the payrolls of the company were increased approximately \$2,240,000 for the year, or at the rate of approximately 20%. The advances in freight and passenger rates mentioned above increased the revenue of the receiver for the year 1920 approximately \$2,200,000, or about \$40,000 less than the amount of the increase in pay awarded by the Labor Board, due to the fact that the increase in freight and passenger rates did not become effective until Aug. 26 1920, while the increase in pay became effective on May 1 1920.

Strike.—On April 5 1920 a strike of the switchmen occurred in the Chicago terminals. This spread to other points on the road, resulting in intermittent strikes of a few days' duration during April. The Chicago strike seriously affected operations during the months of April, May and June, conditions not returning to normal until July.

Traffic Growth.—In spite of this interruption the receiver succeeded in handling a larger volume of traffic during 1920 than was handled in 1919, as follows:

Annual Tonnage—	1920.	1919.	Increase.	Per cent.
Coal freight handled.....	9,880,037	7,048,085	2,831,952	40.18
Tons oth. freight handl'd ..	7,368,246	6,830,757	537,489	7.87
Tons all freight handled ..	17,248,283	13,878,842	3,369,441	24.28

New Industries.—Industrial and agricultural development along the line of this railroad made substantial progress during the year. A total of 45 new industries, representing an investment of \$4,430,100, were located along the line during the year, and it is estimated that they will furnish employment for 2,109 employees and produce in-and-out tonnage of 11,000 cars per annum. The facilities, also, of many others previously established were materially enlarged.

GENERAL STATISTICS FOR CALENDAR YEARS.

	1920.	1919.	1918.	1917.
Miles operated.....	1,131	1,131	1,131	1,131
Operations—				
Pass. carried.....	5,432,806	4,886,226	5,377,698	5,612,190
Pass. carr 1 mile.....	207,377,221	200,535,777	182,880,721	186,633,830
Rate per pass per mile.....	2.62 cts.	2.44 cts.	2.20 cts.	1.85 cts.
Rev. ft. (tons).....	17,248,283	13,878,842	18,909,753	18,747,002
Rev. ft. (tons 1 mile).....	2,788,153,778	2,194,912,974	3,120,617,703	3,062,989,000
Rate per ton per mile.....	0.82 cts.	0.82 cts.	0.67 cts.	0.52 cts.

RECEIVER'S & FEDERAL INCOME ACCOUNT FOR YEAR ENDED Dec. 31 1920.

	Receiver's Income			Fed. Inc'e.	
	xMar to Aug. 1920.	xSept. to Dec. 1920.	Total.	xJan. & Feb. 1920.	Total Income.
Ry. oper. rev.....	\$13,895,812	\$12,010,916	\$25,906,728	\$5,400,720	\$31,307,448
Ry. oper. expenses.....	14,623,068	10,198,651	24,840,761	4,922,690	29,763,451
Net from opera'ns def.....	727,256	1,812,265	2,539,521	478,030	3,017,551
Ry. tax accr., &c.....	600,482	353,484	954,366	171,041	1,125,407
Ry. oper. income df.....	1,327,738	2,165,749	3,493,487	649,071	4,142,558
Equip. rents, net.....	1,240,404	777,045	2,017,449	388,826	2,406,274
Joint fac. rent, net, dr.....	397,217	140,168	537,385	159,265	696,650
Net oper. inc'me.....	484,551	2,095,658	2,580,209	489,806	3,069,015
Miscel. income.....			235,840	21,320	257,160
Gross income.....			1,827,505	557,869	2,385,374
Interest.....			867,988	786	868,774
Miscel. rents.....			7,662		7,662
Misc. inc. charges.....			106,508	Cr101,912	4,596
Bal. of income.....			845,348	658,994	1,504,342
Does not include the following income properly due the receiver:					
Lease of road (Federal control) Jan. & Feb. 1920.....			666,667		666,667
Lease of road (bal. for year 1918).....			1,053,999		1,053,999
Lease of road (balance for year 1919).....			1,053,999		1,053,999
Miscel. income (guaranty period March to Aug. 1920).....			2,000,000		2,000,000
Total.....			4,774,665		4,774,665
Surplus.....			5,620,013	658,994	6,279,007

x Including lap-over items.
a b Includes receiver's expenses during Jan. and Feb. 1920, viz.: (a) general expenses \$19,042; (b) railway tax accruals \$400.

COMBINED RECEIVER'S AND FEDERAL INCOME ACCOUNT FOR CALENDAR YEARS.

	1920.	1919.	1918.	1917.
Operating Revenue—				
Freight.....	\$22,827,420	\$18,019,273	\$20,811,732	\$15,883,738
Passenger.....	5,435,822	4,883,307	4,030,671	3,446,858
Mail, express, &c.....	2,650,692	1,593,684	1,607,720	1,401,654
Other than trans.....	393,514	298,917	302,969	286,734
Total oper. revenue.....	\$31,307,448	\$24,795,181	\$26,753,092	\$21,018,985
Maint. of way & struct.....	3,873,651	3,663,392	3,559,040	2,102,545
Maint. of equipment.....	10,655,190	8,974,253	8,745,842	5,299,255
Traffic expenses.....	334,186	254,553	269,567	331,608
Transportation.....	13,714,699	10,438,988	10,801,204	8,053,615
Miscel. operations, &c.....	162,492	93,558	81,242	57,781
General expenses.....	1,023,232	682,205	676,482	498,503
Total oper. expenses.....	\$29,763,451	\$24,106,949	\$24,133,377	\$16,343,307
Net earnings.....	1,543,997	688,232	2,619,715	4,675,678
Taxes, &c.....	1,125,407	909,900	1,009,525	888,827
Oper. income.....	\$418,590	def.\$221,668	\$1,610,190	\$3,786,851
Hire of equip (credit).....	2,406,274	188,575	450,581	1,080,831
Joint facility rent income deb.....	696,650	551,799	377,627	420,903
Other income.....	257,160	204,263	189,735	289,339
Total income.....	\$2,385,374	def.\$380,629	\$2,628,133	\$5,577,925
Interest.....	\$868,774	\$944,460	\$967,831	\$1,020,360
Rents.....	7,661	10,736	1,012,425	825,179
Miscellaneous.....	4,596	4,313	5,004	37,500
Total charges.....	\$881,031	\$959,508	\$1,985,261	\$1,883,040
Balance.....	1,504,342	df1,340,138	642,873	3,694,885
Accrued int. not paid.....	x2,947,504	x2,947,504	3,310,077	2,356,793

Balance, surplus.....df\$1,443,162 df4,287,642df\$2,667,204 \$1,338,092
a Includes \$599,319 additional mail revenue earned during Federal control period.

xThe accrued interest not paid, aggregating \$2,947,504 for years 1919 and 1920, includes the following items, viz.: Refunding and Improvement Mortgage 4s, \$639,840; General Consolidated and First Mortgage 5s, \$1,067,150; Chicago & Indiana Coal Ry. First Mtge. 5s, \$231,300; Evansville & Terre Haute RR. Co. Refunding Mortgage 5s, \$56,707; Evansville & Terre Haute RR. Co. First Consol Mortgage 5s, \$157,250; Evansville & Terre Haute RR. Co. Mt. Vernon Branch Mortgage 6s, \$22,500; Evansville & Terre Haute RR. Co. Sullivan County Coal Branch Mortgage 5s, \$22,500; and miscellaneous, including interest on receiver's certificates, \$750,256.

GENERAL BALANCE SHEET—DEC. 31.

	1920.	1919.	1920.	1919.
Assets—			Liabilities—	
Inv. in road & equip.....	\$83,404,111	\$84,318,365	Common stock.....	7,204,400
Impr. on leased property.....	65,304	65,832	Prof. stock.....	11,063,500
Sinking funds.....	106	4,850	Stk. lia. for conv.....	14,383
Dep. in lieu of mtged. prop.....		7,792	Grants in aid of construction.....	4,656
Miscel physical property.....	192,290	5,504,352	Ff. debt unmat.....	55,419,150
Inv. in affil. cos.: Stocks.....	138,657	138,657	Receiver's cert.....	6,000,000
Bonds.....	856,000	758,000	Loans & bills pay.....	4,951,593
Advances.....	884,866	812,236	Traffic &c., bal.....	795,440
Other investm.....	6,125,593	3,247,148	Accts. & wages.....	2,796,608
Cash.....	2,614,894	377,773	Miscel. accts.....	362,919
Special deposits.....	322,893	351,403	Int. matured.....	320,859
Loans & bills rec.....	376,287	368,057	Div. and fund debt matured.....	2,100
Agts. & conduct.....	286,113		Int., &c., accr.....	308,387
Traf. &c., bal. rec.....	1,796,273	1,927	Int. accrued not paid.....	a17,754,257
Mat'ls & supp.....	3,493,109		U. S. Govt. def. liabilities.....	10,657,898
Misc. accts. rec.....	1,762,424	349,594	Other def. liab.....	225,935
Int. & div. rec.....	180,376	137,766	Tax liability.....	1,066,399
Other assets.....	18,383	18,383	Prem. on fd. dt.....	90,704
Work. fund adv.....	20,288	752	Ins. & cash res.....	11,484
Trust assets.....	2,195,701	2,195,701	U. S. Govt. unadj. credits.....	6,712,029
Approp. for add. to coal prop.....		61,761	U. S. Guar. adv.....	1,500,000
Deferred assets.....	300,055		Accr. deprecia.....	3,522,672
U. S. Govt. df. assets.....	6,171,900	6,085,626	Oth. unadj. cred.....	1,180,208
Disc. on funded debt, &c.....	1,924,434	1,904,386	Add. to prop. thru inc. & sur.....	147,877
U. S. Govt. unadj. debits.....	14,136,936	11,151,703	Sink. fund res.....	77,744
U. S. Guar. earns.....	2,000,000		Approp. sur. not spec. invested.....	107,485
Other unadj. deb.....	18,574,355	14,893,084	Profit & loss.....	15,727,888
Total.....	147,841,347	132,755,158	Total.....	147,841,347

Total.....147,841,347 132,755,158 Total.....147,841,347 132,755,158
a Includes amounts accrued as follows: 1920, \$2,947,504; 1919, \$2,947,504; 1918, \$3,301,077; 1917, \$2,356,793; 1916, \$3,430,397; 1915, \$3,559,150; 1914, \$3,733,028; 1913, \$2,194,832.—V. 113, p. 531.

The Brooklyn City Railroad Company.

(67th Annual Report—Year ended June 30 1921.)

H. Hobart Porter, Vice-Pres. & Gen. Mgr., Aug. 15, writes in substance:

Results.—This property, which was leased to the Brooklyn Heights RR. Co. on Feb. 14 1893, has since Oct. 19 1919 been operated under its own officials.

During the second half of the calendar year 1920 operating expenses were very high, in consequence of the prices of fuel and other materials. A marked reduction has, however, taken place, which has been favorably reflected in operating expenses during recent months. The reduction in living expenses has permitted your officers to negotiate a reduction of wages with the employees, which became effective on Aug. 5 1921.

The gross revenue has recently shown a considerable increase over the previous year, due in part to increased riding, resulting from the better service furnished, and in part from the collection of a second 5-cent fare on certain lines.

Balance Sheet.—Attention is directed to the fact that during the term of the lease the books of the company reflected none of the additions to capital account which the Brooklyn Heights RR. Co., as lessee, claimed to have made, and as the amount of such additions and betterments is in dispute, no cognizance has been taken of such items, pending their final adjudication. The actual total investment is, however, very largely in excess of the amount shown under the item "capital account."

The company maintains and operates a total of 217.31 miles of railroad on 110.2 miles of streets, and in addition owns various car houses, shops and other real estate, including the office building at 168 Montague St. and 85 Clinton St.

Wages.—In August 1920 the employees demanded a wage which, with taxes and other irreducible operation costs, would have exceeded the gross income of the company. A strike ensued. Adequate police protection enabled the company to operate its cars and the strike resulted in the complete defeat of the strikers. Its cost to your company, including direct expenses and loss of revenue, amounted to approximately \$1,000,000.

Fares, &c.—The municipal authorities continue their unfriendly attitude, and when the company endeavored to collect a second fare, on advice of counsel, on its Flatbush Ave. line, not only were obstructive legal proceedings instituted, but certain of them encouraged refusal to pay the fares and incited trouble. The Appellate Division and the Court of Appeals by unanimous decisions sustained the company's rights and it has since been collecting such fare, to which, in part at least, may be ascribed the increase in income.

The city authorities also established bus lines actually on our streets and parallel thereto, but the Courts sustained our contention and ordered the bus operation discontinued.

Williamsburgh Bridge.—The municipal authorities have announced their determination to take over the local operation on the Williamsburgh Bridge. This will oblige your company, in order to insure safe operation and for other reasons, to cease through operation across the bridge, which will result in greatly increasing the cost and inconvenience to all riders from the Man-

hattan end of the bridge to destinations on your company's lines, as they will be obliged, in addition to changing cars at the Brooklyn end of the bridge, to pay a 5-cent fare to your company, as well as the fare to the municipal authorities on its cars. Your company's proportion of income from the (2-cent fare) local service over the bridge for the 12 months ending June 30 amounted to \$25,482.

The city's endeavor to lay crossings over your tracks on Driggs and Bedford Avenues is still in litigation, and meantime your company is continuing to give both local and through service across the Williamsburgh Bridge.

Guaranty Fund, &c., Litigation.—The lease, made in 1893, of your properties to the Brooklyn Heights RR. Co. provided for a guaranty fund of \$4,000,000. This was invested in bonds of your company, the Brooklyn Rapid Transit Co. and its subsidiaries. After your property was returned in October 1919, the officers of the Brooklyn City RR. Co. demanded the delivery of the securities in the guaranty fund and were refused. They moved before Judge Mayer, in the U. S. District Court, to have Mr. Garrison, as Receiver of the Brooklyn Rapid Transit Co. and the Brooklyn Heights RR. Co., return these securities. The motion was denied.

The officers of your company are advised by counsel that the effect of the decision is to make the \$4,000,000 an offset to whatever claims the Brooklyn Heights RR. Co. or its assignees may have by reason of the so-called "Construction Account," which is a claim of the Brooklyn Heights RR. Co., assigned to the Brooklyn Rapid Transit Co. and pledged under one of its mortgages. It grew out of certain expenditures by the lessee, the Brooklyn Heights RR. Co., for extensions, betterments, renewals, &c. Suit has been begun in the U. S. District Court by Mr. Garrison, as Receiver, against your company to recover approximately \$10,000,000 upon this claim. Your company has answered, denying liability, and set up the guaranty fund as an offset.

Taxes.—Before the surrender to the company of its property, taxes were assessed against this property aggregating approximately \$500,000. The lessee and the Receiver neglected to pay these taxes, and they are now a lien against your property. We claim the amount as an offset against the aforesaid claims of the Brooklyn Heights RR. Co.

Possible Merger, &c.—During the Legislative session of 1921 there was enacted a law creating the Transit Commission, with authority to fix fares, irrespective of ordinances or contracts limiting fares, and to prepare and eventually to carry through a plan for the reorganization of all the transit companies in the city, looking to their eventual acquisition by the City of New York. This company did not make separate application for an increase of fares because the Commission began their work under the second and larger plan. It is hoped that the Commission may evolve a plan which will protect the stockholders and bondholders of your company and give to the Borough of Brooklyn an adequate transportation system at reasonable rates of fare.

INCOME STATEMENT FOR YEAR ENDING JUNE 30.

	Year 1920-21. to June 30 '20.	Oct. 19 '19 June 30 '20.
Passenger revenue	\$10,179,968	\$7,102,398
Other car revenue	277	379
Total transportation revenue	\$10,180,245	\$7,102,777
Advertising and other privileges	\$118,393	\$83,948
Rent of land, buildings, tracks, terminals, &c.	157,439	49,532
Miscellaneous revenue	1,095	30
Total operating revenue	\$10,457,171	\$7,236,288
Maintenance of way and structures	\$969,603	\$669,136
Maintenance of equipment	1,741,844	1,169,452
Power	1,200,983	827,592
Operation of cars	4,828,561	3,206,408
Injuries to persons and property	522,859	251,535
General and miscellaneous expenses	451,817	270,920
Total operating expenses	\$9,715,667	\$6,395,044
Income before taxes	\$741,505	\$841,244
Taxes assignable to operation	500,515	474,193
Operating income	\$240,989	\$367,052
Non-operating income	91,843	49,174
Gross income	\$332,833	\$416,226
Interest	\$362,269	\$235,903
Rent of cars, tracks, &c.	321,421	148,833
Net income	def. \$350,858	\$31,490

BALANCE SHEET JUNE 30 1921.

Assets—	Liabilities—
Cash	Capital stock
Special deposits	Capital expend. from surplus
Accounts receivable	Taxes accrued
Stock of controlled corps., &c.	Miscellaneous accts. payable
Fixed capital	Interest accrued
Prepayments	Matured coupon account
Expense of lease & property	Dividends declared
Suspense items	Due for wages and deposits
	1st Consol. Mtg. 5s
	Refunding Mtg. 4s
	Reserve
	Deferred credit items
	Surplus
Total	Total

Note.—The books of the company during the term of its lease to the Brooklyn Heights RR. Co. reflected none of the additions to capital account which the lessee claimed to have made. The amount of such additions and betterments as may have been made to the property by the lessee is in dispute. The above balance sheet takes no cognizance of any such items pending final adjudication.—V. 113, p. 530.

Texas Electric Railway.

(Report for the Fiscal Year ending Dec. 31 1920.)

Pres. J. F. Strickland, Dallas, Jan. 24, wrote in substance:

[The company operates 280 miles of line between the cities of Dallas, Waco, Denison and Corsicana, including main track, 2d main track, sidings and turnouts.]

Results.—Gross earnings were \$3,454,615 an increase over 1919 of \$503,104, or 17%. Operating expenses and taxes totaled \$2,013,072, an increase over 1919 of \$274,794, or 15.8%. Net earnings were \$1,441,543 an increase of \$228,310, or 18.8%.

The company has enjoyed the largest gross volume of business that has ever been done in any year of its operation. The operating expenses have continued to increase during the year in common with other lines of business, largely due to increased wages. The effect of the general depression was clearly reflected in your revenues for November and December 1920. The increase in gross business in November was at a very much smaller rate than in the previous months and in December the gross business decreased 7.4% under the business done in December 1919.

Dividends.—Regular dividends have been paid at the rate of 7% p. a. on the First and Second Preferred stocks, and dividends at the rate of ½ of 1% quarterly were paid on the Common stock during the first three quarters of the year. A dividend of 1% for the quarter ending Dec. 31 1920, has been declared payable on the Common stock March 1 1921.

Physical Condition.—The property has been maintained during the year, although costs of material and wages of labor on maintenance work have largely increased and an additional sum of \$210,000 was transferred from surplus into renewal and replacement reserve to be used as found necessary and advisable for further maintenance and upbuilding of your property.

Surplus.—The surplus of the company has increased \$356,914 during the year, and practically all of this amount has been expended for betterments and improvements on the property and in the reduction of the outstanding funded debt.

Local Street Railway Lines.—We feel we should again bring before you the condition of the company's local street railway lines in the various communities which we serve. These properties have been operated during the past year, as has been the case ever since the beginning of the war, with practically no return on the investment used and useful in this service. No community can expect owners of property used in public service to continue putting in new money in the service of that community if the amount which has been invested previously is not permitted to earn a fair return.

EARNINGS OF LOCAL STREET RY. LINES FOR YEAR 1920.

	Waco	Wazahachie	Cors'c'na	McKin'y	Sherman	Denison
Gross (5c. fare)	\$379,619	\$17,676	\$28,475	\$5,841	\$74,524	\$42,939
Op. exp. & taxes	287,345	19,925	24,291	6, 65	55,478	29,956
Net	92,273	*2,249	4,184	*1,024	19,045	12,983
Dep. & replac.	76,862	13,821	10,899	4,532	19,288	7,154
Net	15,411	*16,070	*6,715	*5,556	*243	5,829

Construction.—The sum of \$333,904 has been spent for betterments and improvements during the year, notably four new interurban motor cars, two new express trail cars, etc., paving in city streets, additional ballast, four concrete and steel structures to replace wooden trestles and culverts, three new side tracks, etc.

Continuing our policy of providing permanent stations instead of occupying rented property, increasing our facilities in the larger cities we purchased during 1920 additional real estate adjoining our present terminal property in Waco and an additional block of land adjoining the company's express station in Dallas has been contracted for and a substantial payment made. These two items, totaling \$110,023 are not included in the above-mentioned amount spent on betterments and improvements during the year.

Securities.—The sinking fund in 1920 retired \$7,000 Texas Traction Co. 1st Mtg. 5% bonds and \$27,000 Denison & Sherman Railway Co. 1st Mtg. 5% bonds were purchased and placed in the company treasury making a net result of a reduction of \$34,000 in the underlying debt.

The company has outstanding \$2,160,000 of 6% convertible gold debentures due Jan. 1 1942, which were issued when the company was organized and which carry with them the privilege on and after Jan. 1 1922 of being converted into 7% First Preferred stock. To provide for this conversion it will be necessary for the stockholders at the annual meeting to authorize the issuance of additional first Pref. stock.

[Mr. Strickland having died, J. Beall of Dallas was in June last elected President and N. A. McMillan of St. Louis was made Chairman of the Board.—Ed.]

INCOME ACCOUNT FOR CALENDAR YEARS.

	1920.	1919.	1918.
Gross earnings from operations	\$3,454,615	\$2,951,511	\$2,381,475
Oper. expenses incl. taxes	2,013,072	1,738,278	1,436,258
Net earnings from operations	\$1,441,543	\$1,213,233	\$945,217
Interest on bank deposits, etc.	5,569	1,171	6,504
Gross income	\$1,447,112	\$1,214,404	\$951,721
Interest on bonds, debentures, &c.	474,177	478,949	473,901
1st Preferred dividend (7%)	49,000	49,000	49,000
2nd Preferred dividend (7%)	210,000	210,000	210,000
Common dividend (2½%)	150,000 (½)	30,000	
Renewals and replacements	210,000		
Balance, surplus	\$353,935	\$446,455	\$218,820
Profit and loss surplus	\$1,314,714	\$957,799	\$509,594

CONDENSED BALANCE SHEET DECEMBER 31.

Assets—	1920.	1919.	Liab. (Cont.)—	1920.	1919.
Plant, property, rights, leases, &c.	20,354,625	20,020,721	Common stock	6,000,000	6,000,000
Adv. add'l term. real estate	110,023		1st & Refunding 5s	5,519,000	5,519,000
Investments	6,300	3,175	Tex. Tr. 1st M. 5s.	1,250,000	1,257,000
Sink. funds and special deposits	90,510	87,519	Denison & Sherman 1st Mtg. 5s.	87,000	114,000
Mat. and supplies	159,760	132,603	6% conv. gold deb.	2,160,000	2,160,000
Accts. & notes rec.	51,974	61,176	Purch. money obl.	140,000	95,000
Cash	371,136	184,892	Vouchers payable	41,097	52,533
Prepaid accounts	6,323	5,793	Miscel. liabilities	4,718	8,208
Total	21,150,651	20,495,879	U. S. war tax on pass. revenue	13,896	15,791
Liabilities—			Accrued taxes	84,863	81,683
7% Cum. 1st Pref. stock	700,000	700,000	Res. for injuries & damages	152,709	122,054
7% Cum. 2nd Pref. stock	3,000,000	3,000,000	Res. for renewals & replacements	316,211	83,069
Total	21,150,651	20,495,879	Other reserves	252,548	244,120
			Divis. not due	113,896	85,622
			Surplus	1,314,714	957,799

—V. 113, p. 184.

General Motors Corporation.

(Semi-Annual Report—Six Months ending June 30 1921.)

President Pierre S. du Pont says in part:

Demand.—Like other industrials throughout the United States, this company experienced unprecedented demand for its products during the first 8 months of the year 1920. From that time until March 1921 a period of extreme depression developed.

Inventories.—In consequence inventories mounted to \$222,098,805 in October, with a great burden of commitments for materials unnecessary in view of the restricted output of the company. Happily this condition has been gradually ameliorated, so that inventories now stand at \$147,502,086, a total reduction of \$74,596,719 from the high point of 1920.

Of this reduction, however, \$25,776,112 was accomplished through writing down of inventories as shown in the last annual report.

Current Liabilities, &c., Greatly Reduced.—During this same period of depression accounts payable, which had reached \$40,736,127 under active business of 1920, have been reduced to \$19,852,581, and notes payable that reached a maximum of \$87,596,076 have been reduced to \$68,808,250—a total reduction in these two items of \$39,672,372, in addition to which, purchase money notes on account of Fisher Body Corporation stock purchase have been reduced by \$6,840,000 and cash in bank increased by \$6,661,790.

Appraisal.—In order that the directors of the company might be satisfied as to the value of physical properties, the Manufacturers' Appraisal Co. has recently made a careful reappraisal thereof, the result of which is set forth in copy of their letter attached, saying:

"We have made reappraisal of your real estate, plants and equipment based on reproductive costs as of June 1921, less depreciation accrued and our estimate of the fair valuation of your properties as of that date is upwards of \$30,000,000 in excess of that shown by the books of the corporation. This does not include any allowance on account of the reappraisal of your tools, dies, jigs, &c., which are carried on your books at a very low basis of valuation due to your system of charging off to operations each year the cost of all your tools, dies, jigs, &c., which policy in our opinion is ultra-conservative."

Physical Condition.—The readjustment of financial affairs has been coupled with like improvement in the manufacturing part of the business. All factories have improved the quality and design of cars, so that the General Motors line is quite abreast with or in advance of the best construction practices of the day. The company is unique in its ownership of factories for the making of parts and accessories necessary for quality production at lowest price. Each part may be fitted exactly in workmanship, thus giving to General Motors cars a distinct advantage not enjoyed by cars built up of parts assembled from numerous uncontrolled factories.

Outlook.—The company is in a healthy condition and well prepared to take advantage of increased volume of business in any line pertaining to the automotive industry.

The full income account by quarters, profit and loss account and balance sheet as of June 30 1921, are cited under "Reports and Documents" on a subsequent page.

INCOME ACCOUNT FOR SIX MONTHS ENDING JUNE 30.

	1921.	1920.	1919.	1918.
Net profits	\$14,238,876	\$47,759,357	\$48,900,800	\$26,078,120
Prov. for Fed. taxes, &c.	29,473	12,250,000	17,708,636	13,490,861
Deduct acct. of price reductions	4,549,871			
Balance	\$9,659,532	\$35,509,357	\$31,194,164	\$12,587,259
Gen. Mot. prop'n thereof	\$9,605,676	\$35,151,114	\$30,591,988	\$12,307,784
Pref. divs. (6% p. a.)	485,502	485,112	522,392	590,304
Deb. divs. (6% p. a.) abt.	1,752,614	1,475,221	943,653	
Deb. divs. (7% p. a.) abt.	899,009	686,119		
Com. divs. (cash) (50c.)	10,230,975 (5½)	861,7887 (6)	8,842,434 (6)	5,618,655 (6)
do (stock) (2½)	389,6087			
Surplus	def. \$3,762,425	\$19,990,689	\$2,250,008	\$6,038,825
Previous surplus	121,273,317	78,641,897	36,408,937	20,606,928
Total surplus	\$117,510,792	\$98,632,586	\$58,652,445	\$26,705,753

BALANCE SHEET JUNE 30.

Assets—		Liabilities—			
1921.	1920.	1921.	1920.		
Perm't invest't.	254,363,653	191,025,327	6% debent. stock	58,283,800	56,371,100
Goodwill, pat'ts,			7% debent. stock	25,637,900	25,153,500
copyrights, &c.	22,421,763	22,670,672	Preferred stock	16,183,400	16,183,400
Inv. allied cos.	63,373,645	62,412,840	Common stock	58,000	7,145,700
Cash	49,363,653	48,400,460	Com. stock (no		
U. S. Gov't. bds.	29,744	197,468	par value)	206,405,975	161,289,180
Marketable secs.	32,835	56,475	Pur. money bds.	1,607,398	71,020
Sight drafts	5,547,867	15,391,507	do notes acct.		
Notes receivable	9,133,387	36,689,221	Fisher Body		
Accts. receivable	21,042,606		Corp.	5,000,000	15,840,000
Inventories	147,502,087	184,779,598	Sub. cos. stock		
Deferred exp.	6,810,346	5,844,074	and surplus	1,628,040	1,896,258
Prepaid expenses	1,527,625		Accts. payable	19,852,581	36,440,740
			Notes payable	68,808,250	78,257,898
			Accrued divs.	1,018,638	
			Taxes, pay-rolls,		
			&c.	20,381,335	21,048,263
			Reserves	38,773,104	49,137,993
			P. & L. surplus	117,510,792	98,632,587
Total	581,149,213	567,467,643	Total	581,149,213	567,467,643

x Includes 20,528,790 21-40ths shares outstanding at \$10 per share and 111,807 shares held in reserve account of subscriptions not fully paid at \$10 per share.—V. 113 p. 753.

Adirondack Power & Light Corporation.

(Report for the Fiscal Year ending Dec. 31 1920.)

President J. Ledlie Hees, Amsterdam, N. Y., June 10, wrote in substance:

Merger.—The statement combines the operations of the Mohawk Edison Co., Inc. (V. 110, p. 769), and of the Adirondack Electric Power Corp. (V. 110, p. 765), up to July 31 1920, as of which date the properties of those companies were united. The general offices were established during Oct. 1920 in temporary quarters in Amsterdam, N. Y., and the consolidation of operations has been in progress (see plan in V. 109, p. 2358; 2441; V. 110, p. 765.)

The attached statement of earnings and expenses reflects costs due to exceptionally low water and to the high cost of fuel.

Output.—The company sold during the year 229,105,106 k.w. hours of electric energy and 729,869,500 cu. ft. of gas, to 40,953 electric customers and 23,785 gas customers.

Steam Station.—A new steam power plant on the Mohawk River, near Amsterdam, has been started. Generating capacity rated at 30,000 k.w. is being provided initially, with possible additions at the same site to an aggregate of 200,000 k.w. It is expected that this plant will be put into operation during the fall of 1921 and will become one of the important stations of the company.

Rates.—Only minor adjustments were made during the year in electric rates, slightly increasing our revenue. Gas rates were increased 50c. per 1,000 cu. ft. in Schenectady in July, increasing the revenue of the company at the rate of approximately \$300,000 per annum. This rate has been reduced to a 25c. increase by order of the P. S. Commission, effective May 1 1921, but the order has been appealed from and is now being reviewed in court (see V. 112, p. 2086, 1743).

Dividends.—Regular dividends were paid on the Preferred stock of the Adirondack Electric Power Corp. at the rate of 6% until that property was taken over by the Adirondack Power & Light Corp., after which the latter paid its regular dividends on its Preferred stock at the rate of 7% per annum. No dividends have been paid on the Common stock since the consolidation of the properties.

[As to offering of 1st & Ref. Mtge. 6% gold bonds, dated March 1 1920, see V. 113, p. 295; V. 111, p. 2043, 590.]

INCOME ACCOUNT FOR CALENDAR YEARS.

	1920.	1919.
Gross earnings	\$4,714,526	\$2,152,338
Operating expenses and taxes	a3,376,660	1,322,405
Gross income	\$1,337,866	\$829,933
Interest and other deductions	736,401	347,800
Dividends	189,007	344,000
Deduct by order of P. S. C. Jr. to Pref. dividend	125,000	
Balance, surplus	\$287,457	\$138,132

a Includes \$191,320 for the credit of reserve for renewals & replacements.

BALANCE SHEET—DECEMBER 31 1920.

Assets—		Liabilities—	
Plant	\$28,579,253	Common stock	\$8,991,000
Investments	210,843	Preferred stock	3,440,400
Cash	386,096	Optional receipts	224,900
Materials & supplies	1,049,624	Contractual liability	594,100
Bills & accounts receiv.	1,002,086	Funded debt	13,669,600
Cash for constr. accounts	901,841	Bills & accounts payable	2,601,609
Prepayments	32,726	Consumers' deposits	153,228
Open accounts	107,420	Accounts not due	293,552
Unamort. debt & expense	795,904	Reserves	1,266,227
		Surplus	1,831,176
Total	\$33,065,792	Total	\$33,065,792

—V. 113, p. 734.

Procter & Gamble Co., Cincinnati

(Report for Fiscal Year ending June 30 1921.)

President Wm. Cooper Procter, Cincinnati, Aug. 15, wrote in substance:

Loss on Inventory.—As indicated in our letter of Dec. 22 1920 the company sustained a heavy loss in inventory as a result of the unprecedented decline in the prices of its principal raw materials, namely, oils and fats, the most important of which dropped as much as 80% in value. This loss was charged against the company's surplus, and its selling prices were adjusted to the basis of the current market. In spite of this severe depreciation in values, the year has been one of satisfactory development.

Debt Retirement.—The company closed the year entirely free of current debt, having paid in full during the year its outstanding obligations to banks, amounting to \$10,950,000; in addition, it took up \$5,000,000 of its serial gold notes which matured March 1 1921 and paid all customary dividends upon its outstanding capital stocks.

Results.—The total volume of business done by the company and its constituent companies for the fiscal year ended June 30 1921 amounted to \$120,019,727, while this amount, on account of decreased values, is materially less than last year's figures, the actual reduction in weight of merchandise sold is just 12%.

During the past fiscal year the company's operating profit amounted to \$3,729,559. On account of the unprecedented general conditions which prevailed throughout the country and affected all industries, the company made no profit for the six months ended Dec. 31 1920.

Outlook.—Since Jan. 1 1921, however, the operating profit has been at the rate of about \$625,000 per month.

Our present selling plan is working smoothly and is an assured success. We are operating with a normal volume of business, upon a satisfactory basis of profit, the volume of business is increasing steadily, the organization has been materially strengthened and in all respects the outlook is good.

[The directors in June last declared the regular quarterly cash dividend of 5% on the Common stock and an extra stock dividend of 4%, both payable Aug. 15 to holders of record Aug. 1. Company has paid a 4% stock dividend in August each year since 1913.]

The circular letter of Dec. 22 1920, said in subst.: "Inasmuch as the adjustment of our raw materials from war prices to a pre-war basis, which as referred to in our statement of June 30 1920, as having begun, is now actually completed, we take this occasion to advise our stockholders that the company has written down its inventories to the present market, making proper provision for the loss due to shrinkage in values, and contently expects to go forward upon a normal basis of production and sale, the war and its many complexities behind it. The management is

confident that the change in the company's selling policy, which went into effect July 1 1920, will prove greatly to its advantage, and that its earning power, upon the resumption of normal buying throughout the country, will be greater than ever before."

VOLUME OF BUSINESS AND NET EARNINGS YEARS END. JUNE 30.

	1920-21.	1919-20.	1918-19.
Volume of business, incl. sub. cos.	\$120,019,727	\$188,800,668	\$193,392,044
"Operating profit" (see text)	3,729,559		
"Net earnings" aft. prov. for deprec., losses, taxes (incl. Fed. taxes) and in 1919-20 reduction in value of inventories		not stated	4,191,057 7,325,532

CONDENSED GENERAL BALANCE SHEET JUNE 30 (INCLUDING CONSTITUENT COMPANIES).

Assets—		Liabilities—			
1921.	1920.	1921.	1920.		
Real estate, bldgs., machine plant & equipment	34,494,886	32,233,661	Common stock	20,521,167	19,732,111
Good-will, patents, licenses, &c.	2,833,055	2,883,055	Preferred stocks	12,181,100	12,181,100
Mchdse. & mat'l.	24,819,086	54,718,891	7% Ser. G notes	10,000,000	15,000,000
Debtors & bills rec	7,602,581	7,542,628	Notes payable		10,950,000
U. S. A. & Can.			Accts. pay., incl. accr. int. on notes	1,048,264	1,424,151
Govt. securities		5,059,953	Depr. of bldgs., plants, mach., &c.	13,378,863	12,062,129
Other investments	2,361,938	1,455,316	Misc. res., incl. taxes	3,288,155	2,645,451
Loans against sec'y	3,348,821	5,266,892	Sur. & undiv. prof.	20,125,850	40,260,305
Cash	3,689,193	3,543,770			
Deferred charges	1,343,838	1,551,080			
Total	80,543,398	114,255,247	Total	80,543,398	114,255,247

—V. 112, p. 2757.

Hercules Powder Co., Wilmington, Del.

(Semi-Annual Report—Six Months ended June 30 1921.)

6 Mos. to June 30—	1921.	1920.	1919.	1918.
Gross receipts	\$6,537,615	\$9,683,942	\$12,173,832	\$19,880,967
Net earnings (all sources)	122,554	1,265,285	488,421	2,624,050
Bond interest	272,698			
Pref. dividend (3½%)		190,582	187,250	187,250

Available for impts. or for Common divs.—def \$150,144 \$1,074,703 \$301,171 \$2,436,800

The net earnings, as above, are stated after deducting all expenses incident to manufacture and sale, ordinary and extraordinary repairs, maintenance of plants, accidents, depreciation, &c.

Note.—The assets and business of Aetna Explosives Co., Inc., were purchased June 7 1921 by Hercules Explosives Corp [see news item], a sub. Co. of Hercules Powder Co., and consolidated in this balance sheet. The Aetna bonds outstanding were assumed by Hercules Explosives Corporation. One million dollars par value of Liberty bonds were set aside to pay certain obligations of Aetna Explosives Co., Inc., as and when these obligations are determined. If that fund, of which \$437,755 remains, shall be exhausted then Preferred stock in escrow shall be reduced in an amount at par equal to such excess." (Compare Aetna Explosives Co., V. 112, p. 2308, 2539.)

BALANCE SHEET JUNE 30.

Assets—		Liabilities—			
1921.	1920.	1921.	1920.		
Plants & property	23,450,550	14,539,179	Common stock	7,150,000	7,150,000
Cash	3,179,468	1,122,460	Preferred stock	7,540,000	5,730,800
Accounts receiv.	3,900,901	4,330,606	Pref. stk. in escrow	1,350,000	
Collateral loans	1,115,219	1,250,000	Aetna bds. & pf. stk.	3,945,855	
Invest. securities	1,170,388	100,472	Bills payable	3,442,837	233,151
Liberty bonds	593,201	4,458,350	Accounts payable	487,255	474,592
Mat'l & supplies	5,055,863	4,647,168	Preferred dividend	77,787	50,144
Finished products	2,653,852	1,525,080	Deferred credits	69,909	28,241
Contingent assets	437,755		Reserves	2,754,783	1,819,648
Deferred charges	91,003	58,258	Profit & loss	14,392,017	16,544,998
			Contingent liab.	437,755	
Total	41,648,200	32,031,574	Total	41,648,200	32,031,574

—V. 112, p. 2541.

United Paperboard Co., Inc., New York

(Eighth Annual Report—Year ended May 28 1921.)

President Sidney Mitchell says in substance:

Year 1920-21.—The first six months of the year were the most profitable in the company's history. In October the general business depression resulted in a great decline in the price of our products and in the volume of business, causing thereby a number of our mills to shut down, and they remained so.

During the year dividends of 6% were declared on the Preferred stock, 4% on the Common stock and [in Jan. 1921] a 10% stock dividend on the Common stock. (V. 111, p. 2050.)

All Mortgage Bonds Paid.—The \$195,000 outstanding bonds on your Thompson (N. Y.) mills were paid at maturity on April 1 1921, thus completing the policy of eliminating the mortgage debt on all the company's properties.

Pref. Stock.—Under the sinking fund we purchased 2,426 shares of Pref. stock, and at the annual meeting of stockholders held Nov. 18 1920 the authorized Pref. stock was reduced from \$2,500,000 to \$1,500,000.

Suit Dismissed.—The suit against this company in the sum of \$1,500,000 instituted by a committee of Collateral Trust bondholders of the United Box Board & Paper Co. for a deficiency under foreclosure has been dismissed. (V. 111, p. 1190.)

Improvements, &c.—Improvements on various mills to the extent of \$376,722 were made during the year. The rebuilding of the Urbana mill has been completed. Due to lack of orders the mill has not yet been operated. The wooden mill building at Benton Falls (Maine) was replaced with a modern concrete structure.

Fire.—The mill at Peoria (Ill.) and the Caledonian mill at Whippany (N. J.) were partly destroyed by fire. It is anticipated that the insurance will largely offset the loss.

Inventories.—Inventories have been reduced to cost or market value, whichever was lower.

INCOME ACCOUNT FOR YEARS ENDING MAY 31.

	1920-21.	1919-20.	1918-19.	1917-18.
Mill earnings	\$731,041	\$1,664,731	\$686,170	\$715,472
Taxes and insurance	101,600	224,377	106,107	96,974
Administration expenses	115,117	99,019	93,423	84,781
Net earnings	\$514,324	\$1,341,334	\$486,640	\$533,717
Other income	49,229	8,722	18,722	36,015
Total net earnings	\$563,553	\$1,350,056	\$505,362	\$569,732
Interest charges	\$6,885	\$10,046	\$17,251	\$21,818
Depreciation	100,000	500,000	300,000	400,000
Preferred divs. (6%)	88,140	94,633	94,616	95,177
Common divs.	(4%) 367,278	(2) 183,636	(1) 91,811	(½) 45,904
Balance, surplus	\$1,250	\$561,741	\$1,684	\$6,833

BALANCE SHEET.

Assets—		Liabilities—			
May 28 '21.	May 29 '20.	May 28 '21.	May 29 '20.		
Real estate, plants, equipment, &c.	10,284,783	13,414,332	Preferred stock	1,500,000	2,100,000
Treasury stock	2,058,529	486,868	Common stock	12,000,000	12,000,000
Other securities	422,474	289,202	Accts. payable	362,808	327,826
Cash	567,966	1,202,074	Contracts for im- prov'ts & replac.	343,519	424,789
Notes & accts. rec.	364,437	91,812	Reserve for accrued interest, &c.	101,181	285,571
Insurance fund	874,042	1,154,434	Surplus	774,719	1,629,410
Mdse. & supplies	79	577,972			
Deferred charges	23,049	37,769			
Suspended assets					
Total	15,082,227	16,767,595	Total	15,082,227	16,767,595

—V. 112, p. 467.

Natomas Company of California, San Francisco.

(Report for Fiscal Year ending Dec. 31 1920.)

The new financial plan is cited on a subsequent page.

The report for the year 1920 says in substance:

Gold Dredging.—The company is now operating ten gold dredges, eight in the American River field and two in the Oroville field.

Dredge No. 7 was operated at Blue Ravine until June 3 1920, when all of the dredging ground owned by the company at that place was exhausted, and the dredge was closed down and partially dismantled. It is intended to rebuild this dredge on other ground owned by the company as soon as construction costs warrant it.

In 1920 we dredged 20,459,001 cubic yards of material (not including 2,510,199 cubic yards of material dredged on land not owned) and the gross gold recovery therefrom was \$1,680,675 [against \$1,775,124 in 1919]; costs, including taxes and insurance, \$1,361,850; net, \$318,825 [against \$461,483 in 1919].

Comparison of Results of Operations in Cents per Cubic Yard.

Table with columns for Years, Gross, Cost, Net, and rows for 1914-17, 1918, and 1920.

The remaining proven dredging lands of the company contain about 142,000,000 cubic yards of payable dredging ground at present costs. In addition to this area, the company owns 40,000,000 cubic yards additional ground which could be mined at a profit if pre-war costs of labor, materials and power should again prevail.

During the year 1920, Feather River Dredge No. 1 continued to operate almost entirely in ground previously dredged, and while the net results were low, we felt justified in mining the ground in order to reach virgin ground owned by the company. Feather River Dredge No. 3 was operated entirely on land owned by the American Gold Dredging Co. under a profit-sharing agreement, yielding a profit of \$12,000 as our share.

The operations of the Gold Dredging Department were curtailed considerably during the year on account of the general power shortage.

Rock Crushing Plants.—The Rock Crushing plants of the company at Fair Oaks and Oroville were leased for the year to the Coast Rock & Gravel Co., which was organized for the purpose of operating these plants in conjunction with others at Niles, Elliott and Logan, California. This arrangement has proven profitable and satisfactory and the lease has been extended for the year 1921.

Reclaimed Lands.—The development work carried on by the Natomas Company in District No. 1000 during the year included capital expenditures of \$206,900 covering the completion of improvements to the irrigation systems for supplying water to the Elkhorn and Riverside Units and the extension of canals in the Goodland and Central Irrigation Units. These systems are now capable of supplying water to 23,200 acres of land. In the Bear River Gardens in Reclamation District No. 1001, 20 new wells and individual irrigation systems were installed bringing the total to 51 wells, supplying 2,100 acres of land. All lands not under contract of sale were leased for general farming.

To Dec. 31 1920, there have been sold (a) in Reclamation District No. 1000, 27,659 acres of land for a net price of \$4,502,754, the balance due the company from these sales \$3,769,307; (b) in Reclamation District No. 1001 along Bear River, 2,635 acres of land for a net price of \$461,872, and there is due the company from these sales \$433,907.

At Dec. 31 1920, the company owned in addition to lands under sales contracts, about 28,000 acres of agricultural lands and about 15,000 acres of other lands, adapted partly to grazing and partly to cultivation requiring a larger development expenditure, and therefore valued at lower net figures.

Most of our purchasers are making a success of their farming operations, but the early and continual rains of last fall destroyed a considerable portion of the crops and as a consequence the Company will undoubtedly be called upon to grant extensions of time to some of the purchasers. Most of the contracts, however, are in good shape and should be fully paid by the time of their maturity.

During the year the demand for farming lands fell off considerably and comparatively few sales are at present being made. There appears now to be some prospect of a resumption of sales activity during this year.

Financial.—The principal non-operating expenditures for 1920 were:

Capital assets—Acquisitions and development of lands, irrigation works, roads, etc.; gold dredging properties, \$25,111; rock properties, \$28,750; American River properties, \$45,465; Sacramento River properties, \$208,781; Bear River properties, \$41,029; general company equipment, \$13,158.

Coast Rock & Gravel Co. stock \$362,294

Sinking funds deposits in 1920—For Gen. & Ref. bonds, \$475,000 making with \$100,000 at hand Jan. 1 but not used \$575,000 with which bonds of par value of \$803,400 were purchased and canceled; amount of cash deposited in 1920 475,000

Sinking fund for Natoma Land & Mining Co. bonds, \$48,120, which with \$16,416 remaining from former deposits made a total of \$64,536 by means of which with bonds of par value of \$64,000 were redeemed or called for redemption. Amount of cash deposited in 1920 48,120

OPERATING STATEMENT FOR CALENDAR YEARS.

[Before charging off depreciation of \$283,243 and exhaustion of mineral area of \$598,404, a total of \$881,647.]

Table with columns for Gross Returns, Net Returns, and rows for Gold dredging, Rock crush., Water department, etc.

BALANCE SHEET DECEMBER 31.

Table with columns for 1920, 1919, and rows for Assets (Capital assets, Prop. susp. acct., etc.) and Liabilities (Preferred stock, Common stock, etc.).

After charging during 6 years \$5,409,345 for exhaustion of dredging ground and depreciation of plant.

a Includes gold dredging and rock properties, \$5,128,151; water dept. properties, \$1,101,634; held as collateral security for General and Refunding bonds outstanding; American River properties, \$1,106,366, including properties held through ownership of stock of Natomas Water Co.; Sacramento River properties, \$3,207,694, including properties held through ownership of stock of Mutual Water Co.; Feather River properties, \$669,430; Bear River properties, \$1,084,469; and General Co. equip., \$46,606.—V. 105, p. 285.

GENERAL INVESTMENT NEWS.

RAILROADS, INCLUDING ELECTRIC ROADS.

General Railroad and Electric Railway News.—The following table summarizes recent railroad and electric railway news of a more or less general character, full details concerning which are commonly published on preceding pages under the heading "Current Events and Discussions" (if not in the "Editorial Department"), either in the week the matter becomes public or shortly thereafter.

Bill to Amend Transportation Act.—Bill presented Aug. 15 by Senator Pittman to withdraw authority of the I.-S. C. Commission to impose long and short haul rates under the Esch Act with a view to ending "present discrimination in railroad rates against the Middle West." "Times" Aug. 16, p. 22.

Administration Funding Bill.—To settle miscellaneous RR. claims Govt. needs \$200,000,000 additional to \$149,000,000 available July 1 and \$500,000,000 proposed by funding bill on account of betterment claims (Director-General). "Times" Aug. 16, p. 1; Aug. 17, p. 15. See also "Rates" below.

Bankers are urged by the Federal authorities to form pools to purchase U. S. holdings of RR. securities. "Sun" Aug. 18, p. 4.

Proposed Repeal of Transportation Taxes.—The tax bill as adopted by Republican caucus and introduced in House on Aug. 15 provides for the repeal from Jan. 1 1922 of all the transportation taxes, including the 3% tax on rail and local water freight, the 5% tax on express matter, the 8% tax on passenger fares and parlor and sleeping car transportation and the 8% tax on pipe line oil, but not the telephone, telegraph and cable charges (nor the Pullman surcharge of 50% which was established under the Transportation Act of 1920 for the benefit of the RRs.). The tax on corporation income is increased from 10 to 12 1/2% for 1922. See "Current Events" above and full text of bill in "Times" of Aug. 16, p. 10 and 11.

Tentative Valuation by I.-S. C. Commission.—The Presidents' Conference Committee on Federal Valuation has issued a statement as to the valuations announced to date for 106 roads, showing in tabular form the "tentative valuations" for 51 roads and supplemental tentative valuations for 55 roads, with, in each case, (a) date of valuation, (b) miles of road and track, (c) final value of used property, also amount deducted for property owned but not used in RR. operations, (d) investment in road and equipment as per carriers' books with accountants restatement of same, (e) capital stock, also funded debt, all of date of valuation. "Ry. Age" Aug. 13, p. 288 to 290.

Railroad Award Increases Repair Contracts.—"Times" Aug. 14, Sec. 2, p. 8.

Erie Leases Marion, O., Shops to Private Concern not Bound by Rules.—"Times" Aug. 16, p. 1; Aug. 17, p. 15; Aug. 18, p. 23; Aug. 19, p. 12.

Inefficiency of RR. Labor Will Not Be Measured by I.-S. C. Commission—Abstract of Decision.—"Railway Age," p. 291 to 293.

How Ford Runs Detroit Toledo & Ironton RR.—See "Current Events" above and "Times" Aug. 14, Sec. 7, p. 1. His proposed rates on coal suspended Aug. 17.

Rates.—The I.-S. C. Commission on Aug. 18 authorized the RRs. on 10 days' notice (a) to establish rates on grain and grain products from Chicago, Mississippi River crossings and points in Illinois, Indiana and other States to Atlantic ports for export at 7 1/2 cents per 100 lbs. less than the present rate; (b) to reduce by 5 cents per 100 lbs. in the export rates on flour from Buffalo to Atlantic ports when manufactured from grain brought into Buffalo by the lake route. "Times" Aug. 19, p. 6.

Federal authorities extend assurance of prompt settlement of about \$500,000,000 claims of RRs. against the U. S. provided the RRs. abandon \$900,000,000 claims for labor inefficiency. "Times" Aug. 13, p. 1; Aug. 14, p. 3; Aug. 17, p. 21.

(b) Plan to cut by 25% export rates on iron and steel products through North Atlantic ports. "Times" Aug. 13, p. 12; Aug. 16, p. 17. (c) Reduction on smelter products from Arizona and Cananea (Mex.) via New Orleans or Galveston and So. Pa. Co. SS. line cut from \$21 10 to \$17 60 per ton to New England and \$20 to \$16 50 to Baltimore, effective Sept. 12. "Times" Aug. 14, Sec. 2, p. 7. (d) I.-S. C. Commission suggests RRs. voluntarily reduce by 20% live stock rates over 50 cts. per 100 lbs. Idem, Aug. 16, p. 17. These rates on Atch. Top. & S. Fe are held not unreasonable. Boston "N. B." Aug. 16, p. 7.

(e) Oil men ask lower rates. Sharp cut on petroleum, effective Aug. 15, from Casper, Wyo., to Chicago and intermediate points, namely on refined and heavy oil from 66 to 56 1/2 cts. per hundred, or 9 1/2 cts., and on gasoline .0627 cts., or very nearly two-thirds of a cent a gallon. "Oil P. & D. Reporter," Pet. Sec., Aug. 15, p. 9.

(f) The westbound export tariff 29-H of the Transcontinental Freight Bureau has been amended to make effective on Sept. 1 reduced railroad rates on several export commodities to the Far East, notably, per 100 lbs., Agricultural implements, \$1 33 to \$1 15; automobiles, truck, \$3 66 to \$3 15; automobiles, passenger, \$4 33 to \$3 65; dry goods, \$1 60 to \$1 45; oil well supplies, \$1 33 to \$1 15; machinery and electrical appliances, \$1 33 to \$1 15. At present the rates applying to the Pacific Coast from Chicago and points west are lower than rates from points east of Chicago—"Times" Aug. 17, p. 20.

Wages.—(a) Brotherhoods to vote on accepting wage cut of July 1, returnable Sept. 30. "Times" Aug. 14, p. 14; Aug. 16, p. 24, 23. Signalmen protest. Idem, p. 23.

Wage Reduction, &c., Refused.—The request of the railroad brotherhoods for cancellation of the recent wage reduction, a continuation of present working rules, and assurance against future wage reduction and also against abandonment of present overtime pay, was refused on Aug. 18 by a committee of executives representing Western railways following a two-day conference here with union chiefs. Eastern roads refused similar requests several days ago, and it is understood that the executives of Southeastern railways will do likewise. Southwestern rail chiefs declined to meet the union men. "Times" Aug. 19, p. 19.

Bad Order Car Situation Serious (Chairman Amer. Ry. Assn.). "Boston News Bureau" Aug. 19, p. 6.

Railroad Hearings ended by Senate Committee.—"Sun" Aug. 16, p. 2.

British Railways Were Returned to Stockholders on Aug. 15.—"Post" Aug. 15, p. 1; Aug. 16, p. 10.

Mayor Hylan Suggests Possibility of Railroads Using Proposed Bay Tunnel. "Times" Aug. 17, p. 22.

Commission Sets Limit on Railroads' Coal Mine Service. "Coal Trade Journal" Aug. 10, p. 901.

Status of Railway Wages (Bureau of Economics). "Ry. Review" Aug. 13, p. 212, 213.

Iowa Increases Railroad Valuation for Tax Purposes \$40,000,000. Idem, p. 221.

Cars Loaded.—The number of cars loaded with revenue freight during the week which ended on Aug. 6 was 784,781, a decrease of 11,789 compared with the preceding week, and a decrease also of 150,949 cars compared with 1920 and 87,292 cars under 1919.

The loading of grain and grain products totaled 58,622 cars, which was 7,794 cars below the total for the week before, but 21,478 cars over 1920. It should be noted, however, that the harvest season is rapidly drawing to a close in the Middle West.

Products Loaded in Week ended Aug. 6 Compared with Preceding Week.

Table with columns for Grain, Coal, Coke, Merch't, Live Stock, Ore, Forest, and rows for No. cars and Inc. or dec.

Total Number of Cars Loaded With Revenue Freight.

Table with columns for Weeks Ended (Aug. 6, July 30, July 23, 1st Quar., 2d Quar.) and Total Year to Date, and rows for 1921, 1920, 1919.

Idle Cars.—On Aug. 8 there were 513,040 freight cars reported as idle, compared with 526,177 on July 31, a decrease of 13,137. Of the present total 215,256 (under plan in V. 113, p. 596) represents excess cars out of repair and 297,784, the surplus cars in good order, viz.: chiefly box cars, 88,593, decrease 11,614; coal cars, 152,774, decrease 8,949; stock cars, 12,337, decrease 2,130. The car shortage in certain localities on Aug. 8 aggregated 3,364 cars, a decrease of 541 compared with Aug. 1, which is attributed to a slacking in the demand for grain cars.

Miscellaneous.—(a) The RR.'s interest in highway construction. Estimated cost of new highways in 1919 \$390,000,000; sum available in 1921 possibly \$1,394,000,000. "Ry. Age" Aug. 13, p. 278. (b) Canadian RR. results in 1920 (J. L. Payne). Idem, p. 294 to 296. (c) Work on 30 rapid transit contracts in N. Y. City held up by city till late fall or spring.

"Times" Aug. 13, p. 1. (d) Express subways at 400 ft. level suggested for N. Y. City (R. P. Bolton). Idem, Aug. 14, Sec. 2, p. 1.
Matters Fully Covered in "Chronicle" of Aug. 13.—(a) RR. gross and net earnings in June; Western grain movement, p. 676 to 679. (b) Net income improving, but not yet sufficient, p. 698, 626, 629.
 (c) RR. Labor Board and new election of representatives by Penn. RR. shopmen, p. 693, to 695, 674. (d) Labor inefficiency not to be allowed for by U. S. Govt., p. 695. (e) Request for old wage scale rejected by executives of Eastern roads, p. 696. (f) More RR. security owners than employees, p. 698.
 (g) Partial payments under 6 months' guaranty and loans from revolving fund of 1920, p. 697. (h) Views on RR. funding bill, p. 696. (i) Decision as to scrip dividends, p. 697.

Abilene Street Railway.—To Resume Operations.—
 See American Public Service Co. below.—V. 111, p. 1565.

Akron Canton & Youngstown Ry.—U. S. Loan.—

The I.-S. C. Commission has approved a loan of \$212,000 to aid the carrier in meeting its maturing debt and in providing itself with equipment and other additions and betterments.—V. 111, p. 1565.

Albany Southern RR.—Plan Abandoned.—

In view of the fact that a very considerable number of the 1st mtge. 5% sinking fund gold bonds have not been deposited with Bankers Trust Co., Depository, under the Deposit Agreement of Mar. 1 1920 (V. 110, p. 2290) the Company, Aug. 10, declares abandoned the plan set forth in the deposit agreement.

Bonds and coupons now on deposit with the Depository will be returned to depositors upon presentation and surrender of Certificates of Deposit therefor to Bankers Trust Company, Depository, 16 Wall St., New York City, without expense to the bondholders.—V. 112, p. 1976, 1739.

Baltimore & Ohio RR.—Coal Mines.—

Officials of the company's commercial development department have just completed an analysis showing there are more than 1,000 coal mines on its lines in 54 counties in seven of the States through which it operates and 40 seams of coal are minable with a coal reserve estimated at 25,000,000,000 tons. In West Virginia alone, which ranks third in the coal output of the country, 18 billion tons of coal, it is stated, are available for steam and technical use, in mines adjacent to the company's right of way. This and other data are dealt with in the company's pamphlets, "Coals and Their Relation to Economic Industrial Locations."

Three other pamphlets have been prepared for distribution, namely "Salt and Its By-Products," "Lime, Limestone Flux," and "Sands Molding and Glass." One object of these pamphlets is to point out where the materials named are found in abundance, on the lines of the B. & O., affording great possibilities for chemical and other industries.

The analyses made by the commercial development department further indicate that a large proportion of manufactured goods in the United States is produced in cities with a population of 50,000 or less and that on the B. & O. alone there are 65 cities of 10,000 or more people practically near the coal fields which offer special advantage to manufacturers who seek to operate at a minimum of cost.

See Long Fork Ry. below.—V. 113, p. 530, 415.

Birmingham Ry. Light & Power Co.—Fare Increase.—

Effective Aug. 2 the Alabama P. S. Commission authorized the company to increase fares from 7 cents to 8 cents with 2 cents charge for transfers. Tickets are being sold at a rate of 15 for \$1.—V. 113, p. 70.

Boston Elevated Ry.—5 Cents in Suburbs.—

The company on Aug. 13, inaugurated 5-cent carfares in several additional districts, benefiting car riders in Cambridge, Dorchester, Roxbury and Charlestown.—V. 113, p. 530, 415.

Boston & Maine RR.—Refundung Authorized, &c.—

The stockholders on Aug. 16 authorized the issuance of \$3,049,000 15-year bonds at an interest rate not to exceed 7% to take care of \$1,775,000 Fitchburg Railroad bonds maturing Oct. 1 1921; \$1,000,000 Boston & Maine bonds maturing Nov. 1 1921, and \$274,000 Manchester & Lawrence RR. bonds maturing Jan. 1 1922.

The stockholders also approved amendment to the by-laws which will authorize B. & M. officials to file tariffs and take other necessary action to comply with the requirements of the Canadian laws. Continued operation by the B. & M. of the Suncook Valley RR. under modified lease arrangement, was also approved.—V. 113, p. 530, 291.

Broadway & Seventh Avenue RR.—Protective Comm.—

Harold B. Thorne, Chairman of the Protective Committee for the 1st Consol. Mtge. 5% gold bonds, due Dec. 1 1943 (See V. 113, p. 70) announces that the membership of the Committee has been increased by the addition of Joseph P. Bradshaw of Clark, Dodge & Co. and Roger H. Williams, Vic -Pres. of National Bank of Commerce and the appointment of Patterson, Eagle, Greenough & Day as associate counsel.

No time limit has as yet been set by the Committee for the deposit of the nds.—V. 113, p. 70.

Chesapeake & Ohio Ry.—Again Defers Dividend.—

The directors on Aug. 19 again deferred action on the usual dividend of 2% for the current half year (see V. 112, p. 2189) and 2642.—V. 113, p. 530.

Chicago Rock Island & Pacific Ry.—To Pledge Bonds.—

The I.-S. C. Commission on Aug. 8 authorized the company to pledge and repledge from time to time all or part of \$8,364,000 1st & Ref. Mtge. gold bonds (now pledged without authorization of the Commission) as collateral security for certain \$4,500,000 outstanding short-term notes, or for any note or notes which may be issued without having first obtained authority of the Commission.—V. 113, p. 627, 291.

Cienfuegos Palmyra & Cruces El. Ry. & Pr. Co.—Suit.

A suit for \$1,959,570 damages was entered in the Common Pleas Court at Cincinnati July 29 by the Davidson Sulphur & Phosphate Co., Baltimore, against the Cuban company. The plaintiff alleges that in Aug. 1917 it entered into a contract with the Cuban company to build railroads to transport the products of the plaintiff's mines in the interior of Cuba to the nearest port. The Baltimore company contends that the contract was not lived up to. Attachments were secured on six electric cars now being built for the Cuban company at the plant of the Cincinnati Car Co.—(N. Y. "Times" July 30).

Cisco (Tex.) & Northeastern Ry.—Stock and Bonds.—

The I.-S. C. Commission has authorized the company (1) to issue for sale at par the remaining \$264,950 unissued capital stock and upon which subscriptions amounting to \$158,075 have heretofore been paid, and (2) to issue \$882,000 1st Mtge. 10-Year 6% gold bonds (Guardian Trust Co., Houston, Tex., trustee), \$326,550 thereof to be used at par to pay certain promissory notes and int. thereon, and the remaining \$555,450 to be sold at not less than 80, and or to be pledged as collateral security for any note or notes which may be issued without authorization therefor having first been obtained from the Commission.

The Commission says in substance: "Applicant was incorp. in Texas Dec. 4 1918, authorized capital \$500,000, to construct and operate a railroad from Cisco to Graham, Texas, 70 miles. Constructed and in operation Aug. 1 1920 from Cisco to Breckenridge, 28 miles. This line needs shop facilities, ballasting, &c., representing a proposed additional investment of \$331,493.

The bond limitation is \$31,500 per mile of completed main track. Applicant is seeking authority at this time to issue its capital stock to the full amount authorized and to issue bonds against its existing line of railroad to the limit permitted.

"It has heretofore financed the construction and improvement of its road with the proceeds of \$393,125 stock subscribed for at par, of which \$158,075 of stock remains to be issued, with temporary loans and advances obtained from shippers and others along its line; and as far as available, with its income from operations.

"By the sale of the stock and the sale or pledge of the bonds to be issued, applicant proposes and expects to obtain \$1,184,305 funds to be applied as follows:

To retire prior lien indebtedness upon road & equipment.....	\$405,033
To pay notes given & overdrafts to banks incurred for purposes of construction.....	144,106
To pay notes given in consideration of services rendered.....	32,864
To finance additions & betterments.....	331,493
To reimburse treasury for capital investments from income.....	270,809

Cleveland (Elec.) Ry.—Low Fare Experiment Abandoned.

As the low rate of fare for a limited zone in the down town district of the city failed to stimulate increased car riding, officials of the company, effective Aug. 8 discontinued the experiment of charging only 3 cents cash for fare with a 2½-cent ticket rate.—V. 113, p. 531.

Columbus Newark & Zanesville El Ry.—Lease Abrogated

See Ohio El. Ry. below.—V. 113, p. 627.

Community Traction Co., Toledo.—July Operations, &c.

Street Railway Commissioner Cann in his July report says in part: "The net result of July operations shows a deficit, after payment of operating expenses and credits to the various funds, of \$43,342, a decrease over the previous month of \$9,622. Gross income from all sources amounted to \$274,186, a decrease over the previous month of \$2,489. Passenger revenue shows a decrease over the previous month of \$5,322, while the revenue from other sources increased \$2,833. During July charges to maintenance and repair expense increased \$8,878. During the month every line in operation in the city has shown a daily loss in revenue of from \$3 to \$137 and the net decrease in riding per day throughout the system amounts to \$437."

The Toledo Railway & Light Co. has agreed to reduce the Community Traction Co.'s power bill \$160,000 a year. The reduced rate will date back to Feb. 1 last, when the Community Co. began operation under the service-at-cost plan. A new contract has been prepared and is ready for the approval and signature of Commissioner Cann. Under the ordinance only the Commissioner's approval is necessary, but he first will submit it to the Board of Control Aug. 22.—V. 113, p. 416, 729.

Consolidated Traction Co., Pittsburgh.—Int. Decision

See Pittsburgh Rys. below.—V. 102, p. 608.

Conway (Mass.) Electric St. Ry.—Valuation.—

The I.-S. C. Commission has found \$150,000 to be the final value of this road. The line extends from Conway to Deerfield, Mass. The Commission finds that it would cost \$192,505 to reproduce the line. The corporate operations of the carrier from April 2 1895, to June 30 1914, the valuation date, resulted in net earnings of \$61,208. The carrier never has paid dividends. The investment in road and equipment was found to be \$234,305. V. 80, p. 971.

Cumberland Valley & Martinsburg RR.—Lease.

The I.-S. C. Commission has authorized the Pennsylvania RR. to acquire, by lease, the railroad (about 34 miles), property and franchises of the Cumberland for 999 years from July 1 1920.

Under the terms of the proposed lease the Pennsylvania is to pay to the Cumberland, as rental, \$42,000 (equal to 6% on its outstanding \$700,000 stock, which is all owned by the Pennsylvania), and in addition a sum necessary to pay the expenses of maintaining its corporate organization.

At the close of 1920 investment in road and equipment was shown as \$1,568,818. In Jan. 1921 the company declared a dividend of 25%, which is the only dividend it has ever paid.

Danville Champaign & Decatur Ry. & Light Co.—

7½% 5-Year (Guaranteed) Bond-Secured Gold Notes.

The company is offering to its customers at 98 and int. \$233,100 7½% 5-year Bond Secured gold notes, dated April 1 1921; due April 1 1926. Denom. \$100 and \$500. Callable at 103 and int. Central Trust Co. of Illinois, Chicago, trustee. Int. payable A. & O. without deduction of normal Federal income tax deductible at the source not to exceed 2%.

Notes are secured by deposit with the trustee of \$333,000 Consol. & Ref. Coll. Trust 5% gold bonds, dated March 1 1913 and due March 1 1938., or at rate of \$142 85 for each \$100 of notes. The Illinois Traction Co. guarantees unconditionally this issue of notes, principal and interest.

Terms of Offering.—Plan No. 1 (cash payment). Under this plan notes are offered at \$98 per \$100 note and interest.

Plan No. 2 (time payment). Under this plan notes are offered at \$98 per \$100 note, \$10 down, or 10% per \$100 note payable at the time of purchase, and a like payment of \$10 per \$100 note each succeeding month for 8 months, with final payment the ninth month of \$8 per \$100 note, with interest adjustment.

Interest at rate of 7½% per annum on the monthly installments will be paid, this interest to be allowed when final installment is paid. No more than \$1,000 of notes may be purchased by any one person under this time offering. Compare V. 111, p. 1471, 1369.

Delaware Lackawanna & West. RR.—Track Elevation.

The company recently started work on the elevation of its main line through East Orange, N. J., on the Morristown branch of the Morris & Essex Division. This section, about two miles, between Newark and Orange, forms the closing link for the elimination of all grade crossings. (Compare illustrations and charts in "Railway Age," Aug. 13)—V. 113, p. 729, 627.

Denver & Rio Grande RR.—Slightly Over 50% of 7%

Adjustment Bonds Acquired by Western Pacific RR. Corp.—
 See "Western Pacific RR. Corp." below.—V. 113, p. 730, 627.

Denver Tramways Co.—Wages Reduced—Fares.—

Reduction in wages of the employees went into effect Aug. 15. The pay for men receiving 53 cents an hour for first three months was reduced to 45 cents an hour. The pay of men employed from three months to nine months was cut from 56 cents to 47 cents. Men who have been working one year or more were cut from 58 to 50 cents an hour. The pay of men for the third year and thereafter will be fixed at 52 cents an hour.

Cash fare, round-trip and commutation rates on the interurban lines of the company were increased 20% on Aug. 1 by authority of the Colorado P. U. Commission. The order further provides for a minimum cash fare of 10 cents and a minimum round-trip fare of 25 cents.—V. 113, p. 730.

Des Moines City Ry.—Stock Held by Harris Trust & Savings Bank Only as Trustee.—

Referring to a report emanating from Chicago and noted in this column in Aug. 6 Chester Corey, Vice-President of the Harris Trust & Savings Bank of Chicago, under date of Aug. 11, writes:

The statement that the Harris Trust & Savings Bank "holds" a controlling stock interest in the Des Moines City Ry. Co. is liable to be misunderstood for the reason that this bank does not and never did own a single share of the capital stock of that company.

The estate of the late Mr. N. W. Harris, of which this bank is one of the trustees, controls a large amount of the company's stock.

The bank has bought and sold the company's bonds but, as above stated, has never been a stockholder.

Bankers' Statement.—Transportation in Des Moines is described as having been in "chaos" since the receiver, acting under order of court, discontinued service on Aug. 3, while the city fathers having experienced a change of heart are said to be willing to shut out the buses provided the street railway owners will consent to reducing the fares from 8 to 7 cents and will put up the \$300,000 needed to restore full railway service and meet the overdue bond interest.

Harris, Forbes & Co., Pine Street Corner William, New York, who placed the bonds, in circular of June 30 addressed to the bondholders, said in substance:

This company was organized in 1893 and owns and operates all of the street railway lines in the City of Des Moines. Under the company's franchise, which expires in 1941, the company is restricted to a five cent fare. War conditions so increased the costs of labor and material that profitable operation became impossible, the City Council refused to permit an increase in fare, consequently the company was unable to borrow any more funds on its general credit, and on petition of one of the creditors Receivers for the property were appointed by the U. S. Court in Dec., 1918.

Notwithstanding the difficulties which surrounded the operations of the company, it was able to pay its bond interest charges, and under order of the Court the receivers were instructed to increase fares and finally in Dec. 1920, an eight cent fare was made effective. It appeared at that time that the company's finances could probably be straightened out without serious difficulties. The City Council of Des Moines, however, have not

only permitted but encouraged the operation of motor buses, with the result that the earnings of the company have fallen off, as shown by the above statement and the company was unable to pay at maturity the \$54,000 of underlying bonds which matured April 1 1921, and the bonds are still unpaid.

By the recent removal by the manufacturer of important apparatus in the power house, which the company had been unable to pay for, the company was obliged to discontinue about 60% of its service, with the result that the company is losing money every day, and it may shortly be impossible to give any service at all.

The owners of the property, who have made large advances during the last few years to tide the company over its various difficulties, have refused to lend further aid unless the City will cooperate in straightening out the situation. The owners have made the following proposals to the city, with the understanding that if granted the owners will provide the company with sufficient funds to restore complete service, pay the \$54,000 of bonds due April 1 1921, and pay the coupons due July 1 1921: (1) Forfeit the present franchise; (2) Eliminate motor bus competition; (3) Commence negotiations for a new service at cost franchise; (4) An expression from the City Council of their intent to free the company from the necessity of making extensions or extensive reconstruction and from burdensome paying assessments under present financial conditions.

It is apparent that the interests of the bondholders are vitally affected, not alone by the financial position of the Company but by reason of the proposal of the owners to permit the forfeiture of the company's existing franchise. We therefore recommend the immediate deposit of your bonds with the bondholders' protective committee.

	Authorized.	Outstanding.
Preferred stock (7% cumulative)-----	\$1,500,000	\$250,000
Common stock-----	3,000,000	1,055,000
Ref. 5s due April 1 1921 (\$2,094,000 additional on deposit as part of the security for Gen. & Ref. Mtge. 5s)-----		54,000
Gen. & Ref. 5s due Jan. 1 1936-----		4,821,000

Total mortgage bonds----- \$4,875,000
 Debenture 6s, due March 1 1926----- 1,100,000

Note.—Upon the payment of the \$54,000 Refunding 5s, now in hands of public the Gen. & Ref. Mtge. will become a first lien on all of the property.

Statement of Earnings for 5 Mos. end May 31 1921, and Cal. Year 1920.

	5 Mos. 1921	1920.	5 Mos. 1921	1920.
Gross earnings-----	\$1,008,381	\$2,103,578	Bond int.---	\$101,562
Op. exp. & taxes-----	991,529	1,739,601	Other int.---	51,113
			Amortizat'n-----	9,937
				23,849

Net earnings----- \$16,851 \$363,977 Bal. deficit----- \$145,761 \$27,107
 Note.—The owners of the property have never received any dividends on either class of stocks.

Bondholders' Protective Committee—Calls for Deposits.—

The committee of holders of General and Refunding Mortgage 5% 20-year Gold Bonds formed in view of the delay in the payment of the interest on the bonds due July 1 1921, consists of the following who own or directly represent the owners of substantial amounts of the bonds.

D. Mark Cummings, Director First Nat. Bank, Chicago; Stanley Field, President Field Museum of Natural History, Chicago; C. W. Beall, Vice-President Harris, Forbes & Co., New York; W. E. McGregor, Vice-President Harris, Forbes & Co., Inc., Boston; Chester Corey, Vice-President Harris Trust & Savings Bank, Chicago; Gardner & Carton, Counsel, Chicago; Chester Corey, Secretary, 115 West Monroe St., Chicago. Harris Trust & Savings Bank, Chicago, is Depository.

In case any reorganization plan is preferred depositors will have ten days to withdraw.—V. 113, p. 628.

East St. Louis & Suburban Co.—To Reduce Wages.—

The wages of the carmen of the interurban lines will be cut from 60 to 51 cents an hour. The money derived by the reduction in wages will be placed in a fund pending the outcome of a decision of an arbitration board in whose hands the matter will be placed. Further reductions in wages were mentioned in V. 113, p. 70, 414.

Erie RR.—Lease Marion Shops to Local Holding Co.—

The company on Aug. 15 announced in part: "The Erie has accepted an opportunity to lease its shops and round-houses to the Railway Service Co., whose officers and stockholders are all substantial and respected citizens of Marion and whose interests are those of the community. These men, headed by John D. Owens, as President, have had ample experience in the character of work to be performed and have made a success of previous undertakings, and the railroad feels fortunate in having its work of repairs conducted by such a local company, and the employees of the Railway Service Co. are assured of fair treatment in accordance with the practice of the extensive manufacturing concerns of Marion."

The Service Company has leased the buildings and equipment of the railroad company and has contracted to do all repair and other work heretofore done by employees of the railroad. The Service Company, it is stated, will not be subject to the U. S. Railroad Labor Board's jurisdiction under the Transportation Act, as it is not "a common carrier" within the definition of the act and therefore, its employees will not come under the Board's wages and rules orders. If the roads follow the leasing plans generally it will have the effect, it is said, of removing the shop crafts from the benefits of the Esch-Cummins Act.—V. 113, p. 532, 182.

Evansville Indianap. & Terre Haute RR.—Improvement.

The improvement program which the company contemplates will involve the expenditure of more than \$1,000,000 and includes re-laying the line from Oakland City to Terre Haute with 100-pound rails, replacing the bridge over the White River at Plummer with new steel structure, providing the line with approximately 70,000 new ties, eliminating curves, &c.—V. 112, p. 2536.

Flint Belt RR.—Issue of Capital Stock Authorized.—

The I.-S. C. Commission Aug. 4, contending that it had authority in the premises, notwithstanding a protest from the Governor of Michigan, granted this company authority to sell for cash at par \$1,000,000 of Capital stock, the proceeds thereof to be used in constructing and equipping a line of railroad $8\frac{1}{4}$ miles long from a point on the Pere Marquette Ry. between Grand Blanc and Burton townships, thence north and northwesterly to a connection with the Pere Marquette Ry. in Genesee County, Mich.

The road is designed particularly to serve the present and future manufacturing industries of Flint and to afford a route over which may be detoured the through freight traffic of the Pere Marquette.

The projected line would be financed by the sale of the capital stock and it is expected that this stock will be purchased by the Pere Marquette. An application by the Pere Marquette to purchase such stock is now pending before the Commission.

Citizens of Flint have arranged for the donation to the company of practically the entire right-of-way representing a cash value of approximately \$225,000. An estimate of the cost of construction of line aggregates \$682,411, exclusive of the donated right-of-way.

It is proposed to complete and place in full operation the $8\frac{1}{4}$ miles of line on or before July 1 1924. During the present year and 1922 company expects to complete and put into operation the line from the southern terminus thereof as far north as the Davison Road, about $5\frac{1}{4}$ miles.

Ft. Wayne Van Wert & Lima Tr. Co.—Lease Abrogated.

See Ohio Electric Ry. below.—V. 112, p. 2190.

Green Bay & Western RR.—Permission to Abandon Branch Line Denied.—

The I.-S. C. Commission on July 27 declined to authorize the abandonment of the branch line between Onalaska and LaCrosse, Wis., 6.38 miles. The trackage rights over the Chicago & North Western Ry. between Onalaska and Marshland, Wis., 21.59 miles, are terminable at any time by either party on 30 days' notice, and the application to abandon operation was held as not within the jurisdiction of the Commission.—V. 113, p. 628

Houston (Tex.) Electric Co.—To Vote on Franchise.—

The new franchise passed by the Houston City Council on Aug. 3 will be submitted to a referendum vote on Sept. 27.

The franchise calls for an extension of the present franchise for a period of practically thirty years from 1921, as the present franchise does not expire until 1935, and with the 15-year extension makes the date of expiration 1950. The valuation as approved by the Federal Court of \$6,000,000 is to be increased by all additions to capital account that have been made since the date of the decision of the court.

The company is obligated to expend only \$1,000,000 in the next 16 months, but has promised to make expenditures aggregating \$3,000,000 "within a reasonable time as its abilities permit."

There is no immediate reduction in street-car fares (now 7 cents) promised in the provisions of the franchise, except that when a stabilizing fund created from revenues over and above its "operating expenses," has "equaled 5% of the property value of the company—\$6,000,000 plus additions—then the council shall reduce the fare," but "no reductions shall be made which will jeopardize or impair" the ability of the company to earn a fair return, which fair return is "permitted" by the council to be 8% on the \$6,000,000, plus additions, valuation.

The company claims that it is earning only $4\frac{1}{2}$ % return on its valuation.—V. 113, p. 292.

Gulf Florida & Alabama RR.—Sale Postponed.—

The sale of the road, which was to have taken place Aug. 5 at Pensacola, Fla., has been postponed until Sept. 6. See V. 113, p. 70.

Illinois Traction Co.—Guarantees Notes.—

See Danville Champaign & Decatur Ry. & Light Co.—V. 112, p. 2185

Indiana Columbus & Eastern Tr. Co.—Lease Abrogated.

See Ohio Electric Ry. below.—V. 113, p. 628.

Indianapolis Street Ry.—Present Fare Continued.—

The Indiana P. S. Commission recently authorized the company to continue the present 5-cent fare and 2 cents for transfers "until the further order of the Commission." The company has petitioned for an 8-cent fare.

It is stated that regulations under which the company shall operate, in the place of those specified in the franchise which the company surrendered several weeks ago, may yet be fixed by a contract between the city and the company.—V. 113, p. 532, 730.

Kansas City Rys.—Jitney Regulations.—

The first ordinance regulating jitney traffic in Kansas City, Mo., became effective on April 16. (V. 112, p. 1399). It prohibited jitneys from using streets on which street cars operated. The second regulatory ordinance was passed by the City Council on July 11, was signed by the Mayor on July 13 and becomes effective on Aug. 12. This second ordinance represents a response of the city to the demands of the public that consent of property owners be secured before jitney routes are established.

The new ordinance provides that written consent of a majority of front feet property owners on proposed jitney routes shall be filed before such proposed route can be established.—V. 112, p. 2190, 2083.

Lake Erie Franklin & Clarion RR.—Promissory Note.—

The I.-S. C. Commission has authorized the company to renew from time to time, as occasion may arise, for a period of not exceeding two years its promissory note of \$25,000, the issue of which was authorized May 20 last. See V. 112, p. 2414.

Lancaster & Chester Ry.—To Extend Bonds.—

The I.-S. C. Commission on Aug. 1 authorized the company to enter into agreement with the holder of \$135,000 1st Mtge. 5% gold bonds for the extension of the maturity date thereof from July 1 1921 to July 1 1922, and to increase the rate of interest thereon from 5% to 7% per annum. The entire issue is owned by the Southern Railway.—V. 113, p. 292.

Leavenworth & Topeka RR.—Authority to Issue Bonds.

The I.-S. C. Commission has authorized the company to issue at par \$80,000 1st Mtge. 7% bonds, of which \$57,000 to be delivered to certain persons in part payment for equitable or contingent interests held by them in and to the line of railroad operated by company; \$3,000 to be sold to reimburse the treasury for a like amount in cash heretofore expended in part payment for such equitable or contingent interest, and \$20,000 to be deposited with Central Trust Co., Topeka, Kans., for the purpose of creating a sinking fund as required by the laws of Kansas.

The Commission says in substance: The applicant operates between Leavenworth and Meriden Jct., Kans., 45.6 miles, together with certain terminal facilities in Leavenworth. This property was formerly owned by Leavenworth & Topeka Ry., the entire stock of which was held by the Atchison Topeka & Santa Fe Ry. and Union Pacific RR. In April 1918 the road was purchased at the upset price of \$80,000 by Walter A. Johnson. Conveyance of the property to him was confirmed by the Court in May 1918 upon condition that, if the purchaser or his successors shall fail, for a continuous period of 50 days, to maintain and operate the road as a going concern, the plaintiff in the action shall have the right to petition the court to retake possession of the property and sell it to the highest bidder therefor.

To acquire full and complete title to the property the applicant has entered into an agreement with the Leavenworth & Topeka Ry., and F. L. Wells, under the terms of which Mr. Wells is to assign and deliver to applicant all the stock of the Leavenworth & Topeka Ry., and procure from the Court an amended order conveying to the applicant the unconditional title to the property involved in the suit; and the applicant is to pay F. L. Wells \$3,000 upon the execution and delivery of the contract, and deliver to him in payment of the remainder of the purchase price \$57,000 1st Mtge. 7%.

The bonds will be issued under a mortgage given to First Trust & Savings Bank and M. A. Traylor, Chicago, and will be dated Aug. 1 1921. Authorized, \$80,000.

It appears that the applicant has operated its property at a loss since it acquired possession in 1918, but it expects through increased traffic due to suspension of operations of another line, serving certain towns also served by the applicant, through additions and betterments to its property, and through aid from benefit districts, to be able to pay all its operating expenses and to meet the increased charges to income which will result from the issue contemplated.—V. 112, p. 2748.

Long Fork Ry.—To Issue Stock and Bonds.—

The I.-S. C. Commission on Aug. 10 authorized the company to issue \$485,000 capital stock and \$1,347,500 1st Mtge. bonds and to deliver these securities to the Baltimore & Ohio RR. in settlement, to the extent of the par amount thereof, of advances made for capital purposes. The company is a subsidiary of the B. & O. RR., its outstanding capital stock, with the exception of qualifying shares of directors, being held by that company.—V. 107, p. 1287.

Louisville (Ky.) Ry.—Points Before Court.—

The City Attorney of Louisville, Ky., has announced the questions which have been certified to the U. S. Supreme Court by the Circuit Court of Appeals in the case of the City of Louisville in its appeal from the injunction obtained by the company restraining the city from interfering with it in the collection of 7-cent fares. According to him the questions are:

(1) Whether the acts of the Kentucky Legislature prior to the present constitution gave the city power to contract for a rate of fare. (2) Whether the consolidation of the companies in 1890 abrogated the contract. (3) Whether the acceptance of the present constitution by the Louisville Ry. abrogated the contract.—See V. 113, p. 533.

Milwaukee Electric Ry. & Light Co.—Municipal Ownership at this Time Impracticable.—

In the summary of its investigations into the problem of municipal ownership of public utilities recently presented to the Milwaukee Common Council, the Public Utilities Acquisition Commission took a definite stand against municipal ownership at this time, because of the financial condition of the city. The Commission held that public ownership of public utilities for the present, or the immediate future, is, so far as Milwaukee is concerned, purely an academic question, "since there is no practical method under the law by which the city could raise the funds for such a purchase."

The "service at cost" and acquisition plan, for which an enabling Act was passed at the recent session of the Legislature (V. 113, p. 533), is discussed at some length and its salient points are outlined as follows:

(1) Agreement as to the value of the properties made subject to the contract and a definite rate of return on such value. The Cleveland plan, applicable to its street railway system only, provides for a reserve or stabilizing fund to be provided by the company. If this fund increases beyond a certain figure, fares are reduced automatically, if it falls below a certain figure fares are increased.

(2) Right to purchase the property by the city at the basis of value agreed upon whenever the city decides to do so. This provision is a departure from the Cleveland and other plans.

(3) The city to have the right to designate the service required of the utility, providing, of course, that the service will be of such a character and be rendered at such rates as will yield the return agreed upon, on the fixed value of the properties.

(4) The city to have access to the books of the utility and its expenditures to be subject to the city's approval.

(5) Right of the city to participate in the financing of the property.

(6) The management of the properties to remain in the hands of the utility until such time as it is taken over by the city. (See also "Electric Ry. Journal" Aug. 13, p. 253).—V. 113, p. 533.

Minneapolis & St. Louis RR.—Bonds Authorized.—

The I. S. C. Commission has authorized the company to pledge and repledge from time to time, all or any part of \$714,000 Ref. & Ext. Mtge. 5% gold bonds (now held in its treasury) as collateral security for any note or notes which may be issued without authorization of the Commission.—V. 113, p. 293, 183.

Missouri Kansas & Texas Ry.—Conversion to Oil.—

The following statement is believed to be substantially correct: Officials of the company are reported to have decided to resume former plans to extend the use of oil as locomotive fuel to the Oklahoma and Kansas lines of the system. They are also reported to have said that with these plans in effect the road will consume more than 2,000,000 bbls. of oil annually. The cost of converting the locomotives for the use of oil together with providing facilities for handling it is placed at \$1,000,000.—V. 113, p. 624, 628.

Missouri & North Arkansas RR.—Reported Brotherhoods Plan to Purchase and Operate Road.—

Washington dispatches Aug. 10 quoted Representative Oldfield as saying that he had been approached by a representative of the four railway brotherhoods with a plan for the purchase and operation by the brotherhoods of the Missouri & North Arkansas RR. Representative Oldfield said that the matter was being given serious consideration by the brotherhood leaders and that one of their plans, should a deal be made, would be to use the road as an illustration of how the union organizations could operate a railroad. The road suspended operations at midnight July 31. See V. 113, p. 731, 533.

Missouri Pacific RR.—Judgment.—Judge Rufus E. Foster, in the U. S. District Court at New Orleans Aug. 13, dismissed the claim of the company for \$25,000,000 against the Texas & Pacific RR. The Court ruled also that the Texas & Pacific must pay the Missouri Pacific about \$2,500,000 of principal and \$500,000 interest due on promissory notes issued by it to the Missouri Pacific.

The claim of the Missouri Pacific for \$25,000,000 represents about 20 years' interest on \$23,700,000 Texas & Pacific income bonds owned by it. The Texas & Pacific opposed the claim of the Missouri Pacific on the ground that the bonds called for the payment of interest only if earned and that as there had been no earnings applicable to the bonds the claim was invalid. This contention the Court upheld.

The Texas & Pacific made the same contention in the suit for \$3,000,000 of principal and interest on the promissory notes. The Court held that the Missouri Pacific was entitled to this claim and so ruled.

In regard to the income bonds Judge Foster held that the Missouri Pacific cannot recover the interest due because the claim is barred by acquiescence of the Missouri Pacific in what the Texas & Pacific had done and is doing. That the claim of the intervenors is barred for the same reason seems undisputable, the Court held. The Court said in part:

"For 27 years the construction of the Texas & Pacific Board was accepted without comment or objection. Their action each year was notorious. On the faith of the silence of the income bondholders and the trustee from year to year expenditures were made that never can be recalled. Necessarily the annual statements of the Texas & Pacific reflected these expenditures for improvements and betterments. No doubt stock and first mortgage bonds changed hands because of them. To allow the claim of the intervenor now for interest would wipe out entirely the capital stock of the Texas & Pacific RR. The public, if no one else, is entitled to be protected against any such startling change of front as is now attempted by the Missouri Pacific."

The Missouri Pacific, it is stated, will appeal to the Federal Circuit Court of Appeals in Louisiana from the decision of Judge Foster. In view of this move by the Missouri Pacific it is expected that the Texas & Pacific will also appeal that part of Judge Foster's decision which ordered the railroad to pay the Missouri Pacific \$3,000,000 owed on promissory notes.—V. 112, p. 533, 417.

Montreal Tramways.—Arbitration.—

The Federal Dept. of Labor on Aug. 8 notified company that employees had applied for a board of arbitration to pass on the wage reduction proposed by the company. The company proposed a 20% wage cut to go into effect Aug. 1, but modified this to a cut of 12½% to go into effect Aug. 16. The men, it is stated, are willing to accept a 10% reduction.—V. 113, p. 417.

New Orleans Ry. & Light Co.—Special Master.—

Judge Henry D. Clayton, who is presiding in the Federal District Court for the eastern district of Louisiana, in the pending litigation between the company and the city of New Orleans, has appointed D. B. H. Chaffe, New Orleans, as special master to hear the evidence.—V. 113, p. 533, 71.

New York Bay RR.—Lease to Pennsylvania RR.—

The I. S. C. Commission has authorized the Pennsylvania RR. to acquire by lease, the railroad (about 13 miles) property and franchises for the term of 99 years and 6 months from Jan. 1 1921, should the lease dated June 30 1871, of the United New Jersey Railroad & Canal Co. to the Pennsylvania so long continue, otherwise until the termination of said last-mentioned lease.

The New York has an authorized capital of \$6,000,000 all outstanding. It has an authorized bonded debt of \$6,000,000, bearing 4% int. of which \$5,201,000 outstanding Dec. 31 1920. At the close of 1920, road and equipment account showed an investment of \$14,791,673. For a number of years past it has paid annual dividends at the rate of 1½%.

Under the terms of the proposed lease the Pennsylvania is to pay as rental \$240,000 p. a. (equal to 4% on the stock which is owned by the Pennsylvania, and in addition a sum necessary to pay the expenses of maintaining its corporate organization, taxes and all installments of interest and sinking funds, on its bonded and other debt.—V. 86, p. 982.

New York Central RR.—Cleveland Terminal Project Denied.—The I. S. C. Commission on Aug. 12 dismissed the applications of the New York Central RR., the Cleveland Cincinnati Chicago & St. Louis Ry. and the New York Chicago & St. Louis RR. for certain certificates of public convenience and necessity in connection with the construction in Cleveland of a new through passenger route and passenger terminal by the Cleveland Union Terminals Co.

This proceeding had to do with the proposed construction of a new passenger station and of a new route for the movement of passenger trains in Cleveland, to be used by the railroad companies named, and also for authority to join in an agreement for the acquisition of the entire capital stock of the Cleveland Union Terminals Co.

The Commission in its decision summing the matter up said: "We are not persuaded by the evidence now before us that the terminal problem has received adequate consideration, in the Public Square plan, either from the local or the railroad point of view; that this plan is compatible with the public interest, in its present form; or that we ought, by granting the certificates of public convenience and necessity which are sought, to lend our sanction to the enormous expenditure of capital which the plan involves.

"Possibly the presentation of further evidence of the modification of the plan in various particulars might make possible a different conclusion, but it is the conclusion which we are constrained to reach upon the record now before us. It should further be said that dismissal of the pending applications need not involve delay in terminal improvement at Cleveland, for the record makes it clear that the railroads feel that they are so situated financially at the present time that the immediate development of a plan of the scope proposed would not be practicable."

Extracts from Majority Report of the Commission.

In its application the Central seeks authority to join with the Big Four and the Nickel Plate in an agreement with O. P. Van Sweringen to acquire the entire capital stock of the Terminals Company at its par value of \$10,000,

71 shares to go to the Central for \$7,100, 22 to the Big Four for \$220, and 7 to the Nickel Plate for \$700. It also seeks authority to join with the two other roads in an agreement with the Terminals Company for the use of the passenger station and approaches; to enter into an agreement with the Nickel Plate for the use of two tracks upon its right of way, and to enter into an agreement with the Big Four for similar track rights upon its right of way. The Big Four and the Nickel Plate seek authority to join with the Central and with each other in the agreements with O. P. Van Sweringen and the Terminals Company.

The Terminals Company proposes to finance the construction of the new route and station by the sale of its bonds, which are to be guaranteed by the three applicant railroad companies. The agreement for the use of the Terminals Company's property which they ask us to approve provides for this guaranty, but nevertheless they do not yet seek from us the necessary authority to assume such liability as guarantor.

The President of the Central testified that "we have not reached the financing yet, because it would be folly to try to start out and finance \$60,000,000 to-day, or any material portion of that, under the present money situation"; and again that "every one understands that the financial situation at this moment is not such that railroads could go out and finance this under any terms, long terms, that would be at all advisable in the public interest."

Later he spoke of the Public Square plan as an "opportunity" and stated that "we have got to arrange with the Commission to pre-empt it now and finance it when we can, for the reason that, if we do not do it now, it may foreclose in the future." The record amply justifies the conclusion that even if we should grant the certificates and the authority which are now sought, there is no immediate intention of beginning the work of construction; and plainly it could not be begun until authority to guarantee the bonds has been secured.

Notwithstanding the applicants propose to acquire all the capital stock of the Terminals Company and to guarantee all its bonds, the agreement for the purchase of the stock contains the unusual provision that the railroads will deliver proxies to O. P. Van Sweringen authorizing him "until completion and tender of a portion of the union passenger terminal to the railroads as aforesaid, to vote the stock of the Cleveland Union Terminals Co. Provision is made that "salaries of officers, large items of general expense and commitments involving the expenditure of substantial sums of money or the assumption of continuing liability shall be fixed, assumed or paid by the Terminals Company only after consultation with the railroads and with their approval."

Nevertheless, subject to this proviso, it is proposed to place the control of the Terminals Company entirely in the hands of O. P. Van Sweringen during the construction period, although applicants will own all its stock and provide the financial credit which will make possible the marketing of its bonds.

The estimated cost of the entire Public Square project, within the terminal limits, including electrification, is estimated by the Central at \$60,565,818. This estimate is based on prices current in the fall of 1920. Testimony was offered to show that prices of labor and materials had declined 15 to 20% since the estimates were made, and that some further reduction might reasonably be expected. In addition to the above, the applicants will provide individually for the making of certain improvements forming a necessary part of the complete plan but not falling within the terminal limits, the estimated cost of which is \$7,225,000. The Nickel Plate, by the provisions of the contract, assumes responsibility for the construction of certain improved freight facilities provided for in the ordinance, for the joint use of the several steam lines, at an estimated cost of \$4,350,000. The total estimated cost of the project, upon the 1920 basis, is therefore \$72,140,818.

Commissioner Potter, dissenting, stated in part: "It is clear that public convenience and necessity require a new passenger station and relief from existing congestion which interferes with the prompt handling of freight. The plan involving a new passenger station on the Public Square seems to be justified. While the expenditure involved in the proposed improvement is large, I cannot see that the public interest forbids it. It seems to me that the City of Cleveland, the traveling public, and shippers who will use the improved facilities are entitled to have the improvement made even though the new investment increases the burden on the public generally."—Compare official statement in V. 112, p. 1021.

—Description—Stock Dividend of 1868—Official Refutation of Overcapitalization Charge.—

The company is sending out, along with copies of the annual report for 1920, (1) a pamphlet entitled "America's Greatest Railroad System—the New York Central," embracing articles by Charles Frederick Carter reprinted from the "Transportation World," New York; (2) a transcript of the official statement made to the U. S. R. R. Labor Board May 6 refuting the charges of overcapitalization. This latter statement was reproduced verbatim in the "Chronicle" of May 14, p. 2046.—V. 113, p. 731, 286.

New York Philadelphia & Norfolk RR.—Lease.—

The I. S. C. Commission has authorized the Pennsylvania RR. to acquire, by lease, the railroad (about 122 miles) property and franchises of the Norfolk for 99 years from July 1 1920. There is also included in the proposed lease the terminals in Norfolk and Portsmouth, Va., and the ferry and transfer facilities between those terminals and Cape Charles.

Under the terms of the proposed lease the Pennsylvania is to pay to the Norfolk as rental, \$300,000 p. a., and in addition a sum necessary to pay the expenses of maintaining its corporate organization, taxes, and all installments of interest and sinking funds, on its bonded and other debt. The proposed rental payment is equal to the annual dividends of the Norfolk for a number of years past. The Norfolk has an authorized capital of \$4,000,000 of which \$2,500,000 is outstanding (all owned by the Penn.) Income account for 1920 shows a net income of \$348,044, after paying operating expenses and taxes and making all deductions. Of this sum \$73,786 was set aside for sinking and reserve fund requirements. Gross income for the same period was \$781,420.

At the close of the year 1920, the investment in road and equipment was shown as \$13,777,144. Tentative figures of the Bureau of Valuation show a reproduction cost less depreciation of \$8,549,839 for roadway and structures and land is valued at \$1,385,420.—V. 112, p. 850.

New York State Railways.—Valuation of Rochester Lines.

The Board of Appraisers, consisting of J. C. Brackenridge, New York, appointed by Mayor Edgerton to represent the city of Rochester; H. T. Campion, New York, representing the company, and E. G. Connette, the impartial member of the body, appointed in September last to appraise the company's lines in Rochester "used and useful in the operation of its lines" under the Rochester service-at-cost contract, have submitted a preliminary report to Mayor Edgerton, saying in part:

"The Board of Appraisers have given consideration to the methods of valuation which have received the sanction of law through the decision of the U. S. Supreme Court, the higher courts of numerous States, and the decisions of various utility commissions. The Board finds that there is no single method which has received general sanction, but that the determination of the value of a property of this sort is an act of judgment of experienced persons with adequate information before them.

"Composite unit prices for the five years preceding the date of contract were used. Initial unit prices used were obtained from the company's record of actual costs and prices furnished by manufacturers.

"To the aggregate of the unit cost there has been added 15% for preliminary expense, engineering, legal expenses, taxes and interest during construction. This is the only addition to the unit price value, and this was applied only to items of construction cost and not to the value of land or buildings. No allowance of any kind was made for franchises, costs of financing, or going-concern value in this case, although the Board does not question the justice of a proper allowance for intangibles, as some value is usually allowed for these items.

"The Board of Appraisers weighed all evidence of the influence of present and future conditions so far as they can be seen. The Board, therefore, is bound to conclude that the fair value of this property is greater than the pre-war cost and less than the 1920 cost.

"The Board finds the fair value of the property owned by the New York State Railways, used for railway purposes in the territory under the service-at-cost contract, to be \$19,216,000.

"In addition to the value based upon prices prevailing for the five years preceding the date of the contract, two other values were found. By applying pre-war prices to the present inventory, the Board has found a valuation of \$18,031,000, without additions for going concern, financing costs or working capital. It has also valued the property as of Aug. 1 1920, which value was based upon costs of that date. This amounts to \$27,002,000, exclusive of going value, financing costs and working capital. It is here that if the legislation of the State of New York which requires that a value obtained shall be not in excess of a 'fair reproduction cost less depreciation,' were applicable, it should be applied.

saving. It receives and handles as trustee such portion of the monthly compensation, wage or income as the individual may be able to set aside for investment savings."

In Jan. 1921 it began the offering of the Motors stock at \$12 per share, the price gradually increasing to the present quotation of \$24 per share.

The Durant Motors Co. of Michigan, according to press reports, filed articles of incorporation at Lansing on or about Aug. 12 with an authorized capital of \$5,000,000, par \$10. Incorporators are W. C. Durant, V. Pres., who holds 130,000 shares; Edward Verlinden, Pres. & Gen. Mgr.; Edmund C. Shields, Lansing, Sec.-Treas.; Harold Downs and C. F. Daly, New York, each the holder of 100 shares.

W. C. Poertner, Pres. of Poertner Motor Car Co., N. Y. City, in whose salesrooms the new Durant cars are being exhibited, says: "Never in my experience has there been such a display of interest in any automobile as has marked the reception of the new Durant. If buying keeps up in the proportion it has started, we will be sold out on our 12 months' allotment by Jan. 1." See V. 113, p. 539.

East Coast Fisheries Co.—Sale Confirmed.—

Federal Judge Clarence Hale at Portland, Me., Aug. 17 confirmed the sale of the assets of the East Coast Fisheries Co. and East Coast Fisheries Products Co. to a reorganization company committee of Morris D. Ferris, Jabez Holmes, Dudley A. Wilson, George Houghwant and W. M. Wherry of New York, and Elmer King of Montclair, N. J. Mr. Gregory (of Lawyers Title & Trust Co., 160 Broadway, N. Y. City) is Secretary.

East Coast Fisheries Products Co.—Sale.—

See East Coast Fisheries Co. above.—V. 113, p. 422.

Eastman Kodak Co.—Suit.—

Based upon the decree of Federal Judge Hazel dissolving the company as an illegal combination and monopoly (V. 112, p. 566), G. Gennert, manufacturer and importer of photographic apparatus, brought a "treble damage" suit for \$6,000,000 in the U. S. District Court at New York Aug. 13 against the Eastman Co.

The chief allegations of the Gennert firm are: "As a part of the scheme and design to injure and ruin the business of plaintiff by illegal and monopolistic methods, the defendants caused the companies surreptitiously owned by them but ostensibly independent, to offer inducements to plaintiff to permit them to assist him in business with a view to becoming an intermediary between plaintiff and his customers, and after having established themselves as intermediaries, such companies surreptitiously controlled by defendants, the defendants caused its subsidiaries to substitute goods furnished by the defendants instead of goods furnished by the plaintiff, and to exclude entirely the goods of the plaintiff from distribution to his former customers."—V. 113, p. 735.

Elkhart Gas & Fuel Co.—Merger.—

See Indiana Electric Corporation below.—V. 110, p. 469.

English Sewing Cotton Co., Ltd.—Annual Statement.—

This company holds a controlling interest in a number of leading English concerns including with others, R. F. & J. Alexander & Co., Ltd., Sir Richard Arkwright & Co., Ltd., William Clapperton & Co., Ltd. and English Thread Co., Ltd. It also owns 1,197,500 (out of 1,200,000) shares, par \$10, of the Common stock of the American Thread Co.

Table with 5 columns: Yrs. ending Mar. 31, 1920-21, 1919-20, 1918-19, 1917-18. Rows include Trading profit, Deprec. & bond int, Preference div, Ordinary div, Reserves, &c.

Balance—(a) def. £160,255 def. £34,955 sur. £2,147 sur. £13,458

a Before adding £200,000 transferred from stock contingency reserve, which would leave a surplus for the year of £39,745.

x During the year 1919-20, the company also paid a 100% stock dividend in Ordinary shares.

Balance Sheet as of March 31. Assets: Properties, Stocks, Debtors, American Thread, Subsidiary cos, Investments, Cash, Deb. trustees. Liabilities: Capital stock, Debentures, Creditors, Pension fund, Reserve, Deprec. reserve, Dividend reserve, Conting. reserve, Insur. reserve, Profit and loss.

Endicott-Johnson Corporation.—Operations.—

The following published data are believed to be based on fact: Since July 1 incoming orders have been running strong. At present the daily increase are anywhere from 75% to 150% over 1919 and the company has been obliged to refuse orders in some of the factories for the remainder of the year. The present production is about 95,000 pairs of shoes a day. The new factory at Johnson City is turning out 4,000 to 5,000 pairs of shoes a day and this will be increased as additional machinery is installed. It will have an ultimate productive capacity of over 20,000 pairs daily. In the first six months of 1921 Endicott Johnson earned \$3,000,000 net profits before taxes, which indicates that it covered its entire dividend requirements on the Preferred and Common stock for the full year. These results were arrived at after taking all merchandise at cost or market. Vice-President Wendell Endicott says: "During the last six months the greatest activity in the shoe business has been in novelties. All our records indicate that the retailers as well as the wholesalers have liquidated to a very considerable degree their stocks of staple shoes, especially in men's wear. The orders that we are now receiving to be delivered at the earliest possible moment are very largely on staple lines. We believe that this means a good and steadily improving business throughout the fall. There is nothing in the situation of a speculative nature. The shoe and leather industry has for the greater part taken its losses owing to deflated values and has the worst of its troubles behind it. The tide in this industry has turned." (Condensed from "Bost. N. B." Aug. 8.)—V. 113, p. 728.

Famous Players-Lasky Corp.—Improvement in Moving Picture Business—Dividend Meeting Postponed—Life Insurance

In response to telegrams sent to 25 representative exhibitors in cities in every section of the country asking them for information as to the state of business in their respective vicinities and the outlook for the immediate future, President Zukor says: "The evidence of returning prosperity given in these telegrams only confirms the contention of close observers that whatever depression there has been in the industry was due almost entirely to the prolonged hot weather. But it is now high time we faced the fact that business is improving steadily and will continue to improve."

The meeting of the directors, which was scheduled for Aug. 8, at which the matter of declaring the usual quarterly dividend of \$2 a share on the Common stock was due to be acted upon, has been postponed until Aug. 22. The semi-annual audit by Price, Waterhouse & Co., public accountants, it is stated, has not yet been completed.

Pres. Adolph Zukor, it is stated, has taken out a life insurance policy for \$5,000,000 in favor of the company. The names of the companies participating in the insurance, which, it was said, ranked as the largest ever taken out by an individual as a protection to his company, were not divulged.—V. 113, p. 422.

Federal Rubber Co.—Meeting Adjourned.—

See Fisk Rubber Co. below.—V. 113, p. 631.

Fisk Rubber Co., Chicopee, Mass.—Meeting Adjourned.—

The special meeting of stockholders of Aug. 9 to vote on the merger and financial plan (outlined in V. 113, p. 631) was postponed sine die. The number of proxies received in the first week, it is said, is very encouraging but it was thought desirable to give the shareholders further time in which to consider the matter.—V. 113, p. 631.

Ford Motor Co.—Michigan Iron Mine Being Opened.—

The Ford interests it is stated, have started work preparatory to opening the Imperial mine at Michigamme, Mich., on the Marquette Mange, which

was acquired last year. The Michigan Tax Commission credits the Imperial with 1,000,000 tons of limonite iron ore, the average of which is about 52% iron.—V. 113, p. 632, 540.

Freeport Texas Company.—Earnings.—

Table with 3 columns: 1921, 1920, 1919. Rows include Six Mos. ending May 31 (Gross sales, Cost of sales, Gross profit, General expenses, &c., Net profit, Other income), Net income, Interest, Dividends.

Balance, surplus—\$218,865 1921; \$738,493 1920; \$768,238 1919. From profit and loss there were deducted: taxes, \$73,638; reserve for depreciation, \$173,577; reserve for depletion, \$154,406, leaving a final profit and loss surplus of \$4,298,846.

The balance sheet as of May 31 1921 shows current liabilities, \$819,882, including bills payable \$750,000; as against current assets \$4,129,312, including \$3,747,751 merchandise and supplies.

Note.—On Aug. 9 1921, bills payable were reduced to \$600,000. Deliveries of sulphur sold under contract were slow on account of condition of trade. Cash receipts on account sale of crude oil, affected by congestion of storage capacity, Tampico, and lack of demand at satisfactory prices. The company at present has production of 10,000 to 11,000 barrels daily. Two additional wells are in course of drilling.—V. 112, p. 1982.

Fruit Growers Express Co.—Car Trusts, &c.—

See Chicago & Eastern Illinois RR. under "Financial Reports" above.—V. 111, p. 2329.

General Cigar Co.—Semi-Annual Report.—

Table with 3 columns: 1921, 1920, 1919. Rows include Six Months to June 30 (Gross profits, Provision for Fed. taxes (current yr.), Administration and selling expenses), Profit from operation, Miscellaneous profits, interest, &c., Total profit, Interest on loans, &c., Reserve for shrinkage in value of raw materials, &c., Dividends on Pref. stock (3 3/4%), Dividends on Common stock (3%), Dividends on Debenture Pref. stock.

Total—\$1,079,293 1921; \$1,228,622 1920; \$700,766 1919. Balance, surplus—\$167,292 1921; \$677,023 1920; \$725,682 1919.—V. 113, p. 188.

General Electric Co.—Naval Work Suspended.—

The company has announced that between 800 and 1,000 men have been laid off at the Schenectady works as a result of the suspension of work on naval contracts, due to the reduction in the naval appropriations.—V. 113, p. 632, 423.

(German) General Electric Co.—Stock Offered.—

Morton Lachenbruch & Co., New York, are offering at \$17.50 per 1,000 mark shares (price subject to change without notice) Allgemeine Electricitats-Gesellschaft (General Electric Company) 5% Cumulative Participating Preferred—Issue B. A circular shows:

Outstanding.—M. 250,000,000. Denom. M. 1,000. Receives an additional 3/4 of 1% for each 1% dividend over 10% paid on the Common stock in any one year. May be repaid beginning Jan. 1 1925 on three months' notice at 120%, and in case of liquidation is red. at 115% before any payment can be made on the Common stock.

The Company is one of the largest manufacturers of Electric apparatus in the world. It is the chief distributor of electric power in Germany and operates through its various subsidiary companies in Austria, Sweden, Denmark, Russia, Spain, Portugal, South America and other parts of the world. It recently secured a contract, totaling approximately £200,000 Sterling, to equip works in North England with generating plants, motors, switchboards and other electric appliances.—V. 110, p. 2079.

Gera Mills, Passaic, N. J.—Stock Interest Acquired.—

See New Jersey Worsted Spinning Co. below.—V. 108, p. 1063.

Glen Alden Coal Co.—Leading Anthracite Companies to Test the Constitutionality of Subsidence Laws.—The following is an authoritative statement:

Operations of the Glen Alden Coal Company, which will take over the anthracite properties of the Delaware Lackawanna & Western Railroad Company on Sept. 1 next will be curtailed approximately 20% pending the final settlement of the suits shortly to be filed by the leading anthracite coal companies of Pennsylvania to test the constitutionality of the recent law passed by the Pennsylvania Legislature prohibiting the mining of any coal which would result in the subsidence of the surface so as to result in any damage to property.

Up to the present time there has been practically no serious surface subsidence resulting from anthracite mining except in the City of Scranton. In this city the mining companies have voluntarily taken care of all damage caused by them during the past few years, under a form of agreement which was executed by the Scranton Mine Cave Commission. The damage caused by subsidence throughout the rest of the anthracite region, while small, has also, to a large extent, been taken care of voluntarily by the companies, although there has been no Commission and no agreement covering the same.

The new laws passed are designed, by the drastic penalties of the one, to compel the companies to accept the other. Under the provisions of the former any subsidence of surface resulting in damage to property was made a criminal offense, so that, standing alone, it would prevent the mining of some 20% of anthracite coal in the settled parts of the State which otherwise could be mined. The second bill offers, by its terms, relief from the drastic provisions of the first bill with respect to penalties, and permits the mining of coal if it is accepted by the companies. Such acceptance means voluntary payment to the Pennsylvania State Anthracite Mine Cave Commission of 2% of the value of all coal mined, and permits the mining of such coal as the Commission consents and directs, and in such manner as it permits. The second bill amounts to nothing unless the first bill is constitutional, and the companies will attack the first bill only and will not accept the second.—V. 112, p. 2195.

Glidden Co., Cleveland, Ohio.—To Redeem Scrip—

Sales, &c.—President Adrian Joyce announced on Aug. 11 that the company would anticipate payment of its scrip dividend due Oct. 1 by paying the face value \$170,000, plus the 5 months accrued interest at the rate of 6% on Sept. 1.

It is said that a notice will be sent out shortly requesting the stockholders to present their scrip at the Union Trust Co. for payment.

Pres. Joyce also stated that since reducing prices on Aug. 1, sales have increased materially. We are receiving orders from locomotive companies that are getting some business from Russia and China as well as some substantial business from car builders.

Bank loans, which have been considerably reduced, will be cut down about \$600,000 more this month. We are rapidly getting into a very liquid condition.—V. 113, p. 735, 540.

Goodyear Tire & Rubber Co.—Mr. Seiberling's Liabil.—

See Prudential Securities & Realty Co., below.—V. 113, p. 735, 632.

Gorham Mfg. Co.—Loses Franchise Tax Suit.—

The suit instituted by this company, domiciled in Rhode Island and with offices in N. Y. City, to enjoin the New York State authorities from enforcing the State Franchise Tax Act of 1918, on the ground that it is unconstitutional, was dismissed Aug. 12 by Federal Judge Learned Hand.

"There is in the mortgage a clause for the retirement of bonds by lot, and inasmuch as these bonds bear 8% int., it will probably not work to the disadvantage of the corporation to use this money to rid itself gradually of obligations bearing so high a rate of interest.

"The money to be set aside for the sinking fund is to be 20% of the net income of the corporation (after all deductions). The minimum set aside each year is to be \$50,000.

"The corporation asks leave to sell or exchange its bonds not to exceed \$1,000,000 at not less than 80. This discount of 20% should be amortized over the period of the life of the bonds. If the stockholders, however, desire to contribute this 20% from the surplus which might equitably belong to them, I am of the opinion they should be allowed to do so under the peculiar circumstances in which this new company finds itself. The value of the properties purchased with the proceeds from these bonds is far enough in excess of the face value of the bonds to allow such adjustment on the books of the new company."

The directors are: James D. Hurd (Pres.), Frederick Pope (V.-Pres.), George L. Hubbell Jr. (Treas.), G. R. Gortrelle, G. F. Hurd, G. C. St. Johns and Philip Russell. M. Percival R. Moses is Sec.—V. 112, p. 2649.

New York Telephone Co.—Public Service Commission Reverses Decision as to State-Wide Valuation.

The New York P. S. Commission on Aug. 5 rendered a decision against the City of Syracuse in its fight against the company's rate increase holding that the value of the company's property used in public service, its rates and its regulations should be considered on the basis of the company's State-wide activities and not on local valuations.

The decision is the result of an increase in rates in Syracuse in Dec. 1919. No objections were filed in opposition and the new schedule went into effect. Later the city protested. Then it appeared that similar increases had been made in telephone rates in more than 137 municipalities in the State, and the Conference of Mayors decided to select one of the municipalities through which to prosecute a test case against the advance. Syracuse was selected because it represented an average situation and because the city itself had already instituted the necessary proceedings.

Edmund H. Lewis, Corporation Counsel of Syracuse, in a statement says: "When telephone rates were increased in Syracuse beyond a reasonable and decent figure the city filed a complaint and asked for relief. The city contended that the reasonableness of the rates in Syracuse should be determined upon a segregated cost basis. That is, the city should show the (old) P. S. Commission what it costs to give telephone service in Syracuse and ask the Commission to fix a rate covering that and a reasonable profit."

"The New York Telephone Co. contended that the reasonableness of the rates in Syracuse should be determined upon a State-wide cost basis. That is, the city should show the (old) P. S. Commission what it costs to give telephone service throughout the entire State and ask the (old) Commission to fix a rate covering that and a reasonable profit."

"The (old) Commission accepted the city's contention and directed the city to use the segregated cost basis. The case was tried and proof presented on that basis. In its decision the (new) Commission throws out all the proof and says the other basis should have been used. It is plainly the duty of the city to determine if the courts will sustain that action by the (new) Commission."

According to New York City officials the decision effects all cities and towns in the State and if upheld by the courts will result in the City of New York and other large municipalities being required to pay the cost of "putting telephones into farms up-State and into village grocery stores, drug stores and cottages."—V. 113, p. 77

New York Times Co.—25th Anniversary—Stock Dividend.—President Adolph S. Ochs in the issue of the "Times" on Aug. 18 in an article regarding the 25th Anniversary of the company, says in subst.:

The New York "Times" is owned by a corporation with \$1,000,000 Common and \$4,000,000 Preferred 8% stock (the latter recently issued as a stock dividend). I and the immediate members of my family own and control 64% of the shares free and unencumbered, and not one share of our holdings is pledged or hypothecated; 25% more of the shares is held by those who are or have been employed by the "Times" and the remaining 11% of the shares is distributed among 28 individuals or estates (all Americans) who acquired the stock by exchanging for it shares of the old company; the largest individual holder of the latter group holding only 1/4 of 1% of the Capital stock.

The New York Times Co. has real estate and paper mill properties costing more than \$5,000,000 and on these properties there are unmaturing bonds and mortgages amounting to \$1,500,000, constituting the sum total of the indebtedness of the company except its current monthly accounts payable. The cash reserves are more than sufficient to pay its total funded debt and leave free a large and sufficient working capital. So it can be said that The New York Times Co. is virtually free of indebtedness.

The company has a gross annual income exceeding \$15,000,000, and only about 3% of its gross annual income is distributed to its shareholders; the remainder of its income is employed in the development and expansion of its business. This result has been achieved in a business that 25 years ago was running at a loss of \$1,000 a day, by the investment of only \$200,000 of new capital.

We began on Aug. 18 1896, with a daily issue of 18,900, over half of which were returned unsold, and, as said before, with a deficit of \$1,000 a day. The gross income for the first year was \$561,423, and at the end of the year the deficit was \$68,121. The second year the deficit was \$78,559; but in the third year the balance was \$50,252 on the right side and has been so increasingly every year since.

The gross income for the period of 25 years has been, in round figures, \$100,000,000, every dollar of which, less an average of \$125,000 a year withdrawn from the business and distributed as dividends, has been expended in making The Times what it is to-day. Not one dollar of the \$100,000,000 was a gift or a gratuity, but every cent a legitimate newspaper income.

Record of The New York Times Circulation and Advertising (1896-1921.)

Year—	Circulation (Avg.)	Advertising (Agate Lin)	Year—	Circulation (Avg.)	Advertising (Agate Lin)
1896	21,516	2,227,196	1918	368,492	13,518,255
1906	131,140	6,033,457	1919	362,971	19,682,562
1916	340,904	11,552,496	1920	342,553	23,447,395
1917	357,225	12,509,587	1921	352,508	

[In commemoration of the 25th Anniversary of the present management and the 70th Anniversary of the first issue of the paper (which falls on Sept. 18) "A Historical Sketch" forming a volume of 434 pages has been prepared by Elmer Davis, a member of the staff of the New York "Times".]—V. 111, p. 1477.

North Atlantic Oyster Farms, Inc.—Deferred Interest.

Notice has been given that funds have been deposited in the Old Colony Trust Co., Boston, for payment on Sept. 1 of coupons Nos. 13 and 14, due Jan. 1 1921 and July 1 1921, respectively, on the 1st Lien Collateral Trust 5% gold bonds.—V. 113, p. 299.

O'Gara Coal Co.—Redemption of Bonds.

One hundred fifty-six (\$156,000) First Mtge. 5% 50-year Sinking Fund gold bonds, dated Sept. 1 1905, have been called for payment Sept. 1 at 105 and interest at the Equitable Trust Co., trustee, 37 Wall St., N. Y.—V. 112, p. 855.

Pacific Coast Steel Co.—Tenders.

The Anglo-California Trust Co., trustee, San Francisco, Calif., will until Sept. 1 receive bids for the sale to it of First Mtge. 6% 20-year Sinking Fund gold bonds of 1911, to an amount sufficient to exhaust \$62,650. See V. 102, p. 614.

Pathe Exchange, Inc.—Bonds Offered.—Merrill, Lynch & Co., Hemphill, Noyes & Co., New York, and Federal Securities Corp., Chicago, are offering at 97 1/2 and int. \$1,500,000 10-Year 8% Sinking Fund gold bonds.

Dated Sept. 1 1921. Due Sept. 1 1931. Denom. \$1,000, \$500 & \$100 (c*). Int. payable M. & S. at offices of Harriman National Bank, New York, trustee, without deduction for Federal income tax not in excess of 2%. Penna. 4-mills tax refunded. N. Y. State and Mass. State income taxes refunded not in excess of 2%. Red., all or part, on any int. date at 110 and int. on 60 days' notice.

Sinking Fund.—Company provides a sinking fund to be applied to the retirement, beginning Sept. 1 1922, of at least one-tenth of the largest

amount of bonds issued, as follows: One-twentieth of the bonds to be callable each year by lot at 110 and int., and one-twentieth to be purchased in the open market up to 110 and int. On Sept. 1 1931 bonds then outstanding will be paid at 110 and interest.

Data from Letter of Pres. Paul Brunet, New York, Aug. 15 1921.

History.—Pathe Exchange, Inc., is one of the oldest and largest concerns in the United States engaged in the motion picture business. Had its inception 21 years ago in Paris as the Compagnie Generale des Etablissements Pathe Freres of France. The American company was established in 1904 and incorporated Dec. 24 1914 in New York. Company owns two factories where its films are developed and printed, one at Bound Brook and one at Jersey City, N. J. Company has no connection with any other concern in the United States bearing the name Pathe.

Product.—Product includes features, serials, comedy pictures, the well-known "Pathe News" and "Topics of the Day" ("Literary Digest"), besides educational pictures for which there is a large demand. Pathe was the first to develop the idea of putting news into motion pictures, and was the originator of the serial form of picture.

Foreign Contract.—Upon completion of present financing company will be the only American concern independent of American manufacturers for its supply of raw film. It will then have a contract for the purchase of raw film under favorable terms with Pathe Cinema of France, which is the only company to manufacture commercially non-inflammable film. Pathe Exchange will also have acquired the right to manufacture in this country raw film, celluloid as well as non-inflammable, under the Pathe patents and processes.

Earnings.—Net profits applicable to interest charges have been reported as follows:

	Average Yearly Earnings.	No. of Times Interest Earned on Present Issue.
8 years ended Feb. 28 1916	\$415,201	3.46
13 years ended Feb. 28 1921	544,797	4.54
5 years ended Feb. 28 1921	752,152	6.26
Year ended June 30 1921	1,069,488	8.91

For 8 years ended Feb. 28 1916, net profits aggregated \$3,321,612, while net profits for 5 years ended Feb. 28 1921 thus aggregated \$3,760,761, a total of \$7,082,374. These results are after full provision for depreciation and adjustment of inventory to cost or market, whichever was lower.

Subscription Warrants.—Bonds will carry detachable warrants entitling the holder thereof to purchase on or before Sept. 1 1931 Common stock (Class "A") on the basis of 40 shares at \$25 per share for each \$1,000 of bonds. Both classes of Common stock share proportionately as to assets and earnings, Class "A" electing three directors out of nine.

	Authorized.	Issued.
10-Year 8% Sinking Fund gold bonds	\$2,000,000	\$1,500,000
8% Cumulative Preferred stock	3,000,000	1,650,000
Common stock (no par value) (Class "A")	190,000 sh.	90,000 sh.
do do do (Class "B")	10,000 sh.	10,000 sh.

Balance Sheet Feb. 28 1921 (After This Financing).

Assets—	Liabilities—
Cash	Bills payable
Bills receivable	Accts. & trade accept'ces
Accounts receivable	Royalty
Inventory	Accrued excise taxes
Residual value of films released	Fed'l income taxes (est.)
Prepaid expense	Adv. pay. of film rentals
2d Mtge. (45th St. Bldg.)	Pathe Cinema (Paris)
Land, buildings, &c.	10-year 8% bonds
Furn. & fixt., less deprec.	8% Pref. stock issued
Good-will & scenarios	Common stock (100,000 shares, no par)
	Total (each side)

—V. 110, p. 1856.

Penn American Gas Coal Co.—Bankruptcy.

An involuntary petition in bankruptcy was filed at Pittsburgh Aug. 15 against the company.

Penn Central Light & Power Co.—Listing.

The Phila. Stock Exchange on Aug. 13 listed 7,944 additional shares, no par value Cumul. Preference stock, full paid and non-assessable, making 39,944 shares of said stock listed at this date. The 7,944 additional shares are part of a total of 12,741 shares reported subscribed for. This stock was offered in May 1921 to stockholders of record as of May 26 at \$43 per share. See V. 112, p. 2757.

Pennock Oil Company.—Earnings.

	1921—3 Mos.—	1920.	1921—6 Mos.—	'20
Net productions (bbls.)	103,072	86,156	209,988	160,894
Gross from oil sales	\$144,873	\$298,345	\$365,887	\$529,405
Oper. & gen. expense (incl. rentals)	95,124	94,994	181,189	193,042
Net from oil sales	\$49,749	\$203,351	\$184,698	\$336,362
Gas and gasoline sales	17,599	9,500	37,388	15,473
Miscell. sales & interest	24,873	9,137	44,640	11,500
Gross income	\$92,221	\$222,058	\$266,727	\$363,336
Sundry reserves	15,000	4,082	30,000	9,508

Net bef. prov. for depl. deprec. & Fed. taxes

\$77,221 \$217,976 \$236,727 \$353,828

The balance sheet as of June 30 1921 shows capital stock \$3,750,000; current assets, \$747,029; current liabilities, \$53,763.—V. 112, p. 2313.

Pennsylvania Edison Co.—Proceeds of Bonds.

The company recently sold an issue of \$125,000 1st Mtge. 6% Sinking Fund Gold Bonds, Series "B." These bonds were resold by Lee, Higginson & Co. (V. 113, p. 425). A portion of the proceeds from the sale of these bonds was used for the retirement of \$44,000 Equipment Trust Certificates due June 1 1922. See V. 112, p. 2757; V. 113, p. 425.

Phillips-Jones Corporation.—Annual Report.

	1921.	1920.	1919.
Sales	\$7,287,759	\$7,061,567	\$7,200,980
Gross income	\$351,618	\$902,390	\$1,105,304
Interest and discount	\$157,716	\$29,154	\$55,669
Corporation taxes	12,174	22,812	
Federal income and excess profits taxes	20,000	190,000	530,000
Preferred dividend		146,806	

Balance, surplus

\$161,729 a \$513,618 \$520,634

a Includes Federal income and excess profits of Chain Shirt Shops, Inc.—V. 111, p. 491.

Pierce-Arrow Motor Car Co.—Prices.

The following prices, it is announced, will become effective Sept. 1 on its passenger cars: Chassis \$5,500; 4-passenger touring, \$6,500; 7-passenger touring, \$6,500; brougham, \$8,000; landaulet, \$8,250; coupe sedan, \$8,000; sedan, \$8,500; vestibule sedan, \$8,500; limousine, \$8,250; runabout, \$7,000; 4-passenger 4-door sedan, \$8,250; 3-passenger coupe, \$8,000; and French limousine, \$8,250. This is a cut of \$1,000 in its open car models and from \$500 to \$750 in its closed models.—V. 113, p. 737.

(Thomas G.) Plant Co.—Listing, &c.

The Boston Stock Exchange, Boston, Aug. 16, placed on the list 25,000 shares 1st Pref. Capital stock, par \$100.

	Authorized.	Issued.
1st Pref. stock (par \$100)	\$5,000,000	92,500,000
2d Preferred stock (par \$50)	2,500,000	2,500,000
Common stock (no par value)	100,000 sh.	100,000 sh.

The Thomas G. Plant Co. was incorp. in Mass. July 25 1921 and with the consent of the stockholders of the New Jersey Corporation of the same name takes control of nearly all the outstanding stock of the latter Company. To make effective the reorganization, such stock was deposited under a plan and agreement dated Dec. 1 1920. The new Corporation continues the business of manufacturing shoes and other footwear. The charter of the New Jersey corporation remains in existence. (Compare 111, p. 2331; V. 112, p. 67).

Balance Sheet Aug. 1 1921 of the Mass. Corporation: Assets.—Stocks in other Corporations, \$6,729,591 offset by First Pref. stock, \$2,202,000; Second Preferred stock, \$2,500,000; Common stock, \$1,000; surplus, \$1,826,591.

Directors are: Clarence A. Barnes, Sydney R. Blakely, Frank R. Briges Chairman & Treas., Walter A. Brown, Moylert Bruner, Edward N. Chags

DeWitt T. Cope, Walter Bates Farr, Albert M. Lyon, Frank R. Maxwell 1st V.-Pres.; William J. McGaffee, Pres.; George T. McLeod, William A. Mitchell, 2nd V.-Pres. and Clerk, Howard Norton, Edwin R. Sheak, Carlton E. Snow, Nelson B. Todd, Eben Van Evera, Asst. Treas., Alfred B. White.—V. 113, p. 737.

Pleasantville (N. J.) Gas Co.—Rate Increase Denied.

The New Jersey P. U. Commission has denied the company's application for permission to increase its gas rates from \$2 to \$2.75 per 1,000 cu. ft. Company serves many small communities in Southern New Jersey.—V. 109, p. 2270.

Prairie Pipe Line Co.—Shipments—Wages.

Shipments of crude oil for July totaled 5,420,278 bbls. as against 5,087,380 bbls. in June, a gain of 332,898 bbls.

Wages of field employees, who are on a monthly salary basis, have been reduced from \$5 to \$15 a month effective Aug. 1. Ordinary labor, it is said, will be reduced 5 cents an hour.—V. 112, p. 1151.

Prudence Company, Inc., N. Y.—New Name.

See Realty Associates Investment Corp. below.

Prudential Securities & Realty Co.—Mortgage to Finance Seiberling's Liabilities.

This company, recently organized, has made a mortgage to the Union Trust Co. of Cleveland, as trustee, to secure \$1,500,000 of \$1,000 notes, maturing July 31 1923, to be used in liquidating the debts of F. A. Seiberling, former President of the Goodyear Tire & Rubber Co.

The officers of the Prudential are: George Steele, of Cleveland, Pres., and A. W. Cannon, of Cleveland, Secretary.

The Cleveland "Plain Dealer" Aug. 10 1921 says:

"The mortgage covers 68 parcels of Mr. Seiberling's real estate, his personal property and his various corporate holdings. The mortgage lists: (a) 32 parcels of real estate in Summit County, and several in Florida and Michigan; (b) 125,701 shares of Goodyear Common stock and 520 shares of Goodyear Preferred stock; (c) 9,998 shares of stock in the Ladysmith Smelting Corp. of Seattle, Wash.; (d) 3,214 shares of stock in the Wellman-Seaver-Morgan Co.; (e) 1,696 shares of stock in the Whitman & Barnes Co. of this city; (f) 1,270 shares of stock in the Ohio Savings & Trust Co.; (g) 2,010,000 lbs. of raw rubber stored in warehouses and said to be pledged to secure the indebtedness of the New Castle Rubber Co. (see V. 112, p. 2419), now reorganized and known as the Lehigh Tire & Rubber Co.

"Liabilities of Mr. Seiberling's estate are listed at \$6,000,000. According to the agreement between Seiberling and his creditors, the creditors have agreed to extend time of payment on their claims for two years.

"Mr. Seiberling announced Aug. 9 that the Lehigh Tire & Rubber Co., which he acquired at receiver's sale recently for \$103,000, and which is located at New Castle, Pa., would start production again Aug. 15. The plant has a capacity of 2,000 tires a day. That this is Seiberling's first step in plans to establish a chain of small rubber companies is the statement made in Akron Aug. 9."

Pullman Company.—Extent of Proposed Repeal of Transportation Taxes under Pending Bill.

See "Proposed Repeal of Transportation Taxes" in summary preceding railroad news items above.—V. 113, p. 542, 425.

Rand Mines, Ltd.—Gold Output (in Ozs.)—Dividend.

1921—July—1920.	Decrease.	1921—7 Mos.—1920.	Decrease.
689,000	736,099	47,099	4,617,501
			4,840,945
			223,444

A dividend of 80 cents per share has been declared on the Bankers Trust Co. certificates for "American" shares, payable Aug. 24 to holders of record of "American" shares on Aug. 19. (Compare V. 112, p. 2757.)—V. 113, p. 543, 300.

Realty Associates Investment Corp., N. Y.—New Name.

The name of this company has been changed to the Prudence Co., Inc.—V. 112, p. 1984.

(A. L.) Sayles & Sons Co., Pascoag, R.I.—Report.

The report of the creditors' committee for the period Jan. 1 to June 30 1921, and signed by Walter Tufts Jr., Vice-Pres. American Trust Co., Boston, as Chairman; Ervin S. Dunn, Charles A. Barton, Louis Galle and James P. Eddy, shows:

Net sales for period \$975,462. Gross profit, \$70,774. Administrative and selling expense, \$72,243. Operating loss, \$468. Adjustment of other income and expense, however, left a net profit of \$2,604. The deficit to the company increased from \$2,407,708 on Jan. 1 to \$2,547,139 on June 30, largely because of expenses incurred previous to the organization of the creditors' committee. The report says:

"In the income account we have endeavored to show the results of the actual operations since the committee took charge on Feb. 12 1921. The results of these operations show a profit of \$2,604. This does not take into consideration expenses incurred prior to Feb. 12—depreciation interest on suspended accounts, interest on borrowed money incurred previous to Feb. 12, nor taxes. These items have been put through the surplus account on the approval of our Auditor.

"In working out the inventory it has been found that the biggest portion of the yarn acquired before we took control was in very poor condition and of poor quality, with the result that the present organization was not able to make first quality merchandise. This resulted in some loss in its sale. We are very glad to report that plans have been made for the entire liquidation of the old inventory, and it is hoped that this will be completed within 90 days. From present indications it is believed that we may make a satisfactory showing during the next six months.

"The last six months have been extremely difficult ones in the industry, and it is the feeling of the committee, in view of the showing as outlined in the figures and explained above, that it is advisable to continue the operation of the company during the coming season."—V. 111, p. 1478.

Skelly Oil Co.—Earnings.

Results for Calendar Year 1920 and Six Months to June 30 1921.

6 Mos. to Jun. 30 Year 1920	
Oil sales, \$2,101,742; gasoline sales, \$282,802; gas sales \$29,132; misc., \$9,416; tank car earn., \$4,405; int. & divs., \$1,259	\$2,428,757
Operating expenses, \$447,416; gasoline, \$146,514; admin. and general, \$203,450; total expenses	797,380
Total operating profit	\$1,631,377
Intra-company development operations profits	84,818
Total profit	\$1,716,195
Cancel & surren. leases, \$167,479; dry holes, \$46,474; exc. loss over gains, \$12,350	226,303
Net earnings	\$1,489,892
The balance sheet as of June 30 1921 shows current liabilities of \$2,214,311 including accounts and bills payable, \$2,059,052, against current assets aggregating \$2,639,282.—V. 112, p. 2420.	\$4,596,207

Sloss-Sheffield Steel & Iron Co.—Refund.

Under a recent ruling of the I. S. C. Commission, 6 railroads will pay to the company a total of \$113,422 with 5 years interest to Sept. 1 1921 as refunds on freight charges made prior to Sept. 1916, on pig iron. These freight charges the Commission found to have been unreasonable.—V. 112, p. 2409.

Southern Oil Corp.—Acquired.

See Kansas & Gulf Co. above.—V. 109, p. 179.

Standard Parts Co., Cleveland.—10% Div. to Creditors.

Federal Judge Westenhaver has granted the application of Receiver F. A. Scott to pay creditors of the company a 10% dividend. The Court at the same time dismissed the petition of creditors asking for immediate sale of the company's property. Under the Court decision the creditors will receive about \$1,000,000, leaving upwards of \$500,000 in the treasury. See V. 113, p. 738.

Stern Brothers.—33 1/4% Preferred Stock Dividend.

The Committee on Securities of the New York Stock Exchange has ruled that the 7% Pref. stock be not quoted ex the stock dividend of 33 1/4% on Aug. 26 and not until Sept. 2. All deliveries after Aug. 26 and until Sept. 2 must be accompanied by a due-bill for said dividend. See also V. 113, p. 738, 634.

Standard Sanitary Mfg. Co.—Quarterly Report.

Three Months ending March 31—		1921.	1920.
Income from Louisville, Pittsburgh, New Brighton, Kokomo and Tiffin Works		\$530,472	\$1,075,888
Branch house profits		55,999	671,712
Other income—rents and interest received, &c		43,079	20,428
Gross income		\$629,550	\$1,768,029
Interest paid		\$27,629	
Miscellaneous charges		7,243	1,742
Contingent reserve		37,500	6,250
Penion and bad accounts reserves		12,500	12,500
Preferred dividends x		78,838	78,400
Federal taxes		59,468	500,000
Balance, surplus		\$406,374	\$1,169,137

x In addition, a dividend of 3 1/2%, \$420,000 (regular 1 1/2%, extra 2%), was paid Feb. 10 1921 on the common stock out of surplus, leaving same March 31 1921, \$3,341,384.—V. 113, p. 738.

Stewart-Warner Speedometer Corp.—Earnings.

Results for Six Months ending June 30.		1921.	1920.	1919.
Inc. after mfg., sell'g, adm. exp., incl. losses on doubtful acc'ts, deprec'n, &c.		\$652,873	\$1,470,148	\$1,373,884
Federal taxes		Not stated	300,000	x137,000
Dividends		(6%)600,000	(8)800,000	(4)400,000
Balance, surplus		\$52,873	\$370,148	\$836,884

x In 1919 does not include excess profits tax. The balance sheet as of June 30 1921 shows inventories, \$3,479,369, and notes and accounts receivable, \$1,766,837, as against accounts and vouchers payable, \$252,985.—V. 112, p. 2314.

Taylor Wharton Iron & Steel Co.—Mortgage.

The company has completed negotiations with American Trust Co., Trustee, for a \$4,000,000 1st & Ref. serial mortgage bond issue, bearing int. at 7 1/2% and due July 1946.—V. 112, p. 1164.

Texas Gas & Electric Co.—Sale.

Pursuant to the decrees of the U. S. District Court for Southern District of Texas, I. R. U. Culberson, special master, will offer for sale at public outcry at the Court House, Victoria, Texas, Sept. 6, all of the real estate and personal property of the company.—V. 110, p. 877.

Tidal-Osage Oil Co.—New Name—Bonds Approved.

See Guffey-Gillespie Oil Co. above. The company, it is stated, has just completed a well in Section 30 in the Burbank pool, Osage Nation, Oklahoma, estimated to be making 100 bbls. an hour.—V. 113, p. 634.

Tide Water Oil Co.—Notes Called.

The company has called for payment and paid off \$903,000 notes payable "on or before" Nov. 2 1921. The notes were purchase money obligations given in payment of the Guffey-Gillespie Oil Co. stock.—V. 113, p. 634.

Troy Laundry Machinery Co., Ltd.—Bonds Subscribed.

Chandler & Co., Inc., announce that the \$1,250,000 15-Year Sinking Fund 8% gold bonds have all been sold. See V. 112, p. 2650, 2775.

U.R.S. Candy Stores, Inc., N. Y.—Stock Decrease.

The stockholders will vote Sept. 8 1921 (a) on amending the certificate of incorporation so that the total authorized capital stock shall be 1,180,428 shares, all common stock, without nominal or par value divided into two classes as follows, viz.: Founders shares, consisting of 400,000 shares [as now], and Class "A" shares, consisting of 780,428 shares [now 850,000 shrs.—Ed.] (b) By adding to the purposes of the corporation, the words, "and also all other goods, wares and merchandise of every kind, nature and description." (c) On authorizing the directors and officers to decrease the Class "A" Common capital stock from time to time when deemed convenient "provided such decrease can be effected by the purchase in the open market or otherwise, for retirement, of not more than 100,000 shares of said Class "A" Common stock at a price not to exceed \$5 per share"—Compare V. 113, p. 739.

United States Envelope Co.—Regular Semi-Annual Dividend Increased—No Extra Declared.

A semi-ann. dividend of 4% has been declared on the outstanding \$1,750,000 Common stock, par \$100, payable Sept. 1.

Common Dividend Record.		1913 '14 to '16.	'17 to '20.	March '21.	Sept. '21.
Regular (s-a)	2 1/2% 7% p. a.	7% p. a.	3 1/2%	4%	
Extra (in cash)		2 1/2% p. a.	2 1/2%		
do (in stock)			33 1-3%		

U. S. Industrial Alcohol Co.—Dividend Decreased.

A quarterly dividend of 1% has been declared on the \$24,000,000 Common stock, par \$100, payable Sept. 15 to holders of record Aug. 31. This compares with 2% paid quarterly on the Common stock from Dec. 1919 to June 1921, incl.

An official statement says: The main product of this company, industrial alcohol, is employed in so many industries that the general and continued business depression has affected its demand. Other products and specialties are doing well. It has been decided by the board of directors to reduce to \$1 per share the quarterly dividend on the Common stock.—V. 112, p. 1614.

U. S. Mail Steamship Co.—Receivers Appointed.

Federal Judge Manton, Aug. 17, appointed Emmet McCormick, of the shipping firm of Moore & McCormick, and Herbert Noble, of the law firm of Noble, Estabrook & McHarg as joint receivers.

The appointment was made to succeed that of Arthur J. Baldwin, appointed by the Court on Aug. 15, and who declined the position.

The receivers, after appointment, issued the following statement: "As soon as possible we shall file a report with the Court showing the financial condition of the company, and ask its advice as to our future course; meanwhile we shall continue the operation of the ships and maintain the sailings as advertised."

The receivership was the result of a suit filed by the Berwind-White Coal Mining Co., which asserts a claim of \$151,870 against the company. The complaint states that the liabilities of the corporation exceed \$2,000,000, and that the company is unable to meet its obligations. In an answer filed by the company it is admitted that the allegations contained in the bill of complaint are true and the company joined in the prayer for the appointment of a receiver. Two involuntary petitions in bankruptcy were also filed with claims totaling \$45,446.

Captain Francis R. Mayer, President, in a statement said: "I will turn over the company's affairs, firmly convinced that I have done my utmost to place the Stars and Stripes on the high seas in spite of all efforts to keep our flag out of commerce. I will turn over one of the best and most completely organized shipping office staffs in the country."

Condensed Extracts from Statement of A. D. Lasker, Chairman of United States Shipping Board, Charging Insolvency, &c.

A Morass of Debt.—The Board could be guided only by the facts, which proved that the U. S. Mail had never been able to finance even remotely the contract it had undertaken; that it was entangled in a morass of debt, that it was resorting to every expedient it could devise to evade payments overdue to the Government

Stock Is Water.—The U. S. Mail was incorporated ostensibly with a capital of \$1,000,000. The stock, however, was and is, nothing but water. Not a share was issued. Mere pencil notations were initialed on the stubs of the stock book. The required Federal stamp tax of \$10,000 was not even paid. No actual money was put into the treasury. The alleged \$1,000,000 was neither cash nor property, but consisted of three items:

(a) Checks, \$120,000 face value, which were held by the company's Secretary and never cashed, not even to-day.

(b) A mere bookkeeping entry of \$500,000 described as "cost of guaranty," for the supposed service of another insolvent Mayer corporation in acting as guarantor of the contract between the U. S. Mail and the Shipping Board;

(c) 7,800 shares of still another Mayer corporation which has no value but which for the U. S. Mail's purpose was fictitiously listed at \$380,000.

To Deliver Fifteen Vessels.—The contract called for the delivery of 15 former German passenger vessels: America, George Washington, Mt. Vernon, Agamemnon, President Grant, Susquehanna, Princess Matoika, Pocahontas, Potomac (formerly Antigone), Amphion, Freedom, Callao, Aeolus, Huron and Madawaska.

The company agreed not only to pay all expense of manning, equipping and operating these vessels, but also to pay all the costs of reconditioning and to charter the vessels for 5 years, at the end of which time the Shipping Board agreed to take back the vessels and pay the company 62½% of the amount the company had spent on reconditioning or to sell the ships to the company and deduct from the sale price a large part of the reconditioning expense.

Immediately after the contract was signed the company's financial inability developed and it began a persistent campaign to evade its explicit obligation to recondition and to induce the former board to pay all the expenses of such work.

Contracted for Ships "As Is."—**Reconditioning of Ships.**—The company supported its plea by claiming that the vessels were not seaworthy and that they had been represented as oil burners instead of coal burners, though the contract required them to accept the ships "as is." When the company finally confessed its inability to recondition, it persuaded those in authority to expend upward of \$5,000,000 in reconditioning the ships, as follows: Freedom, \$38,109; America, \$814,244; George Washington, \$708,863; Mt. Vernon, \$819,089; Agamemnon, \$1,953,079; President Grant, \$2,121; Susquehanna, \$66,579; Princess Matoika, \$21,949; Pocahontas, \$16,012; Amphion, \$35,227.

These sums by no means represent the total obligations of the Board with respect to the ships named. Additional bills for the America and George Washington, amounting to about \$1,500,000, may have to be paid, making a total cash outlay of more than \$6,000,000.

With respect to the George Washington and the America, the reconditioning of which cost more than \$3,000,000, the records show the company spent only about \$20,000.

The Aeolus, Huron and Madawaska never became deliverable, and the company refused to accept delivery of the Callao.

As to the eleven ships upon which work was done, the company defaulted completely with respect to the Amphion, Freedom, Mt. Vernon, Agamemnon and President Grant, and even refused to sign charter parties for the three last-named vessels.

There are certain reconditioning bills contracted by the U. S. Mail, amounting to more than \$500,000, which it has not paid and could not pay and for which claims will be made against the Shipping Board.

The company could not even pay for voyage repairs on ships it has been operating, which have amounted to more than \$100,000, and the Shipping Board will in all probability have to pay a further sum of more than \$100,000 to prevent its ships being sold to satisfy the contractors.

Enormous Debts Incurred.—The Shipping Board is also informed that the company has, in one way or another, incurred enormous debts of various kinds in Europe, and that its European creditors have instigated proceedings and in one instance have already seized one of the ships (Pocahontas) in satisfaction of those foreign debts.

Charter Hire Unpaid.—With respect to charter hire, the contract provided that the company should pay the Board monthly, in advance, for the use of the vessels at the rate of \$3 50 per net registered ton per month (see item below). The company not only failed to pay the full amount of charter hire due prior to March 31 last on certain vessels, but has refused to pay charter hire since that date on any vessel. The total amount of charter hire due by the company was \$731,443 36, of which the company had paid only \$242,012 68, leaving due the Government \$489,430. In addition there is now due charter hire on the George Washington, which sailed from New York on Aug. 3.

Fall in Shipping Charter Hire.

In connection with the charter hire of \$3 50 per net registered ton per month mentioned above, the "Wall Street Journal" Aug. 16 says: "The price in England is now down to 50 cents a ton and the Japanese Government has leased to Japanese shippers the German passenger ships seized in Japan for 4½ cents per ton a month, recognizing that there is no value in shipping at the present time and that the Government must do everything to maintain its shipping interest."

"Admiral Benson recognized the perilous situation and agreed to recommend a reduction in U. S. Mail rates to \$1 per ton a month. It was understood that beginning with April 1 payments should be suspended pending a settlement."—V. 113, p. 544.

United States Rubber Co.—Obituary.

Colonel Samuel P. Colt, Chairman of the Board, died at his home in Bristol, R. I., on Aug. 13.—V. 113, p. 191.

United States Steel Corp.—Wage Reduction.

A statement by Chairman Elbert H. Gary, dated Aug. 20 says, "In view of the prevailing low selling prices of steel as compared to costs of production, it is necessary to make reductions in wage rates and therefore we will recommend to subsidiary companies that the general rates of day labor be decreased to thirty cents per hour, to become effective on Monday, Aug. 29, and that other wages and salaries be equitably adjusted."—V. 113, p. 739.

Utah Copper Co.—Copper Outlook.

D. C. Jackling, Managing Director, in answer to questions as to when this company and the Nevada Consolidated Copper Co. may resume operations, says that nobody knows just when the situation respecting copper production is going to change.

Mr. Jackling adds: "The situation may be summed up as being neither a question of weeks nor years. It is not a question of weeks, for there is no immediate prospect of an early resumption of production. On the other hand, it will not be a question of years, for the production of copper is not keeping pace with consumption."

"Demand will soon overtake the supply. When something like a reasonable demand comes from foreign countries for copper, the situation will change for the better. The demand for copper will follow the demand for other raw materials. Since the war we have sold copper at prices which before the war we thought would mean ruin to us."—V. 112, p. 2640.

Utah-Idaho Sugar Co.—Capitalization.

The stockholders on Aug. 6 voted to divide the \$30,000,000 Common stock (par \$10) into 500,000 shares Pref. and 2,500,000 shares Common.

Large holders of the Common, it is stated, have agreed to take 200,000 shares of the new Pref. stock at \$7 per share to finance seasonal operations.—V. 113, p. 427, 91.

Utah Power & Light Co.—Definitive Bonds Ready.

The Guaranty Trust Co. of N. Y. is now prepared to exchange the outstanding temporary 1st Lien & Gen. Mlge. gold bonds, series 7s due 1941 for definitive bonds. (See offering in V. 112, p. 478).—V. 112, p. 2759.

Vale-Oregon Irrigation Co.—Foreclosure Sale.

Robert F. Maguire, Master in Chancery, pursuant to decree of U. S. District Court for the District of Oregon, will sell the entire property rights, &c., on Aug. 29 at the Court House, Vale, Malheur County, Ore., to satisfy \$1,377,969 due Colonial Trust Co. and other sums totaling \$102,370 due others.

Valparaiso Lighting Co.—Merger.

See Indiana Electric Corp. above.—V. 109, p. 987.

Ventura Consolidated Oil Fields.—Earnings.

It is unofficially reported that net earnings after depreciation, depletion and a reserve for Federal taxes, for the first 6 months ending June 30 1921, amounted to \$1,179,000 or more than 75% ahead of 1920.—V. 112, p. 2323.

Wabash Valley Electric Co.—Merger.

See Indiana Electric Corp. V. 105, p. 2462.

Waldorf System, Inc.—Retires Pref.—Stores.

President P. E. Woodward, recently announced that the company had purchased in 1921, through its sinking fund, 4,359 shares of the 1st Pref. stock, which will be retired and canceled at the next stockholders' meeting. President Woodward also stated that "The corporation is conservatively capitalized as to its Pref. stocks, and especially so in respect to its Common

which accounts in a large measure for the increase in its market value over its par value of \$10; in fact its dividend-paying ability would probably be reflected in a high market price, were it a no-par-value stock.

"The number of our stores has increased from 59 in 1919 to 87 in 1921, with but the addition of \$290,000 of capital through the sale of Pref. stock. Obviously the increased earning ability of the additional stores has added to the value behind the Pref. stock, and the earnings which can be distributed to the Common stockholders." V. 113, p. 427.

Warren Oil Co., Bartlesville, Okla.—Receivership.

A receiver was recently appointed for this company following the discovery of \$1,000,000 shortage in the accounts of fugitive President Warren G. Spurgin of the Michigan Avenue Trust Co., Chicago, who also was a director of the oil company. See under "Items about Banks, Trust Companies, &c.," in V. 112, p. 705, 598, 499, 388.

Welch Grape Juice Co.—Capital Increase.

The company recently filed a certificate with the Secretary of State at Albany increasing its stated capital from \$1,750,000 to \$1,900,000 by increasing its Common stock from 50,000 no par value shares to 80,000 shares. Company has \$1,500,000 authorized issue of Pref. stock. The 30,000 shares of Common stock will be held for conversion of \$1,000,000 10-yr. 8% convertible bonds. See bond offering in V. 113, p. 544.

Western Union Telegraph Co.—To Authorize Bonds.

The stockholders will vote Sept. 8 on authorizing \$15,000,000 15-Year 6½% gold bonds dated Aug. 1 1921, and also on approving a covenant that "while any of the bonds are outstanding the company shall not create any new mortgage (other than purchase-money mortgages) or charge upon all or any part of its real estate or telegraph plants or upon the securities of subsidiary companies held by it, unless the bonds shall be secured by such mortgage or charge ratably with any other debt secured thereby, and that any such mortgage or charge shall expressly so provide." The proposed issue will be the first issue of capital securities made by the co. since 1907.

The New York Stock Exchange has admitted to the list \$15,000,000 15-Year 6½% gold bonds due Aug. 1 1936, when issued. See offering in V. 113, p. 739.

Wheeling Steel Corporation.—Labor Controversy.

The Executive Committee of the Amalgamated Association of Iron, Steel & Tin Workers has declared a strike in all the plants of the corporation. Officials of the labor organization say that this is merely a formal step based upon the rules of the Association and was forced by the fact that the company locked the union men out some weeks ago, following the expiration of the agreement on June 30 between the Association and the Whitaker-Glessner Co. and the Wheeling Steel & Iron Works.—V. 113, p. 301, 191.

White Motor Co.—Declares Regular Dividend.

The regular quarterly dividend of \$1 per share has been declared payable Sept. 30 to holders of record Sept. 15. It is reported that recent truck sales have been of a satisfactory nature and owing to general improved conditions, the directors felt justified in taking this action.—V. 113, p. 427.

It is unofficially reported that the company has reduced bank loans. \$2,500,000 since March 31.—V. 113, p. 427.

Wholesale Grocers' Corp.—Organized.

A published statement, revised for the "Chronicle," says: The Wholesale Grocers' Corp., with a capital stock of \$7,000,000, is the outcome of a merger of three wholesale grocery houses in Chicago—Durand & Kasper Co., Henry Horner & Co. and McNeil & Higgins Co. The consolidated concerns will occupy the building erected a few years ago by the McNeil & Higgins Co. at 301 East Grand Ave., Chicago.

The executive personnel of the three organizations has been retained. Henry C. Durand will be Chairman of the Board; Oscar B. McGlasson, V.-Pres. & Sec. of McNeil & Higgins, will be President; Maurice L. Horner, Pres. of Henry Horner & Co., V.-Pres. & Treas. Other executives will be: Malcolm McNeil, founder of McNeil & Higgins Co., Chairman of Executive Committee; M. Gordon McNeil, Albert Horner, M. J. McNeil, Herbert Delafield, R. J. Roulston and W. D. Downs, Vice-Presidents; M. L. Horner Jr., Sec., and C. Durand Allen, Asst. Treas.

Of three merged organizations, Henry Horner & Co. was founded in 1842. Its \$40,000 building at 571 West Randolph St., Chicago, has been taken over by the corporation. The Durand & Kasper Co. was established in 1851 and the McNeil & Higgins Co. six years later.

CURRENT NOTICES

—The Cleveland Trust Co. in its "Business Bulletin," an analysis of commercial and industrial conditions in the Middle West, gives a diagram showing the price fluctuations of nine makes of touring cars during the last nine years. In their remarks supplementing this chart the institution says: "In general, prices fell from 1913 to 1916, when they reached the lowest points in the history of the industry. During the next four year the trend of prices was upward and in a majority of the cases the highest levels were reached at the opening of the present year. Since that time there has been a series of reductions that has carried the prices down in a number of cases to the levels of 1913, but in no case to those of 1916. In proportion to their prices the low-cost cars have made the greatest reductions, the medium priced ones have come down less, and the most expensive cars have fallen in price the least of all. These statements are true not only of the cars shown in the diagram, but of standard makes of automobiles in general. . . . The industry is now entering upon a period of active competition such as it has never before experienced. It seems probable that further reductions will be made next year, if not this." We presume that copies of "Business Bulletin" may be had on request.

—The Equitable Trust Company of New York, 37 Wall Street, through its Income Tax Department, Franklin Carter, Jr., Manager, has compiled and is sending to its friends an attractive booklet entitled "Some Important Amendments, New York State Laws." This pamphlet contains a brief summary of the principal amendments of interest to banks and trust companies, made by the New York State Legislature which adjourned April 16 1921.

—Taylor Bates & Company, Members of the New York Stock Exchange, have announced the opening of a branch office in the Liggett Building at 41 East 42nd Street, and the discontinuance of their Hotel Belmont branch. John Nash Kirby, who has been branch office manager at the Hotel Belmont for many years, and L. Stewart Wing, who is a member of the firm, will be at the new branch office.

—President Millerand of France has conferred at Paris upon William Nelson Cromwell of New York the decoration of Officer of the Legion of Honor. Mr. Cromwell had previously been made a Chevalier of the Legion of Honor several years ago.

—The firm of Thayer, Morey & Co. was dissolved by mutual consent on Aug. 15. Robert W. Morey and Clarence L. Morey will conduct a municipal security business under the firm name of Morey & Co., with offices at 111 Broadway, New York City.

—The New York Trust Co. has been named as Trustee under Mortgage of the General Mines Corp. of Bolivia, dated July 1 1921, given to secure an issue of \$1,500,000 par value 7% Collateral Trust Gold Bonds due Jan. 1 1934.

—John W. Allen and Newell P. Weed have formed a co-partnership under the name of Allen, Weed & Co., to succeed Weed & Co. The new firm will deal in investment securities with offices at 61 Broadway, New York City.

—"System," the magazine of business, in its September number has an article, "What I Learned About Business from Ford," by James Couzens formerly Vice-President and Treasurer of Ford Motor Co.

Reports and Documents.

GENERAL MOTORS CORPORATION AND SUBSIDIARY COMPANIES

CONDENSED CONSOLIDATED BALANCE SHEET AS OF JUNE 30 1921.

ASSETS.

Current and working assets:	
Cash in banks and on hand	\$49,363,653 24
United States Government bonds	29,744 29
Marketable securities	32,835 29
Sight drafts against B-L attached and C. O. D.	5,547,867 39
Notes receivable	9,133,387 42
Accounts receivable and trade acceptances	21,042,606 18
Inventories at cost or less	147,502,086 96
Prepaid expenses	1,527,624 96
Total current and working assets	\$234,179,805 73
Investments:	
In allied and accessory companies	63,373,645 03
Permanent Investment:	
Real estate, plants and equipment	254,363,653 28
Deferred expenses	6,810,345 97
Good-will, patents, copyrights, &c	22,421,762 81
Total assets	\$581,149,212 82

LIABILITIES, RESERVES AND CAPITAL.

Current Liabilities:	
Accounts payable and trade acceptances	\$19,852,581 32
Notes payable	68,808,250 17
Taxes, payrolls and sundries accrued, not due	20,381,334 84
Accrued dividends Preferred & Debenture stock payable Aug. 1	1,018,637 91
Total Current Liabilities	\$110,060,804 24
Purchase Money Bonds and Notes:	
Purchase money bonds	\$1,607,398 00
Purchase money notes, account Fisher Body Corp. stock purchase	5,000,000 00
Total	\$6,607,398 00
Reserves:	
Reserve for depreciation of real estate, plants and equipment	\$32,767,745 22
Reserve for employees' investment fund and sundry contingencies	3,255,831 81
Reserve for Federal taxes and extraordinary expenses	2,705,669 81
Reserve for bonus to employees	43,856 87
Total Reserves	38,773,103 71
Capital Stock and Surplus:	
Debenture 7%	\$25,637,900 00
Debenture 6%	58,283,800 00
Preferred 6%	16,183,400 00
Common stock, no par value	†206,405,975 25
Common stock (\$100 par value)	58,000 00
Total Capital stock	\$306,569,075 25
Interest of minority stockholders in subsidiary companies with respect to capital & surplus	1,628,039 70
Surplus	117,510,791 92
Total Capital stock and Surplus	425,707,906 87
Total Liabilities, Reserves and Capital	\$581,149,212 82

† 20,528,790 21-40ths shares outstanding at \$10 per share, \$205,287,905 25: 111,807 shares held in reserve account of subscriptions not fully paid, at \$10 per share, \$1,118,070 00.

INCOME AND SURPLUS ACCOUNT—SIX MONTHS ENDED JUNE 30 1921.

	First Quarter.	Second Quarter	Total 6 Months.
Net earnings	\$3,707,944 49	\$14,551,516 41	\$18,259,460 90
Less: Provision for Employees' Investment Fund	510,605 00	580,455 00	1,091,060 00
Interest on notes and trade acceptances	1,501,215 60	1,426,109 62	2,927,325 22
Employees' Housing Development	2,500 00	300 00	2,200 00
	2,014,320 60	2,006,264 62	4,020,585 22
	1,693,623 89	12,545,251 79	14,238,875 68
Less: Provision for Federal taxes and extraordinary expenditures	18,131 26	11,341 89	29,473 15
Balance equals Net Profits before deducting refunds made to customers under agreement of Oct. 1920, which agreement guaranteed customers against price reductions before July 1 1921	1,675,492 63	12,533,909 90	14,209,402 53
Deduct total liability incurred under aforesaid agreement on account of 1921 sales due to price reductions made previous to July 1 1921			4,549,870 99
Balance			\$9,659,531 54
General Motors proportion thereof			\$9,605,675 60
Surplus, Dec. 31 1920			121,273,217 00
			\$130,878,892 60
Less: Preferred and Debenture stock dividends—6 months			3,137,125 43
Common stock dividends—6 months			10,230,975 25
			13,368,100 68
Surplus, June 30 1921			\$117,510,791 92

The Commercial Times.

COMMERCIAL EPITOME

New York, Friday Night, Aug. 19 1921.

Trade continues to improve slightly. The gain is only slight, but still in some directions there is a gain. That is the vital point. Iron and steel sell a little better, especially iron, the price of which has advanced. Wool is in somewhat better demand and steadier. There is a fair wholesale and jobbing business in some lines. Retail trade, however, is more quiet, as in some sort it is between seasons. And in many other directions the truth is that the buying is to supply immediate needs. Long-distance buying is the exception. Cooler weather in some part of the country has helped business somewhat, but in the main a spirit of conservatism still dominates American business. The irregularity and at times the depression in the stock market has a rather sobering effect in the mercantile world. Besides there is some uncertainty as to whether the decline in prices of commodities has culminated. There is a disposition to go slow until this question can be determined with reasonable certainty. Wheat has declined this week 7 to 8 cents, and recently something like 18 cents per bushel. Corn, oats and rye are also noticeably lower. The flour trade is dull, and latterly prices have fallen some 30 to 40 cents per barrel at the West. Provisions are down, with a very large movement of hogs to market at very much lower prices. Cotton is lower, despite some bad crop reports, especially from Texas and Georgia. Sugar has further declined. Speculation is quiet all over the country, both in securities and commodities.

The "outside public" is in no shape to speculate after the tremendous decline in speculative markets, both for stocks and merchandise, during the past year. In popular parlance, it is "broke," and cannot buy, even though things look cheap. Meanwhile exports of wheat continue on a big scale, and are up for the season to nearly the highest totals ever known; and the reason why prices have declined in spite of this fact is that the American farmer is selling his wheat freely this year after the rough experience of 1920 in holding back his crop. It may be added that the Southern farmer is also forwarding his cotton to market very freely, though this would appear to be cotton left over from last season. The receipts at the ports thus far this season are about treble those for the same time last season. Evidently the cotton farmer, no more than the grain farmer, is going to be caught napping this year. In the shoe business there is a certain amount of activity for Fall and Winter delivery. A very fair business is being done in textiles and wearing apparel. Exports of clothing have been large enough to attract attention. Business in anthracite coal has increased somewhat. The soft coal output has not increased. The lumber trade looks a trifle better, with railroads buying more freely, a better export demand from Japan, and the market relieved of some big supplies that were recently pressing upon it. The output of automobiles has increased, and prices are again lower in some cases. A suggestive thing is that mail order business is some 35% smaller than a year ago, owing to the low prices current for farm products. This emphasizes the undoubted fact that the farmer is in no shape to buy manufactured articles, which are still ruling at high prices that include high costs of labor, whereas on the farm wages have declined something like 50% as compared with last year.

As to the future, it is no way to bring back prosperity to adopt high tariff taxes, keeping out the goods of Europe, the only thing she has to offer us in exchange for ours since she has little gold. It is manifestly absurd. Meanwhile there is endless debate on the tariff bill. Nobody knows just what will be done about it, or about other taxes. The uncertainty of itself hurts business. Unemployment is increasing. It is up to 5,735,000 in this country. The production of iron and steel is still the smallest for 18 years past. It is only about 25 to 30% of capacity. And though July was the fourth largest month in its exhibit of building, the record would have been far better but for high costs of labor and material. And costs of material would come down if the cost of labor would. What is needed is a readjustment of prices, a correction of the dislocation of prices as between raw products and manufactures, the latter being too dear for the straitened farmer. Reduced costs of production are imperative, especially through a reduction in wages; also through reduction of income and other taxes. A vigorous protest against a continuation of the excess profits tax until 1922 is made by the American Bankers' Association, in which it is characterized as one of the chief reasons for the continued high cost of production of finished products, as against farm products and raw materials, and as retarding the re-employment of labor. And finally relief by disarmament is needed in this country, provided other nations also act with the United States in this historic movement, one of the most momentous in the annals of the human race.

Europe, though in somewhat better shape, is still poor. It has suffered this summer from the greatest heat wave and drought known for centuries. As long as Europe is down the United States must feel the effects. Europe's crops are not so poor as had been feared, for its grain had

got a good root before the drought and heat struck it. But it will have to import heavily. And in blind and stumbling Russia millions are starving and more must starve before aid from this country can reach them. The Hoover Commission very properly required that the dispensation of supplies should be entirely within its own control, and not at all within that of the Soviet Government, which coolly demanded that Soviet agents should have a large share in the work, a proposition which it has been forced to abandon.

At Utica, N. Y., the wages of 7,000 workers at knitting mills will be reduced 10% on Sept. 1, and increased working time will follow. Weavers' wages were reduced 20% by the Indiana Cotton Mills, at Cannelton, which have resumed operations following a brief shut-down due to a labor dispute. A 10% wage cut was announced at the Harlan plant of the Bethlehem Shipbuilding Corporation at Wilmington, Del. The Duncan Cotton Mills of Greenville, S. C., report business very much better than it was 60 or 90 days ago. Almost every mill in that section is operating full time. On Aug. 15 the mills owned by the Nelson D. White & Sons Co., Inc., at Winchendon Springs, Glen Allen and White Galley, Mass., and at Peterboro and East Jaffrey, N. H., began to operate on a full-time basis of 50 hours per week. At Charlotte, N. C., the Hartsell Cotton Mill, which had been closed since June 1 by a strike, has reopened. The Cannon Mills there resumed work on Aug. 17. Other mills, it is understood, are likely to reopen under military protection. National Guard troops were ordered to Concord, N. C., to suppress disorders growing out of a strike of cotton mill workers in progress for several months. As to the disturbance reported in North Carolina mill centres, the following telegram came from Charlotte, N. C.: "There was no trouble at the Locke Mill, but we understand another mill resumed operations there also, and a few workers (rioting, it is said) were arrested." The Merrimac Manufacturing Co. of Lowell, Mass., will shut down to-morrow for a two weeks' vacation, reopening on Sept. 6. At Jamestown, N. Y., on Aug. 18, the strike in the four textile mills, which had been in force since June 1, was settled on the basis of a 49-hour week, instead of the 48-hour week asked for by the strikers. Reports from Paterson indicate that about 50% of the silk goods industry is now operating, though no mills are working on full time.

An agreement has been reached in the wage dispute between union paper mill workers and 11 newsprint manufacturing companies, which provides for reductions ranging from 10% for skilled men to 25% for common labor. At Springfield, Mass., the plants of the Strathmore Paper Co. at Mittineague and Woronoco, with 600 hands, were closed Aug. 15 for several weeks, the date of reopening to depend mainly on business conditions. A strike has been called in all mills of the Wheeling Steel Corporation by the Amalgamated Association of Iron, Steel & Tin Plate Workers, on account of an alleged refusal of the corporation to negotiate a wage scale for Whitacker-Glessner Co., a subsidiary. Other subsidiaries affected are Wheeling Iron & Steel and La Belle Iron Works. Normally the corporation employs 2,000 to 3,000 amalgamated members.

Secretary of Labor Davis reported to the Senate that 5,735,000 persons are out of employment in the United States. The number of Government employees in Washington was down to 76,514 persons on Aug. 1, a reduction of 41,246 since the armistice, it is said.

At Detroit, Mich., on Aug. 17, there was a third cut in prices by producers of Hudson and Essex automobiles to lower prices than ever before. The Hudson Super-Six last year sold at \$2,600. The new price is \$1,895. The Essex price last year was \$1,795. It now is \$1,375. These prices are for touring cars. Latterly the Pierce-Arrow, Wills, St. Clair, Columbia, King, Essex and Hudson Companies have reduced prices of auto cars.

July sales of leading mail order and chain store organizations indicated no decided increase in retail trade, and showed that the public was still disposed to restrict its buying. The sales of catalogue houses showed substantial declines from the June totals, while compared with July last year, a more marked decrease. The chain store gross sales held to about the same total as for the preceding month.

The accumulated stocks of merchandise in South America, particularly in the Argentine Republic, and in the Far East, are passing into consumption. It is estimated by one authority that of the \$50,000,000 of "frozen" merchandise in South America in January, \$30,000,000 has been moved.

LARD lower; prime western 11.35@11.45c.; refined to Continent 13.40c.; South America 13.65c. Brazil in kegs 14.60c. On Aug. 17th hogs fell 50 to 75c. and this caused a drop in lard of 77 to 85 points, in pork of 50 points and in ribs of 27 to 35. To-day prices advanced somewhat, but end 35 to 37 points lower on futures for the week. Receipts of hogs have been very large.

DAILY CLOSING PRICES OF LARD FUTURES IN CHICAGO.

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Sept. delivery	11.02	11.02	10.67	10.35	10.50	10.60
October delivery	11.15	11.15	11.80	10.45	10.62	10.70
January delivery	9.77	9.80	9.45	9.20	9.35	9.42

PORK quiet; mess \$25 50@26, family \$30@34, short clear \$23@27. September closed at \$17, a decline for the week of \$1. Beef quiet; mess \$12@14, packet \$13@14, family \$16, extra India mess \$19@20, No. 1 canned roast beef \$2, No. 2 \$3 25, 6 lbs. \$15 50, sweet pickled tongues \$60@65 nom. per bbl. Cut meats easier; pickled hams,

10 to 20 lbs., 24 1/2 @ 25 3/4c.; pickled bellies, 10 to 12 lbs., 14 1/2 @ 16c. Butter, creamery extras, 43 1/2 @ 44c. Cheese, flats, 15 @ 21 1/2c. Eggs, fresh-gathered extras, 42 @ 45c.

COFFEE on the spot higher; No. 7 Rio, 7 1/2 @ 7 1/4c.; No. 4 Santos, 10 1/4 @ 11c.; fair to good Cucuta, 10 @ 10 1/2c. Futures advanced with Brazilian prices for coffee and Rio exchange both higher. Also there was at one time at least a better cost and freight business. It was said too that the trade demand here early in the week was somewhat better. Later on Brazilian markets seemed to hesitate; at least they advanced only slightly and Rio exchange also showed but a small further rise. The Brazilian pace, in other words, slackened. Liquidation set in here. Wall Street and other selling caused a moderate setback in prices. To-day prices advanced slightly and they end 12 points higher on December than a week ago.

Spot (unofficial) 7 1/2 @ 7 1/4c. | December --- 7.08 @ 7.10 | May --- 7.67 @ 7.69
September --- 6.63 @ 6.65 | March --- 7.47 @ 7.49 | July --- 7.87 @ 7.89

SUGAR declined on futures and to 4.75c. c. i. f. for Porto Rico in port or soon due and San Domingo in port at 2 7/8c. c. i. f. or equal to 4 7/8c. for Cuban centrifugal duty paid. Buying was moderate. Later on trade was dull. But the Committee did not press sales; neither did holders of uncontrolled sugar. Members of the Cuban Commission now here are pointing out to members of Congress that hundreds of millions of dollars of American capital invested in Cuba in sugar and other industries will be adversely affected by the proposed duty of 2c. a lb. on sugar provided in the Fordney Tariff Bill. "Facts about sugar" declares that Cuba has sold 60% of her crop and adds that of the amount remaining unsold, Europe is likely to take 600,000 to 700,000 tons and that the United States will require between now and the end of the year 650,000 to 700,000 tons. If the sales reach the lower figures named the balance to be carried over at the end of the year will be only 375,000 tons, while at the higher estimate of sales it will be only 225,000 tons. Receipts at Cuban ports for the week were 26,655 tons against 26,422 last week, 25,929 last year and 29,867 two years ago; Exports were 58,996 against 64,703 last week, 32,385 last year and 58,036 two years ago; they include 35,620 tons to U. S. Atlantic ports, 14,392 to New Orleans, 4,485 to Europe, 2,785 to Savannah and 1,714 to Galveston. The total stock at Cuban ports was 1,340,264 against 1,372,605 last week, 363,115 last year and 974,625 two years ago. Receipts at U. S. Atlantic ports fell off for the week. They were 61,180 tons against 88,621 tons the previous week and 79,352 a year ago. Meltings were 69,000 tons against 71,000 last week and 58,000 last year. The total stock decreased to 114,359 tons against 122,197 tons last week and 130,215 tons last year.

Spot (unofficial) 4.50c. | September --- 2.93 @ 2.95 | March --- 2.62 @ 2.63
August --- 2.90 @ 2.93 | December --- 2.75 @ 2.76 | May --- 2.68 @ 2.70

OILS.—Linseed quiet and easier. August carloads were quoted at 73 @ 75c.; less than carloads, 76 @ 78c.; five barrels or less, 80c. English oil is reported to have been sold at 66c. for prompt shipment. Coconut oil, Ceylon, barrels, 9 3/4 @ 10c. Cochin, 10 3/4 @ 11c. olive oils unchanged at \$1 10 @ \$1 20. Soya bean 9 @ 9 1/2c. spot. Lard, oil strained winter, 82c. Cod, domestic, 41c.; Newfoundland, 45c. Cottonseed oil sales to-day, 8,600 barrels. September closed at 8.60 @ 8.65c.; October at 8.60 @ 8.62c.; December at 8.28c.; Jan. at 8.28 @ 8.29c.; and March at 8.44 @ 8.47c. Spirits of turpentine, 62c. Common to good strained rosin \$4.90.

PETROLEUM steady but quiet. There is said, however, to be a better outlook for exports, for the high-priced oil which was shipped to Europe some months ago, when the talk of shortage there was rife, has now been practically cleaned up, and it is believed Europe will have to import large quantities from this country. Demand for gasoline continued good and prices remain steady. Kerosene improved a little, but business on the whole is quiet. Stocks are large. Gas oil in rather better demand. Fuel oil steadier. Prices are as follows: Gasoline, cargo lots, 32 1/4c.; United States Navy specifications, 17c.; export naphtha, cargo lots, 18 1/2c.; 63 to 66 deg., 21 1/2c.; 66 to 68 deg., 22 1/2c. Refined petroleum, tank wagon to store, 13c.; gasoline, steel bbls., to garages, 24c. Kerosene for export, in cargo lots, 6 to 7c.; in bbls., 13 @ 14c.; in cases, 17 1/2 @ 18 1/2c. The principal purchasing agents of Pittsburgh on the 18th inst. announced an advance in the prices of crude oil so far as they relate to Somerset and Somerset light, the first to \$1 10 and the second to \$1 25 a bbl. These grades are produced in Kentucky. There was no change in Pennsylvania crude, the generally accepted base of the market. The wholesale price of gasoline in Georgia has been advanced 1 cent a gallon, to 21 cents. Pacific Coast advices state that the production of California showed a fairly substantial decline last month. The production of oil by all companies in July amounted to 331,250 bbls. a day, a decrease of 6,373 bbls. compared with the output per day in June. Shipments averaged 271,073 bbls. a day, a decrease of 9,421 as compared with the previous month. Total shipments from the fields during July were 8,403,275 bbls. Stocks increased 1,865,536 bbls. and at the end of July aggregated 31,630,179 bbls. New wells completed numbered 76, with an initial daily production of 19,675 bbls.

Pennsylvania	\$2 25	Indiana	\$1 38	Electra	\$1 00
Corning	1 20	Princeton	1 27	Strawn	1 00
Cabell	1 11	Illinois	1 27	Thrall	1 00
Somerset, 32 deg.	1 00	Plymouth	0 65	Healdton	1 00
and above	1 00	Kansas & Okla-		Moran	1 00
Ragland	0 60	homa	1 00	Henrietta	1 00
Woolster	1 80	Corsicana, light	85	Caddo, La., light	1 25
Lima	1 58	Corsicana, heavy	50	Caddo, heavy	60

RUBBER quiet and easier. Smoked ribbed sheets were quoted at 14c.; first latex crepe 14 1/2c.; brown crepe, thin, clean, 11 1/2c.; rolled 11c. Amber No. 1, 13c.; No. 2, 12c.; No. 3, 11c. Para firmer, but quiet; up-river fine 17 1/2c.; coarse 9 1/2c.; island fine 16 1/2c.

HIDES have been rather more active in South America. Here, however, trade has been generally quiet with Bogota nominally 13c. Cables reported sales of 10,000 La Balcas frigorifico steers to a United States buyer at \$42 75, which is figured at the equivalent of 14 3/4c. c. & f.; 4,000 La Palmas to England at 9 1/2d. c. i. f.; 1,000 La Platas and 1,000 La Blancas at \$42 to Norway, and 2,000 Artiga cows at \$39 to Hamburg; and rumored some Venezuelas on a basis of 12c. for Bogotas and Puerto Cabellos at 11 1/2c.

OCEAN FREIGHTS have remained dull and weak. Grain charters have shown the most business. Grain rates from Gulf ports were 2 1/2 cents lower from Aug. 15.

Charters included coal from Hampton Roads to West coast of Italy, \$4 50; grain from Baltimore to Hamburg, 20c. spot; 1,378 ton steamer from Hampton Roads to Canary Island, \$3 50 prompt; coal from Hampton Roads to the west coast of Italy, \$4 50; Welsh coal; 30,000 qrs. grain from Montreal to Antwerp-Rotterdam, 22c. to Hamburg, 23c., Sept.; 25,000 qrs. from Montreal to two Swedish ports, 25 1/2c. American Sept.; sugar from Cuba to United Kingdom, \$8 50, prompt; from Baltimore to United Kingdom, \$5 75, prompt; from United States or Cuba to north Hatteras, 15c., August; coal from Atlantic range to West Italy, \$4 50, with options prompt; one round trip trans-Atlantic trade, 6s. 4 1/2d., prompt; 40,000 qrs. grain from Montreal to Antwerp-Hamburg range, 23c., October.

TOBACCO has been quiet. Manufacturers still pursue a dilatory policy; they buy, when they do buy, only from hand to mouth. Meantime there is, to put it mildly, no scarcity of tobacco here. On the contrary, supplies are ample, even rather large in some cases. And prices cannot be considered more than fairly steady. The tobacco crop outlook has improved in the Ohio Valley, but it was too dry in Virginia and northern North Carolina and the nights were rather cool for the best growth in Wisconsin. In Kentucky is has been growing rapidly, but is still undersized and irregular. In New England seasonable temperatures and well distributed showers favored all plant growth.

COPPER quiet but steady. Electrolytic was quoted at 12 @ 12 1/2c. Export demand is light. London of late has declined. In the United Kingdom consumption is small and supplies large. Tin lower in sympathy with a break in the London market. Stocks in dealers' hands are increasing. Spot 25 1/2 @ 25 3/4c. Lead steady at 4.40c. for spot New York. Zinc quiet but steady at 4.20 @ 4.25c. for spot St. Louis.

PIG IRON has been more active than for many months past at the recent decline and of late furnaces have advanced prices 50c. to \$2 a ton East and West, with consumers' stocks depleted after long abstention from buying. Buffalo sold 25,000 tons. Basic sold at \$18 up to \$19 50; later it was quoted at \$20. At the same time production is still far smaller than normally, the demand not calling for an output that would be considered satisfactory. The tone, however, is more hopeful as consumers in many cases are believed to be carrying very small supplies.

STEEL business increased somewhat at lower prices. Buyers in many cases, however, still hold aloof. They are waiting for a further decline. They do not believe that it has culminated. Meantime, some mills have increased their production somewhat. But competition is still keen for whatever business offers. The general situation is still unsatisfactory. Returns to the Bridge builders & Structural Society show that the orders for steel taken by the fabricators in July amounted to 60,200 tons, or 33 1/2% of the shop capacity, compared with 66,900 tons booked in June.

WOOL has been in fair demand as to fine staple grades at firm prices. Trade in these was said to be better. But low grades remained dull and seemingly more or less depressed. Some speculative buying was reported of Cape scoured. It is not believed that the tariff bill in its present form can pass the Senate. Prices for three-eighths and half-blood combing wools were reported to be about 50c.; for the lower and 70c. for the higher grade. Scoured 40 to 60 for inferior to average; good carbonized lots bring it is said about 55c. The total stock of wool in the United States on June 30 is stated at 484,115,000 lbs. This shows a gain of about 15% as compared with the year previous. Prospects are decidedly better in the wool trade at Bradford, England and more business is reported. The August wool sales in Melbourne ended on the 17th inst. Merinos were in good demand and prices 10% over those for July. The demand even for very low grade crossbred improved. American and Continental competition recalled pre-war days. Trade generally is returning to normal conditions. Yorkshire buying was larger. The sales in Sydney closed this week at 10% above the previous series except for faulty crossbreds, which were not wanted. Otherwise demand sharp, partly from American buyers. The next series begins at once with offerings of 26,000 bales.

COTTON.

Friday Night, Aug. 19 1921.

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 84,000 bales, against 74,894 bales last week and 86,944 bales the previous week, making the total receipts since Aug. 1 1921 211,541 bales, against 85,559 bales for the

same period of 1920, showing an increase since Aug. 1 1921 of 125,982 bales.

	Satf.	Mon.	Tues.	Wed.	Thurs.	Fri.	Total.
Galveston	6,624	5,364	19,095	6,583	5,811	4,894	48,371
Texas City						445	445
Houston						379	379
Port Arthur, &c.						2,814	18,553
New Orleans	4,986	1,357	2,706	5,902	788	369	17,532
Mobile	97	459	130	280	417	21	21
Jacksonville						1,485	8,231
Savannah	1,389	1,000	2,659	522	1,176		
Brunswick						25	407
Charleston	3	311	53	13	2	16	178
Wilmington	10	55	24	20	53	444	4,181
Norfolk	1,154	470	744	374	995	78	78
N'port News, &c.							374
New York		374					105
Boston	30	3	52		20	895	895
Baltimore							80
Philadelphia		47	33				
Totals this week	14,293	9,440	25,496	13,694	9,262	11,865	84,050

The following shows the week's total receipts, the total since Aug. 1 1921 and stocks to-night, compared with the last year:

Receipts to Aug. 19.	1921.		1920.		Stock.	
	This Week.	Since Aug 1 1921.	This Week.	Since Aug 1 1920.	1921.	1920.
Galveston	48,371	109,825	19,871	42,338	239,966	94,968
Texas City	445	1,706	853	1,320	14,372	4,699
Houston		7,897				
Port Arthur, &c.	379	1,155	288	385		
New Orleans	18,553	42,357	7,126	23,606	443,768	208,696
Mobile	1,752	5,538	338	965	16,485	2,112
Jacksonville	21	273		219	1,534	1,646
Savannah	8,231	20,074	1,611	4,517	121,955	56,298
Brunswick		310		300	1,068	2,125
Charleston	407	1,665	582	660	200,859	221,865
Wilmington	178	3,964	9	26	31,490	27,353
Norfolk	4,181	10,386	1,410	3,876	91,714	24,554
N'port News, &c.	78	104	136	162		
New York	374	1,439	150	244	152,451	35,129
Boston	105	2,126	2,057	4,658	10,052	11,810
Baltimore	895	1,604		1,601	1,404	5,020
Philadelphia	80	1,118	409	681	6,577	5,494
Totals	84,050	211,541	34,840	85,559	1,333,695	701,769

In order that comparison may be made with other years, we give below the totals at leading ports for six seasons:

Receipts at—	1921.	1920.	1919.	1918.	1917.	1916.
Galveston	48,371	19,871	19,711	30,959	30,969	31,393
Texas City &c.	824	1,141		274	147	701
New Orleans	18,553	7,126	7,588	7,377	8,805	9,127
Mobile	1,752	338	521	206	2,162	2,433
Savannah	8,231	1,611	14,277	3,816	16,107	18,179
Brunswick			3,000	1,500	4,000	5,000
Charleston	407	582	1,355	400	807	368
Wilmington	178	9	508		97	980
Norfolk	4,181	1,410	2,186	1,349	5,605	4,832
N'port N., &c.	78	136		87	89	5,604
All others	1,475	2,616	1,610	1,933	6,428	564
Total this wk.	84,050	34,840	50,756	47,901	75,216	79,181
Since Aug. 1.	211,541	85,559	195,530	129,248	196,914	225,983

The exports for the week ending this evening reach a total of 65,540 bales, of which 5,909 were to Great Britain, 525 to France and 59,106 to other destinations. Exports for the week and since Aug. 1 1921 are as follows:

Exports from—	Week ending Aug. 19 1921. Exported to—				From Aug. 1 to Aug. 19 1921. Exported to—			
	Great Britain.	France.	Other.	Total.	Great Britain.	France.	Other.	Total.
Galveston	1,661		30,715	32,376	13,533		93,986	107,513
Houston							7,897	7,897
New Orleans	1,259		11,687	12,946	1,344	2,409	21,285	25,038
Mobile			1,900	1,900			1,980	1,980
Savannah			8,015	8,015	332		28,315	28,647
Wilmington							200	200
Norfolk	100		2,600	2,700	300		3,600	3,900
New York	2,889	525	938	4,352	4,950	525	1,887	7,362
Boston			701	701			701	701
San Fran.							4,707	4,707
Los Angeles.			2,550	2,550			2,550	2,550
Seattle							8,497	8,497
Tacoma							175	175
Portl'd, Ore.							402	402
Total	5,909	525	59,106	65,540	20,459	2,934	176,176	199,569
Total 1920.	14,018	200	28,520	42,738	34,075	8,917	59,591	102,583
Total 1919.	30,006	1,354	50,993	82,323	162,550	13,852	159,142	335,544

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.

Aug. 19. at—	On Shipboard, Not Cleared for—						Leaving Stock.
	Great Britain.	France.	Ger-many.	Other Cont'l.	Coast-wise.	Total.	
Galveston	7,429	10,231	17,000	10,696	1,000	46,356	193,610
New Orleans	11,798	9,736	15,058	13,395	48	50,035	393,733
Savannah	1,200		15,000		300	16,500	105,455
Charleston					800	800	200,059
Mobile	2,596	1,129	4,039	936		8,700	7,785
Norfolk				1,000	600	1,600	90,114
New York *	1,000	200	700	500		2,400	150,051
Other ports *	2,000		1,500			3,500	62,997
Total 1921	26,023	21,296	53,297	26,527	2,748	129,891	1,203,804
Total 1920	11,955	6,033	2,590	6,727	2,945	30,250	671,519
Total 1919	52,780	12,667	8,124	73,338	3,506	150,415	862,891

* Estimated.

Speculation in cotton for future delivery has been small, at declining prices, partly owing to a better weekly Government report on Wednesday than was expected, and partly owing to a forecast of cooler weather in Texas. For a time prices were steady enough, for temperatures were as high

as 108 in Texas and 110 in Oklahoma. But with indications of cooler weather there, and the Census Bureau's announcement of a decreased consumption in the United States in July, together with declines in stocks, grain, provisions and foreign exchange, especially marks, cotton could hardly do otherwise than turn downward. In the main it stood up very well against adverse influences, but selling out by discouraged longs finally had a certain effect.

But it was the weekly report on Wednesday that precipitated the most notable volume of selling, partly on stop orders. Before that the daily net changes in prices had been trifling. That day they broke 20 to 25 points, which looked rather large in a small market. The report for the second week in succession stated that there was an abatement in the activity of the weevil in both Texas and Oklahoma. This was seized upon as a very encouraging factor, and some dark features of the situation in that State were practically ignored. Still it was true that excellent progress had been made in picking in Texas, and that conditions were reported fairly good in much of the northern and central sections of that State. In Oklahoma, even apart from weevil, the week was in the main favorable for cotton. Certainly in the northern section of that State, at least, conditions were reported good to excellent. Warm weather and a light rainfall made a favorable week for Florida. Both progress and conditions were reported very good in Tennessee. And in North Carolina a very good advance was made, except in the northern portion, where moisture was deficient. The plants at least made good growth in South Carolina. In parts of Alabama progress was fair and picking has begun.

And another factor has loomed up as something of seemingly no small significance. That is the comparatively large crop movement. The receipts at the ports have been roughly three times as large as on corresponding days last year. Moreover, the interior movement is large, especially at the Southwest. This, however, is only to a small extent new cotton. The movement is made up largely of cotton held back earlier in the season and only now coming out. Still it is an interesting question just how this will affect prices; whether they will give way under the pressure, or whether a demand will spring up that will absorb them, at least to a degree that will obviate any great decline. Meanwhile Liverpool's activity on the spot has slackened. Its sales, which were recently 10,000 to 15,000 bales a day, have latterly been down to 6,000 bales. And Manchester has been dull. Its trade with India has fallen off significantly. The East Indian tariff dispute and the Nationalist's boycott of Lancashire's goods in India have hit Manchester, it would seem, rather hard, and prices of late have been tending downward, and to all appearance without stimulating business. In Liverpool the trading has been very small. Manchester and London, from time to time, have sold there. As in New York and New Orleans "futures" trading in Liverpool has apparently sunk into a state of lethargy pending further developments. In this country and probably in England the speculative public, after a year of great declines in prices of stocks, grain, cotton, coffee, sugar, etc., is in no position to take advantage of markets even when they look low. Therefore, in all fields speculation is quiet. Cotton could hardly hope to escape, and certainly it is not escaping. Meanwhile Liverpool sold here to a certain extent and also Southern interests, not to mention Wall Street, the West, and the Waldorf-Astoria element.

And through it all there runs a note of disappointment that the market should have practically ignored for nearly two weeks the very bad crop reports from some of the greatest producing States of this country. Georgia reports have been very poor after a rather prolonged period of more or less excessive rains. The weekly report said that conditions in Louisiana are mostly poor to fair, with complaints of rank growth, scarcity of bolls and considerable damage by weevil in some localities. In Mississippi the plant has been blooming poorly; weevil is plentiful and doing harm, especially in the Southern part of the State. In Alabama the plant is poor to fair; there is considerable shedding, and weevil is plentiful and doing damage. In Texas cotton has deteriorated on account of hot dry weather, causing shedding and premature opening, and although weevil has been decreasing in that State, it has already done considerable damage in its eastern and southern sections. Such things as these tend to confirm not a few here in the belief that ultimately prices must turn upward, especially as they look for a larger consumption this season. Also it is said that a considerable percentage of the big carry-over is composed of indifferent cotton. Latterly, too, some reports from parts of Texas have said that the demand exceeded the supply. Not a few reports have stated that the basis was rising. Many of the mills, it is believed, are poorly supplied with the raw material. The supply of cotton in manufacturing establishments in the United States on July 31, according to the Census Bureau, was only 1,115,847 bales, against 1,358,147 on the same date in 1920. A number of mills in North Carolina have resumed work and others, it appears, will do so under military protection, as there has been some violence among the strikers. Finally of late print cloths here have been firm, even if somewhat less active. Liverpool has bought to a certain extent, and also Havre. Wall Street is believed to be heavily short.

The technical position has latterly improved. To-day prices were irregular, closing slightly higher. Texas was hot and the basis firmer, but receipts were large. Some think bad crop reports have been discounted. Besides, speculation is very light. Nothing seems to infuse new life and snap into it. Prices end 18 to 20 points lower than a week ago. Spot cotton closed at 13c for middling here, a decline for the week of 25 points.

The official quotation for middling upland cotton in the New York market each day for the past week has been:

Aug. 13 to Aug. 19—	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
Middling uplands	13.20	13.05	13.00	12.80	13.00	13.00

NEW YORK QUOTATIONS FOR 32 YEARS.

The quotations for middling upland at New York on Aug. 19 for each of the past 32 years have been as follows:

1921 c	13.00	1913 c	12.00	1905 c	10.80	1897 c	8.00
1920	34.25	1912	11.80	1904	10.65	1896	8.31
1919	31.40	1911	12.50	1903	12.75	1895	7.56
1918	35.60	1910	15.95	1902	9.00	1894	7.00
1917	25.65	1909	12.80	1901	8.00	1893	7.31
1916	14.45	1908	10.35	1900	10.00	1892	7.19
1915	9.40	1907	13.25	1899	6.19	1891	7.94
1914		1906	10.10	1898	5.88	1890	11.94

MARKET AND SALES AT NEW YORK.

The total sales of cotton on the spot each day during the week at New York are indicated in the following statement. For the convenience of the reader we also add columns which show at a glance how the market for spot and futures closed on same days.

	Spot Market Closed.	Futures Market Closed.	SALES.		
			Spot.	Contr't.	Total.
Saturday	Quiet, 5 pts. dec.	Barely steady			
Monday	Quiet, 15 pts. dec.	Barely steady			
Tuesday	Quiet, 5 pts. dec.	Steady			
Wednesday	Quiet, 20 pts. dec.	Steady		100	100
Thursday	Quiet, 20 pts. adv.	Very steady			
Friday	Quiet, unchanged	Steady			
Total				100	100

FUTURES.—The highest, lowest and closing prices at New York for the past week have been as follows:

	Saturday, Aug. 13.	Monday, Aug. 15.	Tuesday, Aug. 16.	Wed'day, Aug. 17.	Thurs'dy, Aug. 18.	Friday, Aug. 19.	Week.
August—							
Range						12.65	12.65
Closing	12.88	12.76	12.70	12.48	12.68	12.73	
September—							
Range		12.82	12.77			12.80	12.77-82
Closing	12.98	12.86	12.80	12.58	12.78	12.82	
October—							
Range	13.18-35	13.03-19	12.94-09	12.75-08	12.68-99	12.91-09	12.68-35
Closing	13.18-21	13.05	13.00-02	12.78-80	12.98-99	13.02-03	
November—							
Range							
Closing	13.40	13.28	13.20	12.98	13.20	13.22	
December—							
Range	13.60-75	13.46-61	13.36-52	13.16-50	13.12-42	13.33-52	13.12-75
Closing	13.60-61	13.48-52	13.41-42	13.19-20	13.41-42	13.43-45	
January—							
Range	13.63-76	13.50-64	13.38-55	13.20-54	13.12-48	13.41-60	13.12-76
Closing	13.63-65	13.53	13.43	13.22-23	13.46-48	13.52-53	
February—							
Range							
Closing	13.73	13.63	13.53	13.32	13.59	13.64	
March—							
Range	13.83-00	13.73-85	13.64-81	13.46-76	13.38-72	13.65-82	13.38-00
Closing	13.83-84	13.75-77	13.66-68	13.43-45	13.72	13.72-74	
April—							
Range							
Closing	13.86	13.78	13.69	13.46	13.76	13.75	
May—							
Range	13.90-03	13.82-97	13.75-86	13.56-87	13.50-84	13.82-87	13.50-03
Closing	13.90-95	13.85	13.77	13.53	13.84	13.84	
June—							
Range							
Closing	13.95	13.90	13.82	13.58	13.90	13.90	
July—							
Range	14.00-06	13.95	13.95	13.89			13.89-06
Closing	14.00	13.95	13.87	13.63	13.95	13.95	

QUOTATIONS FOR MIDDLING COTTON AT OTHER MARKETS.—Below are the closing quotations of middling cotton at Southern and other principal cotton markets for each day of the week:

Week ending August 19.	Closing Quotations for Middling Cotton on—					
	Saturday, Aug. 13.	Monday, Aug. 15.	Tuesday, Aug. 16.	Wed'day, Aug. 17.	Thurs'dy, Aug. 18.	Friday, Aug. 19.
Galveston	12.80	12.80	12.80	12.60	12.80	12.80
New Orleans	12.13	12.13	12.00	12.00	12.00	12.00
Mobile	11.25	11.25	11.25	11.00	11.25	11.25
Savannah	12.00	12.00	12.00	12.00	12.00	12.00
Norfolk	12.00	12.00	11.75	11.75	12.00	11.88
Baltimore	13.00	13.00	13.00	13.00	12.75	12.75
Philadelphia	13.45	13.30	13.25	13.05	13.25	13.25
Augusta	12.38	12.25	12.25	12.00	12.00	12.00
Memphis	11.50	11.50	11.50	11.50	11.50	11.75
Houston	12.50	12.25	12.25	12.00	12.25	12.25
Little Rock	11.25	11.25	11.25	11.00	11.00	11.25
Dallas	11.50	11.35	11.35	11.20	11.30	11.30
Fort Worth		11.40	11.35	11.20	11.40	11.40

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, Aug. 13.	Monday, Aug. 15.	Tuesday, Aug. 16.	Wed'day, Aug. 17.	Thurs'dy, Aug. 18.	Friday, Aug. 19.
August	12.13	11.99	11.92	11.82	12.06-16	12.14
October	12.73-74	12.59-61	12.52-54	12.32-33	12.56-58	12.62-63
December	13.13-14	12.98-00	12.91-92	12.70-71	12.95-97	12.99-01
January	13.19-21	13.06-08	12.99	12.78-79	13.04-05	13.11-12
March	13.39	13.28-30	13.20	12.95-97	13.23	13.28
May	13.55	13.44	13.31-33	13.08-09	13.35	13.39-41
Tone						
Spot	Steady	Steady	Quiet	Steady	Steady	Steady
Options	Steady	Steady	Steady	Steady	Steady	Steady

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.

	1921.	1920.	1919.	1918.
Stock at Liverpool	bales 1,050,000	957,000	766,000	208,000
Stock at London	2,000	12,000	13,000	22,000
Stock at Manchester	78,000	110,000	97,000	50,000
Total Great Britain	1,130,000	1,079,000	876,000	280,000
Stock at Hamburg	17,000			
Stock at Bremen	281,000	72,000		
Stock at Havre	141,000	141,000	168,000	103,000
Stock at Rotterdam	12,000	20,000	4,000	
Stock at Barcelona	101,000	60,000	58,000	15,000
Stock at Genoa	21,000	80,000	46,000	4,000
Stock at Ghent	28,000			
Total Continental Stocks	601,000	373,000	276,000	122,000
Total European stocks	1,731,000	1,452,000	1,152,000	402,000
India cotton afloat for Europe	44,000	110,000	26,000	18,000
American cotton afloat for Europe	193,427	144,693	420,004	115,000
Egypt, Brazil, &c. afloat for Eur. e.	44,000	57,000	51,000	47,000
Stock in Alexandria, Egypt	261,000	70,000	142,000	208,000
Stock in Bombay, India	1,116,000	1,288,000	1,022,000	600,000
Stock in U. S. ports	1,333,695	701,769	1,013,306	796,146
Stock in U. S. interior towns	1,048,597	794,609	658,319	653,534
U. S. exports to-day	16,354	6,831	18,124	42,814
Total visible supply	5,788,073	4,624,902	4,502,753	2,282,494

Of the above, totals of American and other descriptions are as follows:

American—				
Liverpool stock	bales 652,000	621,000	551,000	84,000
Manchester stock	63,000	95,000	59,000	17,000
Continental stock	529,000	304,000	246,000	*107,000
American afloat for Europe	193,427	144,693	420,004	115,000
U. S. port stocks	1,333,695	701,769	1,013,306	796,146
U. S. interior stocks	1,048,597	794,609	658,319	653,534
U. S. exports to-day	16,354	6,831	18,124	42,814
Total American	3,836,073	2,667,902	2,965,753	1,815,494
East Indian, Brazil, &c.—				
Liverpool stock	398,000	336,000	215,000	124,000
London stock	2,000	12,000	13,000	22,000
Manchester stock	15,000	15,000	38,000	33,000
Continental stock	72,000	69,000	30,000	*15,000
India afloat for Europe	44,000	110,000	26,000	18,000
Egypt, Brazil, &c. afloat	41,000	57,000	51,000	47,000
Stock in Alexandria, Egypt	261,000	70,000	142,000	208,000
Stock in Bombay, India	1,116,000	1,288,000	1,022,000	600,000
Total East India, &c.	1,952,000	1,957,000	1,537,000	1,067,000
Total American	3,836,073	2,667,902	2,965,753	1,815,494
Total visible supply	5,788,073	4,624,902	4,502,753	2,882,494
Middling uplands, Liverpool	8.47d.	24.82d.	19.05d.	23.97d.
Middling uplands, New York	13.00c.	34.25c.	31.50c.	36.00c.
Egypt, good sakel, Liverpool	17.50d.	71.00d.	32.59d.	33.92d.
Peruvian, rough good, Liverpool	10.00d.	44.00d.	29.50d.	39.00d.
Broach, fine, Liverpool	8.05d.	19.60d.	18.35d.	22.45d.
Tinnevely, good, Liverpool	8.55d.	20.85d.	18.60d.	22.70d.

* Estimated. Continental imports for past week have been 77,000 bales. The above figures for 1921 show a decrease from last week of 131,176 bales, a gain of 1,163,171 bales over 1920, an excess of 1,285,320 bales over 1919 and a gain of 2,965,579 bales over 1918.

AT THE INTERIOR TOWNS the movement—that is, the receipts for the week 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 Aug. 19 1921.				Movement to Aug. 20 1920.			
	Receipts.		Ship-ments.	Stocks August 19.	Receipts.		Ship-ments.	Stocks August 20.
	Week.	Season.			Week.	Season.		
Ala., Birm'g'm.	212	519	148	4,156			300	1,534
Eufaula	10	16		4,168	8	8		370
Montgomery	698	1,673	860	25,091	115	148	744	4,952
Selma	156	389	167	14,996	5	19	9	354
Ark., Helena	25	268	758	5,234				3,049
Little Rock	2,116	5,346	4,226	44,029	101	661	792	15,550
Pine Bluff				51,322				25,115
Ga., Albany	12	32	201	4,436		1		914
Athens	795	1,971	1,370	21,597	125	305	505	14,420
Atlanta	2,432	5,799	3,760	21,224	605	2,665	888	12,607
Augusta	4,860	10,920	6,921	93,500	917	2,553	4,135	46,291
Columbus				2,500				3,004
Macon	417	966	1,022	11,349	119	257	59	9,574
Rome		760	300	6,120		213	190	3,139
La., Shreveport			1,000	52,957		475	2,500	23,000
Miss., Columbus				1,425				580

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:

	1921		1920	
	Week.	Since Aug. 1.	Week.	Since Aug. 1.
August 19— Shipped—				
Via St. Louis	18,977	49,101	3,868	9,737
Via Mounds, &c.	2,745	7,311	5,765	9,259
Via Rock Island	371	466	177	227
Via Louisville	885	2,698	214	674
Via Virginia points	2,643	6,735	612	3,676
Via other routes, &c.	5,987	24,469	1,483	7,056
Total gross overland	31,608	90,780	12,119	30,629
Deduct shipments—				
Overland to N. Y., Boston, &c.	1,454	6,287	2,616	7,185
Between interior towns	698	1,577	188	809
Inland, &c., from South	4,739	10,979	986	3,070
Total to be deducted	6,891	18,843	3,790	11,064
Leaving total net overland *	24,717	71,937	8,329	19,565

* Including movement by rail to Canada.

The foregoing shows the week's net overland movement has been 24,717 bales, against 8,329 bales for the week last year, and that the season to date the aggregated net overland exhibits an increase over a year ago of 52,372 bales.

	1921		1920	
	Week.	Since Aug. 1.	Week.	Since Aug. 1.
In Sight and Spinners' Takings.				
Receipts at ports to Aug. 19	84,050	211,541	34,840	85,559
Net overland to Aug. 19	24,717	71,937	8,329	19,565
Southern consumption to Aug. 19 ^a	68,600	201,000	72,000	211,000
Total marketed	176,767	484,478	115,169	316,124
Interior stocks in excess	*25,568	*68,641	*13,718	*65,332
Came into sight during week	151,199		101,451	
Total in sight Aug. 19		415,837		250,792
Nor. spinners' takings to Aug. 19	23,997	78,956	22,192	96,755

* Decrease during week. x Less than Aug. 1. a These figures are consumption; takings not available.

Movement into sight in previous years:

Week—	Bales.	Since Aug. 1—	Bales.
1919—Aug. 22	89,448	1919—Aug. 22	286,921
1918—Aug. 23	140,315	1918—Aug. 23	380,659
1917—Aug. 24	168,091	1917—Aug. 24	449,636

WEATHER REPORTS BY TELEGRAPH.—Telegraphic advices to us this evening from the South indicate that rain has been quite general during the week, but in portions of the Southwest dry weather still prevails. Texas advices are to the effect that dry, hot weather has caused shedding and premature opening.

TEXAS.—General.—Cotton has deteriorated, hot, dry weather having caused shedding and premature opening. Condition fairly satisfactory in much of the northern and central portion, but elsewhere generally very poor.

	Rain.	Rainfall.	Thermometer		
Galveston, Texas	1 day	0.42 in.	high 88	low 76	mean 82
Abilene	1 day	0.88 in.	high 100	low 72	mean 86
Brenham		dry	high 96	low 74	mean 85
Brownsville		dry	high 96	low 74	mean 85
Cuero		dry	high 98	low 73	mean 85
Dallas	1 day	1.12 in.	high 97	low 76	mean 86
Henrietta	2 days	0.60 in.	high 101	low 72	mean 86
Kerrville		dry	high 98	low 63	mean 81
Lampasas		dry	high 104	low 74	mean 87
Longview		dry	high 94	low 72	mean 83
Luling		dry	high 98	low 73	mean 85
Nacogdoches	1 day	2.26 in.	high 99	low 70	mean 84
Palestine	1 day	0.01 in.	high 94	low 72	mean 83
Paris	2 days	0.32 in.	high 101	low 73	mean 87
San Antonio		dry	high 98	low 72	mean 85
Taylor		dry	high 103	low 72	mean 87
Weatherford		dry	high 103	low 72	mean 87
Ardmore, Okla.	1 day	0.24 in.	high 102	low 72	mean 87
Altus	4 days	0.81 in.	high 103	low 65	mean 84
Muskogee	3 days	0.77 in.	high 99	low 73	mean 86
Oklahoma City	3 days	0.40 in.	high 98	low 71	mean 84
Brinkley, Ark.	4 days	1.72 in.	high 98	low 66	mean 82
Eldorado	2 days	0.37 in.	high 100	low 71	mean 85
Little Rock	3 days	2.08 in.	high 94	low 72	mean 83
Pine Bluff	3 days	2.14 in.	high 94	low 71	mean 84
Alexandria, La.	2 days	0.55 in.	high 95	low 72	mean 83
Amite	2 days	0.80 in.	high 94	low 68	mean 81
New Orleans	2 days	0.17 in.	high 95	low 72	mean 84
Shreveport	1 day	0.18 in.	high 95	low 72	mean 84
Okolona, Miss.	3 days	2.45 in.	high 96	low 70	mean 83
Columbus	1 day	0.10 in.	high 98	low 72	mean 85
Greenwood	1 day	0.60 in.	high 98	low 72	mean 85
Vicksburg	2 days	0.39 in.	high 92	low 72	mean 82
Mobile, Ala.—Small crop in this section.					
weevil	4 days	1.76 in.	high 95	low 72	mean 84
Decatur	4 days	1.59 in.	high 95	low 68	mean 81
Montgomery	4 days	0.53 in.	high 94	low 70	mean 82
Selma	3 days	1.15 in.	high 93	low 71	mean 82
Gainesville, Fla.	2 days	0.15 in.	high 96	low 69	mean 82
Madison	1 day	0.03 in.	high 96	low 73	mean 84
Savannah, Ga.	4 days	0.53 in.	high 95	low 73	mean 84
Athens	2 days	2.46 in.	high 92	low 64	mean 78
Augusta	4 days	0.58 in.	high 94	low 70	mean 82
Columbus	3 days	0.09 in.	high 100	low 71	mean 85
Charleston, S. C.	2 days	0.70 in.	high 96	low 70	mean 83
Greenwood	3 days	0.48 in.	high 91	low 63	mean 77
Columbia	3 days	1.00 in.	high 95	low 66	mean 80
Conway	3 days	0.74 in.	high 95	low 65	mean 80
Charlotte, N. C.	5 days	1.17 in.	high 90	low 62	mean 76
Newbern	3 days	1.26 in.	high 94	low 60	mean 77
Weldon	3 days	1.70 in.	high 98	low 52	mean 75
Dyersburg, Tenn.	1 day	0.07 in.	high 93	low 70	mean 81
Memphis	5 days	1.93 in.	high 90	low 66	mean 78

The following statement we have also received by telegraph, showing the height of the rivers at the points named at 8 a. m. of the dates given:

	Aug. 19 1921.	Aug. 20 1920.
New Orleans	Above zero of gauge Feet. 4.3	Above zero of gauge Feet. 4.4
Memphis	Above zero of gauge Feet. 11.2	Above zero of gauge Feet. 16.4
Nashville	Above zero of gauge Feet. 10.2	Above zero of gauge Feet. 22.0
Shreveport	Above zero of gauge Feet. 8.7	Above zero of gauge Feet. 6.0
Vicksburg	Above zero of gauge Feet. 14.1	Above zero of gauge Feet. 15.6

RECEIPTS FROM THE PLANTATIONS.—The following table indicates the actual movement each week from the

plantations. The figures do not include overland receipts nor Southern consumption; they are simply a statement of the weekly movement from the plantations of that part of the crop which finally reaches the market through the outports:

Week ending	Receipts at Ports.			Stocks at Interior Towns.			Receipts from Plantations		
	1921.	1920.	1919.	1921.	1920.	1919.	1921.	1920.	1919.
June 24	100,160	23,204	140,572	1,339,017	988,406	1,062,591	64,512	350	72,720
July 1	103,323	27,337	118,579	1,292,856	970,557	1,021,453	57,162	9,488	77,441
8	100,186	24,959	116,267	1,240,354	957,497	980,757	47,684	11,899	75,571
15	83,955	23,481	109,144	1,206,736	933,790	933,604	50,337	-----	61,991
22	98,434	27,207	105,721	1,157,547	894,410	878,787	49,245	-----	50,504
29	98,712	28,945	87,579	1,129,231	871,707	815,987	69,396	4,248	15,179
Aug. 5	86,944	24,820	66,856	1,099,238	842,646	746,904	56,951	-----	7,773
12	74,894	32,599	72,104	1,074,165	808,327	694,551	49,821	-----	19,751
19	84,050	34,840	50,756	1,048,597	794,609	658,319	58,482	21,122	14,524

The above statement shows: 1. That the total receipts from the plantations since Aug. 1 1921 are 142,900 bales; in 1920 were 20,227 bales, and in 1919 were 51,862 bales. 2. That although the receipts at the outports the past week were 84,050 bales, the actual movement from plantations was 58,482 bales, the balance being taken from stocks at interior towns. Last year receipts from the plantations for the week were 21,122 bales and for 1919 they were 14,524 bales.

COTTON CROP CIRCULAR.—Our Annual Cotton Crop Review will be ready in circular form about Thursday, Aug. 25. Parties desiring the circular in quantities, with their business card printed thereon, should send in their orders as soon as possible to ensure 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.

DOMESTIC EXPORTS OF COTTON MANUFACTURES.—We give below a statement showing the exports of domestic cotton manufactures for June and for the twelve months ended June 30 1921, and, for purposes of comparison, like figures for the corresponding periods of the previous years are also presented:

Manufactures of Cotton Exported.	Month ending June 30.		12 Months ending June 30.	
	1921.	1920.	1920-21.	1919-20.
Piece goods—yards	48,395,237	79,402,249	556,374,368	867,412,147
Piece goods—value	\$5,518,042	\$23,446,890	\$141,403,045	\$211,937,783
Wearing apparel—				
Knit goods—value	\$318,153	\$5,189,773	\$28,560,738	\$51,559,609
All other—value	745,732	2,510,279	18,117,858	23,489,567
Waste cotton—value	117,583	827,654	6,369,323	15,362,366
Yarn—value	383,490	1,521,464	13,874,105	15,315,042
All other—value	1,260,516	4,723,646	32,034,630	46,379,145
Total manufactures of value	\$8,643,516	\$38,219,706	\$240,359,702	\$394,043,512

WORLD'S SUPPLY AND TAKINGS OF COTTON.—The following brief but comprehensive statement indicates at a glance the world's supply of cotton for the week and since Aug. 1 for the last two seasons, from all sources from which statistics are obtainable; also the takings, or amounts gone out of sight, for the like period.

Cotton Takings. Week and Season.	1921.		1920.	
	Week.	Season.	Week.	Season.
Visible supply Aug. 12	5,919,249		4,751,086	
Visible supply Aug. 1		6,111,250		4,956,257
American in sight to Aug. 19	151,199	415,837	101,451	250,792
Bombay receipts to Aug. 18	b40,000	120,000	18,000	58,000
Other India shipm'ts to Aug. 18	b3,000	5,000	12,000	21,000
Alexandria receipts to Aug. 17	b4,000	14,000	-----	1,000
Other supply to Aug. 17 *	b6,000	17,000	4,000	9,000
Total supply	6,123,448	6,683,087	4,886,537	4,296,049
Deduct—				
Visible supply Aug. 19	5,788,073	5,788,073	4,624,902	4,624,902
Total takings to Aug. 19 a	335,375	895,014	261,635	671,147
Of which American	246,375	663,014	200,635	558,147
Of which other	89,000	232,000	61,000	113,000

* Embraces receipts in Europe from Brazil, Smyrna, West Indies, &c.
a This total embraces the total estimated consumption by Southern mills, 201,000 bales in 1921 and 211,000 bales in 1920—takings not being available—and aggregate amounts taken by Northern and foreign spinners, 694,014 bales in 1921 and 460,147 bales in 1920, of which 462,014 bales and 347,147 bales American. b Estimated.

BOMBAY COTTON MOVEMENT.—The receipts of India cotton at Bombay for the week ending July 28 and for the season from Aug. 1 for three years have been as follows:

July 28. Receipts at—	1920-21.		1919-20.		1918-19.	
	Week.	Since Aug. 1.	Week.	Since Aug. 1.	Week.	Since Aug. 1.
Bombay	58,000	2,817,000	3,1000	3,511,000	53,000	2,524,000

Exports from—	For the Week.				Since August 1.			
	Great Britain.	Conti-nent.	Japan & China.	Total.	Great Britain.	Conti-nent.	Japan & China.	Total.
Bombay—								
1920-21			65,000	65,000	22,000	498,000	1,268,000	1,788,000
1919-20			19,000	22,000	79,000	508,000	1,672,000	2,259,000
1918-19			4,000	29,000	55,000	141,000	799,000	995,000
Other India—								
1920-21		8,000	19,000	27,000	23,000	196,000	60,000	279,000
1919-20	3,000	4,000	2,000	9,000	62,000	215,000	244,000	521,000
1918-19	4,000	-----	4,000	8,000	50,000	13,000	99,000	162,000
Total all—								
1920-21		8,000	84,000	92,000	45,000	694,000	1,328,000	2,067,000
1919-20	3,000	23,000	5,000	31,000	141,000	723,000	1,916,000	2,780,000
1918-19	4,000	4,000	29,000	37,000	105,000	154,000	898,000	1,157,000

ALEXANDRIA RECEIPTS AND SHIPMENTS OF COTTON.—The following are the receipts and shipments for the week ending July 27 and for the corresponding week of the two previous years:

Alexandria, Egypt, July 27.	1920-21.	1919-20.	1918-19.
Receipts (cantars)—			
This week	48,238	4,000	
Since Aug. 1	4,768,547	5,653,592	4,826,263
Exports (bales)—			
	Week.	Since Aug. 1.	Week.
To Liverpool	115,445	3,250	252,836
To Manchester, &c	7,754	95,500	148,616
To Continent and India	4,844	154,206	450
To America	199	48,338	2,000
Total exports	12,797	413,489	5,700

Note.—A cantar is 99 lbs. Egyptian bales weigh about 750 lbs. This statement shows that the receipts for the week ending July 27 were 48,238 cantars and the foreign shipments 12,797 bales.

MANCHESTER MARKET.—Our report received by cable to-night from Manchester states that the market is flat for both yarns and cloths, as merchants are not willing to pay present prices. We give prices for to-day and leave those for previous weeks of this and last year for comparison:

	1921.					1920.				
	32s Cop Twist.	8 1/4 lbs. Shirts, Common to Finest.	Col'n Mid. Up's	32s Cop Twist.	8 1/4 lbs. Shirts, Common to Finest.	Col'n Mid. Up's	32s Cop Twist.	8 1/4 lbs. Shirts, Common to Finest.	Col'n Mid. Up's	
June 24	16 3/4 @	19 1/2 @	17 0	7.00	50 @	74	40 6 @	44 0	26.38	
July 1	17 @	19 @	17 3	7.25	50 @	74	40 6 @	44 0	25.61	
8	17 1/4 @	19 1/4 @	17 3	7.84	49 1/2 @	74	40 0 @	43 0	25.12	
15	17 1/4 @	19 1/4 @	17 0	8.19	48 @	69	40 0 @	43 0	26.65	
22	17 @	19 @	17 0	8.28	50 @	70	40 0 @	42 6	26.77	
29	17 @	19 @	17 0	7.88	49 @	69	39 6 @	42 0	26.15	
Aug. 5	16 3/4 @	19 @	17 0	8.49	54 @	70	39 6 @	42 0	27.10	
12	16 3/4 @	18 3/4 @	17 0	8.54	52 1/2 @	69	38 6 @	41 0	27.19	
19	16 3/4 @	18 1/2 @	16 6	8.47	50 @	67	38 d @	40 6	24.82	

SHIPPING NEWS.—As shown on a previous page, the exports of cotton from the United States the past week have reached 65,540 bales. The shipments in detail as made up from mail and telegraphic returns, are as follows:

Destination	Ship	Date	Total Bales
NEW YORK	To Liverpool	Aug. 12—Carmania, 264; Oxonian, 2,525	2,789
	To Manchester	Aug. 12—Archimedes, 100	100
	To Havre	Aug. 15—Oscoda, 525	525
	To Danzig	Aug. 16—Esthonia, 400	400
	To Copenhagen	Aug. 16—Asabeth, 38	38
	To Japan	Aug. 16—Harold Dollar, 500	500
GALVESTON	To Liverpool	Aug. 11—Glen Ridge, 1,561	1,561
	To Manchester	Aug. 11—Glen Ridge, 100	100
	To Bremen	Aug. 12—Indian City, 5,285	5,285
	To Hamburg	Aug. 12—Marie, 350	350
	To Antwerp	Aug. 18—Skipton Castle, 1,075	1,075
	To Ghent	Aug. 18—Skipton Castle, 2,054	2,054
	To Genoa	Aug. 17—Nicolaos, 3,114	3,114
	To Japan	Aug. 16—France Maru, 11,637	11,637
	To Mexico	Aug. 17—Mexico Maru, 5,500	5,500
NEW ORLEANS	To Liverpool	Aug. 12—Peekskill, 328	328
	To Manchester	Aug. 12—Peekskill, 931	931
	To Bremen	Aug. 15—Cody, 3,494	3,494
	To Japan	Aug. 17—City of Pekin, 780	780
	To China	Aug. 17—City of Pekin, 7,413	7,413
MOBILE	To Japan	Aug. 13—Texas Maru, 1,900	1,900
SAVANNAH	To Bremen	Aug. 15—Baltio, 7,569	7,569
	To Hamburg	Aug. 18—Baltio, 446	446
NORFOLK	To Manchester	Aug. 15—Manchester Merchant, 100	100
	To Antwerp	Aug. 15—Scythian, 800	800
	To China	Aug. 18—Harold Dollar, 1,800	1,800
BOSTON	To Hamburg	Aug. 8—Auburn, 701	701
LOS ANGELES	To Japan	Aug. 16—Borneo Maru, 1,700	1,700
	Aug. 18—Seattle Maru, 850		850
Total			65,540

The particulars of the foregoing shipments for the week, arranged in our usual form, are as follows:

	Great Britain.	France.	Germany.	Other Europe.	North.	South.	Japan.	China.	Total.
New York	2,889	525	438	000					4,352
Galveston	1,661		7,335	3,129	3,114	17,137			32,376
New Orleans	1,259		3,494			780	7,413		12,946
Mobile						1,900			1,900
Savannah			8,015						8,015
Norfolk	100		800				1,800		2,700
Boston			701						701
Los Angeles					2,550				2,550
Total	5,909	525	19,545	4,367	3,114	22,867	9,213		65,540

COTTON FREIGHTS.—Current rates for cotton from New York, as furnished by Lambert & Burrows, Inc., are as follows, quotations being in cents per pound:

	High Density.	Stand. ard.	High Density.	Stand. ard.	High Density.	Stand. ard.	
Liverpool	37 1/2c	57 1/2c	Stockholm	47c	67c	Bombay	50c
Manchester	37 1/2c	57 1/2c	Trieste	1.00c	1.25c	Vladivostok	50c
Antwerp	25c	45c	Flume	1.00c	1.25c	Gothenburg	47c
Ghent	25c	45c	Lisbon	.62c	.87c	Bremen	30c
Havre	25c	45c	Oporto	.62c	.87c	Hamburg	30c
Rotterdam	25c	45c	Barcelona	.55c	.80c	Piraeus	60c
Genoa	50c	75c	Japan	.50c	.70c	Salonica	60c
Christiania	47c	67c	Shanghai	.50c	.70c		

LIVERPOOL.—By cable from Liverpool we have the following statement of the week's sales, stocks, &c., at that port:

	July 29.	Aug. 5.	Aug. 12.	Aug. 19.
Sales of the week	28,000	26,000	54,000	29,000
Of which American	20,000	19,000	40,000	22,000
Actual export	4,000	4,000	4,000	7,000
Forwarded	44,000	41,000	47,000	49,000
Total stock	1,095,000	1,075,000	1,061,000	1,050,000
Of which American	685,000	673,000	666,000	652,000
Total imports	41,000	31,000	31,000	45,000
Of which American	29,000	28,000	29,000	23,000
Amount afloat	130,000	113,000	91,000	
Of which American	90,000	72,000	47,000	

The tone of the Liverpool market for spots and futures each day of the past week and the daily closing prices of spot cotton have been as follows:

Spot.	Saturday.	Monday.	Tuesday.	Wednesday.	Thursday.	Friday.
Market, 12:15 P. M.		Fair business doing.	Quiet.	Moderate demand.	Fair business doing.	Quiet.
Mid. Up'ds		8.45	8.43	8.51	8.41	8.47
Sales	HOLIDAY	8,000	6,000	6,000	6,000	7,000
Futures. Market opened		Quiet, 7@9 pts. decline.	Quiet, 3@5 pts. decline.	Quiet, 1@3 pts. advance.	Quiet, 8@11 pts. decline.	Quiet, 9@12 pts. advance.
Market, 4 P. M.		Quiet, 7@15 pts. decline.	Quiet, 4@7 pts. decline.	Quiet, 1@10 pts. advance.	Quiet, 9@13 pts. decline.	Barely st'y 3@11 pts. advance.

The prices of futures at Liverpool for each day are given below:

Aug. 13 to Aug. 19.	Sat.		Mon.		Tues.		Wed.		Thurs.		Fri.	
	12 1/4 p. m.	12 1/2 p. m.	12 1/4 p. m.	4 p. m.	12 1/4 p. m.	4 p. m.	12 1/4 p. m.	4 p. m.	12 1/4 p. m.	4 p. m.	12 1/4 p. m.	4 p. m.
August	d.	d.	8.65	8.66	8.63	8.62	8.71	8.72	8.61	8.61	8.67	8.66
September			8.69	8.71	8.67	8.66	8.76	8.71	8.61	8.62	8.67	8.65
October			8.75	8.77	8.72	8.71	8.76	8.75	8.65	8.66	8.73	8.71
November			8.81	8.82	8.77	8.76	8.80	8.78	8.68	8.69	8.77	8.75
December			8.86	8.87	8.82	8.80	8.84	8.83	8.73	8.73	8.81	8.79
January			8.88	8.88	8.83	8.81	8.85	8.84	8.74	8.74	8.83	8.81
February			8.92	8.92	8.87	8.85	8.88	8.86	8.76	8.76	8.86	8.84
March			8.97	8.96	8.92	8.89	8.92	8.92	8.81	8.81	8.92	8.91
April			8.99	8.97	8.93	8.90	8.93	8.93	8.82	8.82	8.93	8.93
May			9.01	9.00	8.96	8.93	8.96	8.95	8.84	8.83	8.94	8.94
June			9.00	8.99	8.95	8.92	8.95	8.94	8.83	8.81	8.92	8.92
July			9.00	8.99	8.95	8.92	8.95	8.94	8.83	8.82	8.92	8.92

BREADSTUFFS

Friday Night, Aug. 19 1921.

Flour was still dull. Buyers stick to their waiting policy. They see wheat declining from time to time and they are the more inclined to take their time on buying or not to buy at all until they are forced to by the pressing necessities of the moment. Export demand was not brisk. A fair amount of soft winter wheat flour has been taken by exporters. It is considerably under other grades in price and theoretically at least looks attractive as a purchase for foreign markets. Later prices were depressed in sympathy with a further decline in wheat. Spring wheat flour prices stood up better than those for winter as prices of the higher grades of spring wheat were relatively firm in the Northwest. Only moderate export sales were reported of soft winter with a little foreign demand, for straights. Foreign buyers in most cases reduced their bids as wheat fell. Chicago wired to-day that the big decline in wheat this week had demoralized the flour trade and sent prices of spring wheat patents down 30 to 40 cents lower than the "high" of last week, with winter wheat grades off 25 to 30 cents. Car lots of the best Minnesota patents were quoted by some mills, it is added, at \$7 50 to \$7 75.

Wheat was dull and depressed. Talk to the effect that lower rail freights will cause higher prices fell flat. Why not? it is asked. Would it not mean all the larger marketing? However, that may be it had no effect, even though it would help business. Meantime the crop movement if not quite so free as expected is large. The visible supply in the United States increased last week 4,967,000 bushels against an increase last year of 1,178,000 bushels. This made the total 39,534,000 bushels against 20,653,000 a year ago. Some who hope for better prices were cheered for a time by the fact that shipments for the week from North America were 12,657,000 bushels as against 8,876,000 bushels a year ago. Also by a statement that the domestic surplus will hardly reach 175,000,000 bushels. Moreover country offerings were at times small. The fact that the visible supply increase was mainly at the seaboard was also regarded as a bullish factor. So also of course was the announcement that India's crop would fall 125,000,000 bushels short of last year's. On the 16th instant wheat though at first inclined to be steadier later weakened owing to the decline in stocks, corn and oats and larger offerings of wheat at the Gulf ports. On the decline Eastern interests bought to some extent at Chicago. Export houses on the 15th instant were said to be active buyers of cash wheat against old export sales, or possibly in expectation of a renewal of European demand though actual new export business was small on that day. Cash premiums were higher in the Southwest, although Minneapolis was slightly easier for some grades. In Winnipeg premiums for No. 1 Northern were up sharply. Canadian crop news was good, but the possibility if not the probability that late wheat there may be caught by frost tended for a time to restrict selling for the decline.

It turned out later that the market had become over-bought, foreign exchange fell, stocks were irregular or weak for a time, and export sales of 800,000 bushels on the 17th inst. fell flat as a market factor. Certainly prices dropped 3c. to 3 1/2c. in spite of them. Washington wired that the area of wheat sown in 25 countries, including the United States, was 180,000,000 acres against 183,000,000 last year. The reports also said that agricultural prospects in foreign countries are unfavorable on account of drought, but that it is doubtful if it will have a very serious effect on the

world's wheat supply, as generally speaking, the winter wheat contrived to get a firm hold on the soil before the drought came and has not been very seriously affected. Grain men from practically every Western State are in Washington prepared to offer testimony before the Interstate Commerce Commission showing cause for reductions in freight rates on grain products and hay.

In the United Kingdom yields of wheat are good, but rains are hindering harvest operations and in some sections there is sprouting. In France harvesting is practically finished and good rains have fallen. In Germany general rains occurred and harvest indications of wheat are maintained. Unrestricted imports there are expected soon. Wheat in Hungary-Jugo-Slavia is excellent. In Australia further beneficial rains have fallen. India has had good rains; outlook is improved. In North Africa it is disappointing. Spain's wheat and barley crops exceed last year's, but her crops of rye and oats are not so large, according to a cablegram from the International Institute of Agriculture. On Aug. 18 prices broke to a new "low" for the present movement. Prices have fallen in a month 17 to 18c., and in four days this week 7 to 8c. Yet some 85,000,000 bushels have been cleared thus far this season or sold to foreign markets. On the 18th inst. Minneapolis prices fell 5 to 10c. Export sales were reported on the 18th inst. of nearly 2,000,000 bushels. The technical position, too, was supposed at the close to be better in Chicago after the recent drastic liquidation. To-day prices advanced and then reacted, ending 7 to 8 cents lower for the week.

DAILY CLOSING PRICES OF WHEAT IN NEW YORK.

No. 2 red	Sat. 137½	Mon. 138	Tues. 136½	Wed. 133	Thurs. 130½	Fri. 132½
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DAILY CLOSING PRICES OF WHEAT FUTURES IN CHICAGO.

September delivery	Sat. 124¼	Mon. 124½	Tues. 122	Wed. 119½	Thurs. 116¾	Fri. 116¾
December delivery	126	126¼	123½	120¾	117¼	117¾

Indian corn declined with the weather favorable, farmers selling rather freely and the popular idea that receipts will shortly increase. It is true that last week there was a decrease in the visible supply in the United States of 1,140,000 bushels against 822,000 bushels, but the total is still 12,529,000 bushels against only 4,705,000 bushels a year ago. And trade has been in the main slow. Exporters on the 15th inst. took 400,000 bushels and on that date prices were relatively steady, but on the 16th inst. they gave way under large country offerings and on a pressure at Chicago to sell. Farmers are plainly not minded to repeat last year's policy of holding back supplies. The lesson was too bitter. Snow sent out a crop report that was not entirely favorable, but it had no effect. Later there was heavy hedge selling, a slack demand and a big crop movement to primary points. Exporters took about 250,000 bushels, but this of course was nothing great. Besides the domestic demand was slack. On the 18th inst. prices dropped further with oats and rye. Long liquidation in corn was persistent. Support was lacking. Investment buying is absent, even after the big decline, and, although some crop reports from Indiana and Illinois are not altogether favorable. Also the shipping demand lacks snap. To-day prices declined and they wind up 2½ to 4½ cents lower than a week ago.

DAILY CLOSING PRICES OF CORN IN NEW YORK.

No. 2 yellow	Sat. 81	Mon. 81	Tues. 79¾	Wed. 78¾	Thurs. 77¾	Fri. 72½
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DAILY CLOSING PRICES OF CORN FUTURES IN CHICAGO.

September delivery	Sat. 56¾	Mon. 56¾	Tues. 55½	Wed. 54¾	Thurs. 52½	Fri. 52½
December delivery	55½	55½	53¾	53¼	52½	53

Oats declined on heavy receipts, an increase in the visible supply in the United States last week of nearly 6,000,000 bushels and dulness of trade. The actual increase in the visible supply was 5,942,000 bushels against an increase in the same week last year of 446,000 bushels. It raised the total to 47,641,000 bushels against 4,086,000 a year ago. This aspect of the statistics offset the reports of a small crop of light weight, especially as the demand was small. Stop orders were reached on the way down. On the 16th inst., however, the country offerings were light and cash oats were a little higher at Chicago. No. 2 white oats were close to the September price. Later new low prices for the season were reached with large receipts, a good deal of hedge selling and little demand. To-day prices declined for a time and then rallied. They end 3 to 3¼c. lower for the week.

DAILY CLOSING PRICES OF OATS IN NEW YORK.

No. 1 white	Sat. 49	Mon. 45½	Tues. 44½	Wed. 44	Thurs. 43½	Fri. 43½
No. 2 white	48½	45	44	43½	43	43

DAILY CLOSING PRICES OF OATS FUTURES IN CHICAGO.

September delivery	Sat. 35¾	Mon. 34¾	Tues. 33½	Wed. 33¾	Thurs. 32½	Fri. 32¾
December delivery	38¾	38¾	37	36¾	35¾	36

Rye declined with domestic trade light, export demand only moderate and the visible supply in the United States increased last week 664,000 bushels against a decrease last year of 370,000 bushels. It makes the total 2,843,000 bushels against 1,625,000 bushels. Later exporters took 125,000 bushels. The market was dull and felt the effect of declining prices for other grain. December rye on the 18th dropped 3½c. to 1.05½c. a new "low" for the season. To-day prices declined on renewed liquidation. Closing prices are 7 to 8 cents lower than last Friday.

DAILY CLOSING PRICES OF RYE FUTURES IN CHICAGO.

September delivery	Sat. 111½	Mon. 111½	Tues. 110½	Wed. 108¾	Thurs. 105¼	Fri. 104
December delivery	111½	111½	110¾	108¾	105¼	104¼

The following are closing quotations:

GRAIN.			
Wheat—		Oats—	
No. 2 red	\$1 32½	No. 1	43½
No. 1 spring	Nominal	No. 2 white	43
Corn—		No. 3 white	42
No. 2 yellow	\$0.72½	Barley—	
Rye—		Feeding	68@72
No 2	1.11	Malting	77@81
FLOUR.			
Spring patents	\$7 75@8 75	Barley goods—Portage barley	
Winter straights, soft	5 90@ 6 40	No. 1	7 25
Hard winter straights	7 00@ 7 50	Nos. 2,3 and 4 pearl	7 50
Clear	5 75@ 6 50	Nos. 2-0 and 3-0	7 20@ 7 25
Rye flour	6 75@ 7 50	Nos. 4-0 and 5-0	7 50
Corn goods, 100 lbs.,		Oats goods—Carload	
Yellow meal	1 80@ 2 00	spot delivery	6 45@ 6 80
Corn flour	Nom.		

EXPORTS OF BREADSTUFFS, PROVISIONS, COTTON AND PETROLEUM.—The exports of these articles during the month of June and the twelve months for the past three years have been as follows:

Exports from U. S.	1920-21.		1919-20.		1918-19.	
	June.	12 Months.	June.	12 Months.	June.	12 Months.
Quantities.						
Wheat bu.	25,235,351	293,267,637	12,845,905	122,430,724	16,389,853	178,582,673
Flour bbls	1,545,984	16,183,234	1,979,493	21,651,961	3,613,714	24,181,979
Wheat*bu.	32,192,229	366,092,190	21,753,623	219,864,548	32,651,566	287,401,579
Corn bu.	11,834,823	66,911,093	834,772	14,467,926	909,875	16,687,538
Total bu.	44,027,052	433,003,283	22,588,395	234,332,474	33,561,444	304,089,117
Values.	\$	\$	\$	\$	\$	\$
Breadstuffs	68,410,940	107,186,649	81,151,860	508,357,262	118,330,406	954,657,337
Provisions.	24,055,791	403,358,571	48,856,369	771,031,760	174,294,993	1,166,110,958
Cotton	30,519,440	600,186,189	50,140,705	138,170,502	111,833,962	873,579,669
Petrol. &c	26,584,271	535,560,369	46,251,693	426,349,163	33,459,916	344,233,216
Cott's'd oil	1,105,467	31,392,838	2,568,233	36,220,471	6,357,219	36,970,545
Total val.	150,675,917	254,236,441	228,968,860	342,366,158	444,276,496	3,375,541,725

* Including flour reduced to bushels.

The statement of the movement of breadstuffs to market indicated below are prepared by us from figures collected by the New York Produce Exchange. The receipts at Western lake and river ports for the week ending last Saturday and since Aug. 1 for each of the last three years have been:

Receipts at—	Flour.	Wheat.	Corn.	Oats.	Barley.	Rye.
	bbls. 196lbs.	bush. 60 lbs.	bush. 56 lbs.	bush. 32 lbs.	bush. 48lbs.	bush. 56lbs.
Chicago	219,000	2,873,000	2,627,000	3,970,000	146,000	165,000
Minneapolis	26,000	676,000	286,000	694,000	263,000	108,000
Duluth		1,076,000	16,000	137,000	40,000	100,000
Milwaukee		2,967,000	94,000	955,000	110,000	160,000
Toledo		301,000	82,000	596,000		
Detroit		38,000	22,000	74,000		
St. Louis	183,000	1,226,000	463,000	451,000	1,000	
Peoria	48,000	192,000	34,000	585,000	11,000	2,000
Kansas City		3,976,000	339,000	378,000		
Omaha		1,557,000	513,000	370,000		
Indianapolis		130,000	396,000	556,000		
Total wk. 21	470,000	14,952,000	5,142,000	8,261,000	565,000	535,000
Same wk. 20	277,000	9,108,000	1,769,000	4,051,000	358,000	464,000
Same wk. 19	413,000	13,787,000	1,005,000	4,367,000	1,184,000	433,000
Since Aug. 1—						
1921	957,000	31,521,000	8,720,000	21,357,000	931,000	1,331,000
1920	540,000	19,679,000	4,336,000	7,990,000	771,000	943,000
1919	701,000	29,630,000	2,572,000	10,324,000	2,809,000	1,001,000

Total receipts of flour and grain at the seaboard ports for the week ended Aug. 13 1921 follow:

Receipts at—	Flour.	Wheat.	Corn.	Oats.	Barley.	Rye.
	Barrels.	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.
New York	270,000	504,000	179,000	471,000	140,000	13,000
Portland, Me.	23,000	6,000		23,000		
Baltimore	83,000	626,000	38,000	87,000		6,000
N port News	38,000	1,133,000	4,000	155,000		376,000
New Orleans*	109,000	3,287,000	285,000	192,000		
Galveston		2,383,000				
Total wk. 21	523,000	7,439,000	506,000	928,000	140,000	395,000
Since Jan. 1 21	15,205,000	140,942,000	55,216,000	32,559,000	10,364,000	14,423,000
Week 1920	439,000	9,461,000	956,000	850,000	161,000	673,000
Since Jan. 1 20	15,631,000	112,693,000	13,401,000	16,110,000	6,795,000	35,286,000

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

The exports from the several seaboard ports for the week ending Aug. 13 are shown in the annexed statement:

Exports from—	Wheat.	Corn.	Flour.	Oats.	Rye.	Barley.	Peas.
	Bushels.	Bushels.	Barrels.	Bushels.	Bushels.	Bushels.	Bushels.
New York	352,437	154,297	103,641	162,336	30,877	8,268	
Boston			1,000				
Philadelphia	256,000		22,000		13,000		
Baltimore	619,000		25,000		9,000		
New Orleans	2,944,000	54,000	12,000	1,000	26,000		
Montreal	3,166,000						
St. John, N. B.	1,547,000	1,339,000	53,000	991,000	373,000	238,000	
Total week	8,884,437	1,547,297	216,641	1,154,336	451,837	247,268	
Week 1920	7,132,463	1,111,000	251,807	1,159,676	567,598		

The destination of these exports for the week and since July 1 1921 is as below:

Exports for Week and Since July 1 to—	Flour.		Wheat.		Corn.	
	Week Aug. 13 1921.	Since July 1 1921.	Week Aug. 13 1921.	Since July 1 1921.	Week Aug. 13 1921.	Since July 1 1921.
United Kingdom	99,328	735,311	2,288,481	10,806,531	370,000	3,661,000
Continent	104,313	767,579	6,564,956	31,447,985	1,123,297	9,926,810
So. & Cent. Amer.	6,000	45,000	31,000	188,000	51,000	846,000
West Indies	7,000	49,000			3,000	81,000
Brit. No. Am. Colon.						
Other Countries		35,535				
Total	216,641	1,632,425	8,884,437	42,442,516	1,547,297	14,454,810
Total 1920	251,807	2,232,563	7,132,463	30,283,741	1,111,000	463,646

The world's shipment of wheat and corn for the week ending Aug. 13 1921 and since July 1 1921 and 1920 are shown in the following:

Exports.	Wheat.			Corn.		
	1921.		1920.	1921.		1920.
	Week Aug. 13.	Since July 1.	Since July 1.	Week Aug. 13.	Since July 1.	Since July 1.
	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.	Bushels.
North Amer.	12,557,000	56,158,000	52,955,000	1,207,000	15,064,000	399,000
Russ. & Dan.	-----	488,000	-----	756,000	3,225,000	635,000
Argentina	800,000	7,063,000	26,628,000	5,404,000	30,001,000	14,549,000
Australia	1,528,000	8,360,000	5,360,000	-----	-----	-----
India	-----	704,000	-----	-----	-----	-----
Oth. countr s	-----	-----	-----	200,000	2,210,000	240,000
Total	14,885,000	72,773,000	84,943,000	7,567,000	50,500,000	15,823,000

The visible supply of grain, comprising the stocks in granary at principal points of accumulation at lake and seaboard ports Aug. 13 1921 was as follows:

United States—	GRAIN STOCKS.				
	Wheat, bush.	Corn, bush.	Oats, bush.	Rye, bush.	Barley, bush.
New York	1,055,000	137,000	664,000	15,000	112,000
Boston	-----	1,000	5,000	-----	-----
Philadelphia	867,000	480,000	205,000	6,000	4,000
Baltimore	4,095,000	258,000	287,000	1,183,000	54,000
New Orleans	4,304,000	224,000	248,000	-----	14,000
Galveston	4,424,000	-----	-----	5,000	-----
Buffalo	332,000	1,615,000	4,651,000	90,000	97,000
Toledo	990,000	43,000	1,153,000	109,000	-----
Detroit	14,000	21,000	99,000	9,000	-----
Chicago	5,541,000	5,008,000	15,739,000	681,000	140,000
" afloat	1,057,000	945,000	155,000	-----	-----
Milwaukee	136,000	126,000	1,698,000	66,000	209,000
Duluth	967,000	47,000	5,451,000	207,000	205,000
Minneapolis	996,000	13,000	12,283,000	83,000	835,000
St. Louis	2,862,000	184,000	968,000	6,000	4,000
Kansas City	6,826,000	2,671,000	1,412,000	19,000	-----
Peoria	126,000	7,000	680,000	-----	-----
Indianapolis	535,000	173,000	419,000	5,000	-----
Omaha	2,159,000	535,000	1,778,000	88,000	25,000
On Lakes	1,836,000	60,000	196,000	278,000	206,000
On Canal and River	360,000	70,000	150,000	-----	156,000
Total Aug. 13 1921	39,477,000	12,618,000	47,641,000	2,850,000	2,061,000
Total Aug. 6 1921	34,547,000	13,669,000	41,699,000	2,179,000	1,918,000
Total Aug. 14 1920	20,653,000	4,705,000	4,086,000	1,625,000	2,517,000
Total Aug. 16 1919	39,846,000	1,475,000	19,321,000	11,249,000	7,776,000
<i>Note.</i> —Bonded grain not included above: Oats, 44,000 bushels New York; total, 44,000 bushels, against 36,000 in 1920; barley, New York, 8,000 bushels; Duluth, 2,000 bushels; total, 10,000 bushels, against 44,000 bushels in 1920; and wheat, 8,000 bushels New York, 47,000 Baltimore, 80,000 Buffalo, 7,000 Philadelphia; total, 142,000 bushels in 1921.					
Canadian—					
Montreal	1,857,000	2,135,000	1,887,000	300,000	410,000
Ft. William & Pt. Arthur	2,950,000	-----	5,915,000	-----	1,027,000
Other Canadian	1,252,000	-----	1,873,000	-----	260,000
Total Aug. 13 1921	6,059,000	2,135,000	9,675,000	300,000	1,697,000
Total Aug. 6 1921	6,287,000	1,790,000	9,764,000	163,000	1,921,000
Total Aug. 14 1920	6,736,000	79,000	770,000	214,000	613,000
Total Aug. 16 1919	3,095,000	34,000	3,165,000	436,000	3,092,000
Summary—					
American	39,477,000	12,618,000	47,641,000	2,850,000	2,061,000
Canadian	6,059,000	2,135,000	9,675,000	300,000	1,697,000
Total Aug. 13 1921	45,536,000	14,753,000	57,316,000	3,150,000	3,758,000
Total Aug. 6 1921	40,834,000	15,459,000	51,463,000	2,342,000	3,839,000
Total Aug. 14 1920	27,439,000	4,784,000	4,856,000	1,839,000	3,130,000
Total Aug. 16 1919	42,941,000	1,509,000	22,486,000	1,685,000	10,868,000

WEATHER BULLETIN FOR THE WEEK ENDING AUG. 16.—The influences of weather on the crops as summarized in the weather bulletin issued by the Department of Agriculture for the week ending Aug. 16 were as follows:

COTTON.—The weather was mostly favorable for cotton in Oklahoma, where the crop shows general improvement; it is in good to excellent condition in the northern but very poor in the southern section. It was too cloudy and wet in Arkansas and there were many complaints of too much rain in some Southeastern districts, while moisture was deficient in parts of the Northeast and the continued dry weather resulted in further deterioration in much of Texas, where shedding and premature opening are reported. Progress and condition were reported as very good in Tennessee. Very good advance was made also in North Carolina except in the northern portion, where moisture is deficient. The plant made good growth in South Carolina but is fruiting very poorly in Georgia; the stalks are large, but with little fruit, and the top crop is very poor. The progress of the crop varied greatly in Alabama and Mississippi, and was mostly unsatisfactory, but the warmth and light rainfall had a favorable effect in Florida. Abatement of weevil activity continues in Texas and Oklahoma, but weevil are still very damaging in many central and eastern portions of the belt. Picking progressed in the southern portion of the belt, the weather being favorable for this work in Texas.

HARVESTING.—Good progress was made during the week in harvesting small grain crops in the more northern sections of the country and in the elevated western districts under generally favorable weather conditions. Threshing advanced in the winter wheat belt and is well along in the principal wheat sections.

WINTER WHEAT SEEDING.—Plowing for fall seeding made generally good progress and the soil is in good condition in nearly all of the principal winter wheat section. This work is well along in much of Kansas and is general in many Central Valley districts. Some winter wheat has been sown in Montana and South Dakota.

CORN.—There was sufficient moisture for the continued improvement of late corn from Oklahoma and Central Kansas north-eastward. The progress of this crop was fair to excellent in Oklahoma. The earlier drought has almost entirely been broken from the Ohio Valley States northeastward by the rains of the past few weeks. The week was slightly too cool for the best growth of corn in the Upper Mississippi Valley and Upper Great Plains States. More moisture is needed for late corn in parts of the South.

THE DRY GOODS TRADE.

New York, Friday Night, Aug. 19 1921.

There have been encouraging indications of a revival of confidence on the part of retailers within the past few days. This, taken as the status of feeling of the consuming public, has caused some of the larger houses to announce the outlook brighter than it has been for some time past, but at the same time has disclosed several difficulties in the situation. The response to the Spring 1922 showings, both for the larger houses and the smaller ones who have fallen in line, has been very gratifying. The Fall buying, however, for the current year has been such an unsettled affair that it leaves its mark in lowered production for the coming sea-

sons that will sooner or later have to be adjusted. There is every indication that retailers generally have allowed their stocks to become sadly depleted and are at present attempting to carry on their business by buying small lots for immediate shipment. This indication would throw the burden of carrying stocks on jobbers, who in many cases are complaining bitterly of the situation confronting them and stating that they will handle no more production beyond immediate orders in hand. The buying for Fall, and even for seasonal summer goods, which normally should have ceased at this time of the year, still continues, and gives promise of lasting for some time to come. All authorities in the trade are agreed that the commitments for Fall are the lightest for years past, and in fact are too small for the buying that is expected. Repeat orders for Winter goods are still being received. Many of the cotton goods mills have orders on hand to absorb their output for several months in advance, but in a great many cases buyers are apparently anxious to secure only small lots that may be handled easily and after their popularity has been well attested by public demand. This is probably the result of forward orders having decreased so radically in price during the recent drop in the market, but it is a situation which must be settled before the market can return to a normal condition.

DOMESTIC COTTON GOODS.—Prices in cotton goods have strengthened in some lines during the week. Trading has been brisk and prices have ruled steady. For the past few weeks the gray goods division has remained practically at a level, and manufacturers and buyers alike appear to regard the situation as near normal. There is little disposition, however, shown by manufacturers to accept orders for more than two months in advance on the basis of the present prices, although future orders have been offered. The increased buying seems in each case to call forth advance in prices that in a great many cases kill the sales, and the slight upward reaction of the market to each stimulated demand is doing much to discourage buyers and prevent a normal distribution. The export orders which have been so encouraging are still being received, and while not as heavy as during the preceding weeks, according to advice from export houses, they are still of sufficient volume to materially benefit the industry. Export orders for sheeting still lead, as has been the case for some time. Trading in ginghams and percales is still strong, and the demand has been well maintained. In the print cloths, 28-inch, 64 x 64's are selling at 5½c, and 28-inch, 64 x 60's at 4⅞c. Gray goods are steady at 38½-inch for 7½c in the 64 x 64's, and 39-inch, 80 x 80's at 11½c, although there is very little demand for the last construction. Three-yard brown sheetings are quoted at 9c, and the four-yard at 8¼c. Staple ginghams are selling at 14½c. The activity of coverters has not been as noticeable in the market during the week as it has been for some time past. Indications are that crop conditions of cotton are such that some buyers are holding orders for the next few weeks pending developments.

WOOLEN GOODS.—The dress goods division of the woolen trade has experienced a good week. Orders continue to arrive in fair quantities and cutters are busy. There are reports that the buying for the current Fall season is disappointing to the cutters in this section, as retailers of women's ready-to-wear are placing orders for small lots, with every indication that they will re-enter the market from time to time as their stocks are exhausted. This would cause manufacturers to keep on hand a supply of goods that they feel is too large, and they are taking steps to refrain from work on goods not actually under order. The prevalence of style in women's garments for Fall shows a narrowed tendency. Standard constructions in conservative styles are mentioned most in repeat orders, and garments usually purchased as advance styles are passed by. The men's wear has been increasingly optimistic over the opening for the Spring 1922 season. Buyings in response to the openings were so heavy that there is a feeling that the situation has eased up and the retailer sees better prospects in view. With the assurance that the Spring 1922 season bids fair in every respect to be a good one, the majority of the trade is now centering its attention on the current Fall season. Everything points to the fact that the buying for this season has been below normal. Trading has been spotty, and there are many customers who have not foreseen their wants who are expected to be disappointed when they re-enter the market for last-minute requirements.

FOREIGN DRYGOODS.—Owing to the increased buying in this country on the part of dealers, bag-makers and manufacturers, the burlap market has strengthened during the week. At present prices quoted on burlaps are 3.40c for spot lights and 4.40c for heavies. Added to the increased demand the reports from India continue to be of an encouraging nature. There have been heavy purchases in the Calcutta market for future shipments, and the current month so far shows good volume exports to this country.

There has been no change in the linen situation. Trading is slack, and importers are not hopeful over the outlook. The majority of the trading has been of a seasonal character, limited in scope, and not looking forward to future requirements.

State and City Department

MUNICIPAL BOND SALES IN JULY.

In the following table we give a list of July 1921 loans in the amount of \$101,244,838 issued by 304 municipalities. In the case of each loan reference is made to the page in the "Chronicle" where the accounts of the sale is given.

JULY BOND SALES.

Page.	Name.	Rate.	Maturity.	Amount.	Price.	Basis.
555	Harrison Twp. S. D., Pa.	5 1/2	1926-1946	130,000	100	5.50
439	Haskell Twp., Okla.	6	'30, '35, '40, '45	32,400		
555	Harrison Co., Ind.	6	1922-1936	13,470	100	6.00
754	Haverford Twp., Pa.	5 1/4		500,000	100	5.25
204	Haverford Twp. S. D., Pa.	5 1/4	1951	65,000	100	5.25
654	Hickman Co., Tenn.	6	1922-1947	142,000		
439	Huerfano Co. S. D. No. 15, Colo.	7	d1931-1941	2,900		
555	Huntington, N. Y.	5 1/2	1925-1950	500,000	101.03	5.41
439	Iron County, Mich.	6		75,000	88.13	
654	Islip Union Free S. D. No. 1, N. Y.	5 3/4	1921-1950	200,000	101.47	5.64
754	Jackson, Minn.			40,000	100	
754	Jackson City S. D., Ohio.	6		30,000		
654	Janesville, Wisc.	6	1922-1941	100,000	102.295	5.69
654	Jefferson Co., Ala.			108,000		
440	Jefferson Co., Mont.	6	d1931-1936	15,570	100	
555	Jefferson Sch. Twp., Ind.	6	1922-1937	31,000	101.629	5.75
440	Johnson City, Tenn.	6	1951	150,000	94.80	6.39
555	Juab County, Utah.	6		225,000	93.50	6.47
440	Juniata Co., Pa.	6	1931-1940	35,000		
555	Kandiyohi Co., Minn.	6	1927-1941	120,700		
204	Kenosha, Wis.	6	1922-1941	100,000	101.118	5.85
555	Kern Co. Road Imp. Dist. No. 14, Calif.	6	1922-1933	312,000		
318	Kimball, So. Dak. (2 iss.)	6		40,000	100	6.00
556	King Co. S. D. 144, Wash.	5 3/4		25,000		
440	King Co. S. D. 172, Wash.	6	1922	2,000	100	6.00
440	King Co. S. D. 180, Wash.	6	d1922-1942	10,000	100	
556	Lac Qui Parle Co., Minn.	6		94,500	100	6.00
440	Laguna Irrig. Dist., Calif.	6	1923-1932	265,000		
754	Lakewood, Ohio.	6		21,760	100	6.00
204	Lamont Cons. Ind. S. D., Iowa	6	1926	141,000	98	6.47
440	Lane Bayou Drain. Dist., Miss.	6	1923-1941	225,000		
318	Lansing, Mich.	5	1923-1932	500,000	94.31	6.01
204	Laramie Co. S. D. No. 10, Wyo.	6	1923-1942	30,000	100	6.00
440	Laurel, Mont.	6	1932-1941	42,744	87.83	7.32
556	Lavellett, N. J.	6	1922-1937	16,000	100.25	5.96
655	League Sch. Dist., Calif.	6		19,000	100	6.00
440	Lima, N. Y.	6	1922-1929	8,000	100.18	5.95
556	Lincoln S. D. 18 No. Dak.	4	1940	2,000	100	4.00
318	Linn County, Ore.	5	1927 & 1928	150,000	100	5.00
556	Logan S. D. Ohio	6	1923-1932	20,000	100	6.00
318	Longmont Imp. Dist. No. 4, Colo.	6		100,076		
655	Lucas Co., Ohio	6	1922-1931	31,434	100	6.00
555	Lynman S. D. 18 No. Dak.	4	1935	3,000	100	4.00
655	Lynn, Mass. (2 iss.)	5	1922-1951	105,000		
655	Lynn, Mass. (2 iss.)	5	1922-1926	114,000	100.30	4.95
655	Lynn, Mass.	5	1922-1931	85,000		
655	Lynn, Mass.	5	1922-1941	100,000		
441	McIntyre, Iowa	6	1926-1940	25,000		
441	Madison Co., Tenn.	6	1922-1946	100,000		
655	Maine (State of)	5	1927-1941	1,750,000	98.147	5.22
755	Malaga S. D., Calif.	6	1922-1937	48,000	100	6.00
318	Malden, Mass.			226,000	100.105	
441	Manchester, Tenn.	6		45,000		
441	Marion County, Fla.	5	1925, '30 & '35	560,000	90	6.40
556	Marshall Co., Ind. (2 iss.)	4 1/2		39,440	100	4.50
755	Mason S. D., Mich.	6	1926-1936	150,000		
318	Memphis City Schools, Tenn.	6	1927-1960	250,000	101.21	5.91
556	Merced Gram. S. D., Calif.	6		130,000		
755	Miamisburg, Ohio	6	1922-1931	32,000		
319	Michigan (State of)	5 3/4	1941	10,000,000	100.46	5.71
319	Michigan (State of)	5 3/4	1941	5,000,000	100.46	5.71
319	Michigan (State of)	6	1922	5,000,000	100	6.00
319	Michigan (State of)	6	1922	3,000,000	100	6.00
319	Michigan City Sch. City, Ind.	5 1/2	1925-1936	35,000	100	5.50
319	Michigan City Sch. City, Ind.	6	1931	35,000	100.46	5.93
319	Middlesex S. D. No. 1, No. Caro.	6	1922-1951	75,000	100	6.00
319	Mills Co., Iowa	6	1927-1934	60,000	99.10	6.135
2336	Minnesota (State of)	5	Various	2,000,000	100	5.00
556	Minneapolis, Minn.	5	1922-1951	1,230,000	94.81	5.50
556	Minneapolis, Minn.	5	1922-1931	340,590	95.65	5.98
656	Minot, No. Dak.	4		11,000	100	4.00
441	Mississippi (State of)	5 1/2	1923-1946	1,000,000	100	5.50
441	Mobile Co., Ala.	5	1941	50,000	85.94	
656	Monroe, Utah.	6		20,000	85.00	
556	Monson Sch. Dist., Calif.	6	1926-1945	10,000	100	6.00
556	Montgomery Co., Ohio.	6	1922-1936	180,000		
556	Monticello, N. Y.	6	1926-1945	20,000		
556	Montifiore Sch. Dist. No. 1, No. Dak.	4	1940	22,000	100	4.00
556	Montpelier, Vt.	5		55,000	100	5.00
556	Morrow County, Ohio.	6	1922-1925	4,000	100	6.00
556	Morrow County, Ohio.	6	1922-1931	7,765		
441	Mount Holly Graded Sch. Dist., No. Caro.	6	1922-1941	50,000	100	6.00
319	Mt. Pleasant U. F. S. D. No. 9, N. Y.	6	1923-1942	55,000	101	5.88
656	Mount Vernon, N. Y.	5 3/4	1922-1931	100,000	100.641	5.60
556	Nara Vista Sch. Dist. No. 33, New Mex.	6		17,000		
656	Nashua, N. H.	5	1922-1936	40,000	100	5.00
442	Nassau County, N. Y.	6	1922	75,000	100.13	5.87
656	Nebraska City, Neb.	7		90,000		
319	Newark, N. J.	5 1/2	1922-1957	1,799,000	100.10	5.49
319	Newark, N. J.	5 1/2	1922-1951	250,000	100.10	5.48
319	Newark, N. J.	5 1/2	1923-1951	100,000	100.10	5.49
319	Newark, N. J.	5 1/2	1922-1926	100,000	100	5.50
556	Newberg, Ore.	6	1930	3,000	100	6.00
319	New Castle S. D., Pa.	5 1/2	1941-1950	400,000	101.5115	5.39
656	New Mexico (State of)	6	1922-1925	40,000		
656	New Mexico (State of)	6	1922-1923	800,000		
877	Newport, Vt.	5	1935-1946	82,000	94.34	5.49
556	Newton, Mass. (2 iss.)	5		42,000	100.31	4.95
442	Niagara Falls, N. Y.	5 1/4	1941-1948	800,000	100.27	5.23
442	Norfolk, Neb.	6		160,000	100	6.00
319	Northbridge, Mass.	5	1922-1951	75,000	100.061	4.99
442	Norfolk, Va. (3 iss.)	6	1949	463,000	103.181	5.74
442	Norfolk, Va.	6	1939	530,000		
442	Norfolk, Va.	6	1922	1,165,000		
656	No. Canton, Ohio	6	1923-1946	64,000	101.015	5.89
442	North Carolina (State of)	5 31, '41, '51 & '61		17,800		
656	Northampton Twp., N. J.	6	1923-1942	20,000		
442	North Tonawanda, N. Y. (4 issues)	6	1922-1931	110,100	100.01	5.99
556	North Summit Sch. Dist., Utah	5	1940	60,000		
656	Oconto Falls, Wis. (2 iss.)	6	1922-1939	40,000	98	
321	Ogden City, Utah (6 iss.)	6	d1931-1941	297,000	99.58	
655	Ogden S. D., Utah	5	d1931-1941	75,000	91.38	
557	Omaha, Neb.	5 1/2	1941	950,000	100	5.50
557	Oneida County, Idaho	5	1929-1938	92,000		
322	Orange Sch. Twp., Ind.	6	1922-1943	34,500	100.002	5.99
442	Orange Un. H. S. D., Calif.	6	1924-1943	160,000		
557	Oregon (State of)	5 1/2	1926-1946	2,000,000	100.147	5.49
443	Osceola, Neb.	5 1/2		125,000		
657	Oskaloosa Ind. S. D., Ia.	6		75,000	100	6.00
657	Ossining, N. Y.	6	1922-1936	7,600	100.261	5.96
443	Palmyra, N. Y.	5.45	1922-1936	118,000	100	5.45
322	Parma, Idaho	6	d1931-1941	29,000	101.46	
657	Pasadena, Calif.			85,000		
322	Pelham Fire Dist. No. 1, N. Y.	6	1925-1929	10,000	100	6.00

Table with columns: Page, Name, Rate, Maturity, Amount, Price, Basis. Lists various municipal bonds from states like Nebraska, Colorado, and Iowa.

Table with columns: Page, Name, Rate, Maturity, Amount, Price, Basis. Lists bonds from Madison, Nebraska and Middletown, Ohio.

BONDS OF UNITED STATES POSSESSIONS.

Table with columns: Page, Name, Rate, Maturity, Amount, Price, Basis. Lists bonds from Philippine Islands and Porto Rico.

We have also learned of the following additional sales for previous months:

Table with columns: Page, Name, Rate, Maturity, Amount, Price, Basis. Lists various municipal bonds from states like Arkansas, Texas, and Colorado.

All of the above sales (except as indicated) are for June. These additional June issues will make the total sales (not including temporary loans) for that month \$110,538,171.

DEBENTURES SOLD BY CANADIAN MUNICIPALITIES IN JULY.

Table with columns: Page, Name, Rate, Maturity, Amount, Price, Basis. Lists debentures from various Canadian municipalities like Alberta, Ontario, and Quebec.

a Average date of maturity. d Subject to call in and after the earlier year and mature in the later year. k Not including \$29,625,000 of temporary loans reported, and which do not belong in the list. x Taken by sinking fund as an investment. y And other considerations. r Refunding bonds.

NEWS ITEMS.

Benton County, Ark.—Federal Court Settles Matter of New Bond Issues.—The Fort Smith "American" on July 16 had the following to say concerning the litigation involving the \$350,000 bonds of Benton County Road District No. 5 and the \$185,000 Benton County Road District No. 6.

The litigations involving the programs of Road Improvement districts 5 and 6 of Benton county have been given a further hike towards ultimate settlement. Two decrees giving instructions on the payment of bonds contracted by the districts, were issued by Federal Judge Frank Youmans yesterday.

Georgia.—Legislature Adjourns.—The General Assembly of Georgia adjourned on Aug. 10. Feature legislation, according to the Atlanta "Constitution," marking the session of the 1921 General Assembly, follows:

REVISED TOTALS FOR PREVIOUS MONTHS.

The following items, included in our totals for previous months, should be eliminated from the same. We give the page number of the issue of our paper in which the reasons for these eliminations may be found:

Table with columns: Page, Name, Amount. Lists items to be eliminated from previous months' totals, such as Belen School District and Boulder Co. S. D. No. 6.

Passage of the Appropriation Act and special appropriation bills totaling approximately \$11,489,979. Passage of the General Tax Act, carrying a total revenue of approximately \$13,000,000.

Adoption of Western and Atlantic funding plan, providing \$2,500,000 for immediate use of the State.

Imposition of a tax of \$2,500 on grand opera.
 Adoption of a tax of 4 cents per pound on carbonic gas and 1% on gross wholesale sales of fountain syrups.
 Removal of disabilities of women.
 Increase of tax on fertilizer tags from 10 to 30 cents.
 Sanctioning of lease of Governor's mansion for fifty years. No provision for new home of chief executive made.
 Reduction of 10% in appropriations for all institutions of higher education, bringing Tech's fund from \$125,000 to \$112,000, with a deficiency fund of \$29,479. The University of Georgia's appropriation, under this system, will be reduced from \$95,000 to \$85,000.
 Increase from \$67,000 to \$81,431 in State Board of Health appropriation.

Other Highlights.

Other highlights during the session were:
 Probe of State Highways Department, resulting in filing of a majority report which exonerated the Department and praised its officials highly.
 Defeat of efforts to abolish Tax Equalization Law in the 1921 session.
 Fight on Agricultural Department, led by Senator L. C. Brown, and Mr. Brown's refusal to appear before the Agricultural Committee and sustain them.
 Committee reports scoring conditions at a State farm, motion to institute rigid investigation being lost in House.
 Defeat of the proposed income tax and appointment of commission to study the question and report next year.
 Continuance of Department of Archives and History and Board of Public Welfare.
 Failure of opponents of farm demonstrators to secure abolition of State appropriation to meet Smith-Lever Federal Fund.

Missouri.—Soldiers' Bonus and Other Measures Carried at Special Election.—All four of the propositions voted upon by the people of Missouri at the special election Aug. 2 (V. 113, p. 100) carried by safe majorities. A special dispatch from Jefferson City to the St. Louis "Globe-Democrat" dated Aug. 11 said:

The official vote was cast up to-day by the Secretary of State, with the exception of Kansas City. For some reason not known to the Secretary of State, the vote of that city was missing from the Jackson County sealed package when it was opened. He immediately telegraphed for the official returns.

Taking the printed figures following the election of the vote cast in Kansas City, but which the Secretary of State cannot use, the vote cast for various propositions and the majority received by each is as follows:

For a constitutional convention: Yes, 177,823; no, 124,743. Majority for the convention, 53,080.
 Empowering women to hold public offices: Yes, 159,235; no, 147,681. Majority for women, 11,554.
 Requiring the interest of the State issue of \$60,000,000 of road improvement bonds to be paid from the automobile fund: Yes, 247,186; no, 59,686. Majority for proposition, 187,500.
 Soldiers' bounty: Yes, 209,680; no, 100,106. Majority for bounty, 109,574.

It is not likely that within a period of sixty years a general election was held in Missouri in which such a light vote in proportion to population was cast. Not one of the voters out of four who were qualified in November 1920 went to the polls. The total vote cast Aug. 2 amounts to but a little over 309,000. In November 1920 above 1,309,000 votes were cast for the candidates for State offices.

The only proposition that carried every county and city was the one providing that the interest on the road bonds shall be paid out of the State automobile funds in place of from direct taxation.

North Dakota.—Recall Election to Be Held.—The North Dakota recall election, according to a dispatch from Minneapolis to the Boston "News Bureau," is assured. It probably will be held Tuesday, Nov. 1. Enough signatures are on the petition, it is stated, to make it necessary under the recall law.

"The recall," the dispatch continues, "is aimed at Gov. Frazier, Attorney-General Lenke, and Labor Commissioner Hagen. These three are members of the State Industrial Commission, which, under Non-Partisan League political control, became vested with extensive power. There are no Democrats or Republicans in North Dakota when this issue is involved. It is a question of being for or against the Non-Partisan League and the Industrial Commission."

Prediction as to the outcome would be premature, but notwithstanding that the Non-Partisan League has controlled the State and brought on the sensational development of last fall and early this year Gov. Frazier was elected by only 4,600 majority when Harding carried North Dakota by 122,000, so it will be seen that the grip of the League is not so strong as may perhaps be generally supposed.

"The recall election will be of more than State-wide interest. Not only has there been immediate effect felt by banks and business concerns quite generally from the North Dakota situation, but students of economics and particularly those interested in what really has been an experiment in State-wide Socialism have followed developments closely."

Effects of Non-Partisanism.

"At present the Bank of North Dakota is not paying checks drawn on it by its depositors. Not a tap of work is being done by the Mill and Elevator Association, which has a half-built mill and elevator, into which about a million has so far been put. The Home Building Association has stopped work, and the various other enterprises, such as chains of newspapers and grocery stores, that were to bring untold happiness to the farmer while knocking down the hated money power, all are dormant. Everywhere over the State there is disgust."

Non-Partisan League people have kept their adherents pretty well in line by saying that as soon as the State bonds were sold, activities would be resumed by all these various auxiliaries, but the bonds have been offered extensively in New York and Chicago and nobody seems to want them.

"From the Minneapolis and St. Paul viewpoint the situation is regarded as pitiable because the people of North Dakota as a whole are a very sane, courageous, hard-working lot, it being as yet very largely a "first generation" State. There is no doubt that North Dakota will come back if the present mess is cleaned up and its people left to work out their own salvation free from dominance of the demagogue."

Oregon.—Initial Bond Issue and Constitutionality of Soldiers' Bonus Act Discussed.—"Increase in the initial bond issue from \$3,000,000 to \$5,000,000 to make the first payments of the soldiers' loan and bonus voted by the people," said a special dispatch from Salem to the Portland "Oregonian," dated Aug. 6, "was decided upon to-day by the State Bonus Commission. This action followed a survey of the speed with which the Commission expects to operate after the machinery is set in motion. This survey showed that the larger issue was preferable in all ways and was agreed upon unanimously." Continuing the dispatch said:

Consideration of perplexing legal knots in the loosely-drawn law occupied the entire afternoon and evening, as many of the rulings of the Commission will prove of far-reaching consequence, involving large sums of money. Whether the Commission has the right to restrict and regulate the use of the loan, whether relatives are entitled to the loan, whether men not residents of Oregon are entitled to the cash bonus, were among the many weighty points to be explored by the Commission.

"The creation on short notice of a \$30,000,000 building and loan agency is a most serious problem," said one member of the Commission, "and every step must be taken with caution and with the utmost deliberation of every consequence. Not only the interests of the ex-service men, but the interests of the people as a whole must be kept very carefully in mind and in preparing to administer the law we are confronted with trying problems on points where the law is not entirely clear."

No test of the constitutionality of the law will be made by the Commission, it was said, as all feel that the law is fairly constitutional in view of

the numerous tests that have been made in other States on bonus laws, all of which have been declared constitutional. The only possibility of litigation now foreseen is that bond buyers might insist upon such action before being willing to purchase the bonds. Such a contingency was not anticipated by the Commission.

It was also decided that the whole problem of finance will have to be laid before the emergency board before a final policy of organization and disbursements is put into effect. A joint meeting of the Commission and the board will be held within the next ten days.

The entire Commission attended to-day's session, those present being Governor Olcott, Sam A. Kozler, Secretary of State; George A. White, Adjutant-General; Lyman G. Rice, Arthur Spencer and Harry C. Brumbaugh, Secretary of the Commission.

Victor, Colo.—Tax Levy Ordered by U. S. District Judge to Meet Judgment against City.—A writ of mandamus, said an International News Service dispatch from Denver, dated Aug. 4, has been issued here by U. S. District Judge Robert E. Lewis, ordering the city of Victor, Colo., to make an immediate tax levy to raise \$38,000 in order to pay a judgment in favor of the First National Bank of Ithaca, N. Y. Continuing, the dispatch said:

"The Mayor, City Treasurer and members of the City Council are commanded to appear in court on Sept. 1 to show cause for failure to pay the judgment, if the tax levy is not made."

"The judgment was awarded the Ithaca bank when suit was brought several months ago against the Victor City Council, the complainant claiming to hold a number of bonds issued by Victor in 1915 upon which neither principal nor interest had been paid."

BOND CALLS AND REDEMPTIONS.

Fort Morgan Paving District No. 2 (P. O. Fort Morgan), Morgan County, Colo.—Bonds Called.—A. S. Baker, City Clerk, has called for payment bonds numbered 37 to 48, both inclusive, of \$1,000 each. Interest will cease Aug. 21.

Oklahoma (State of).—Warrant Call.—Notice is given that there are now funds in the State Treasury with which to pay certain State warrants hereinafter specified and that interest ceased on Aug. 13 1921, such date being ten days after the date of the first publication of this notice.

Fund—	To Warrant No.	Fund—	To Warrant No.
Section 13 (S. E. I.)—		New College—	
University—	All	University—	3319
University Prep—	All	University Prep—	All
Central Normal—	1696	Central Normal—	731
N. E. Normal—	2212	N. E. Normal—	762
N. W. Normal—	1592	N. W. Normal—	608
S. W. Normal—	1440	S. W. Normal—	945
E. C. Normal—	2080	E. C. Normal—	671
S. E. Normal—	1732	S. E. Normal—	679
C. A. & N. University—	1023	C. A. & N. University—	1322
A. and M. College—	All	A. and M. College—	5072
Previous numbers having been called prior to this date. F. C. Carter is State Auditor.			

Omaha, Douglas County, Neb.—Bond Call.—Funds will be at the fiscal agency (Kountze Bros.), New York, on Sept. 1 for the payment of \$100,000 20-year 4% sewer renewal bonds, dated Sept. 1 1901.

BOND PROPOSALS AND NEGOTIATIONS

this week have been as follows:

ABBEVILLE SCHOOL DISTRICT (P. O. Abbeville), Abbeville County, So. Caro.—BOND SALE.—Prudden & Co. of Toledo, were the successful bidders on Aug. 11 for an issue of \$100,000 6% high school bldg. bonds at par, less expenses. Date July 1 1921. Int. J. & J. Due July 1 1941.

ADRIAN, Lenawee County, Mich.—BOND OFFERING.—G. Percy Love, City Clerk, will receive sealed bids until 4 p. m. Aug. 29 for \$30,000 5% bonds. Denom. and maturities to suit purchaser, providing that not more than \$3,000 shall mature in any one year before 1930. Date Aug. 1 1921. Prin. and semi-ann. int. (F. & A.) payable at the Commercial Savings Bank, and the Adrian State Savings Bank, the Lenawee County Savings Bank, the National Bank of Commerce, all of Adrian, Mich., or at the City Treasurer's office. Cert. check for 10% of the amount bid for required. Purchaser to pay accrued interest.

AKRON, Summit County, Ohio.—BONDS NOT SOLD.—The eight issues of 6% bonds aggregating \$167,100 offered on Aug. 15 and described in our issue of July 23, page 437 were not sold, litigation having been filed on Monday morning (Aug. 15) and this is holding up the sale.

ALEXANDRIA, Alexandria County, Va.—BOND SALE.—The \$300,000 6% tax-free coupon street impt. and general fund bonds, offered on Aug. 11—V. 113, p. 651—have been sold to B. J. Van Ingen & Co., and Weil, Roth & Co., at 99.25 and interest, a basis of about 6.07%. Date Oct. 1 1921. Due yearly on Oct. 1 as follows: \$9,000, 1924 to 1955, incl., and \$12,000, 1956. These bonds are now being offered to investors to yield from 6.00 to 5.75%.

Other bidders were:

Seasongood & Mayer—	98.51	R. M. Grant & Co.—	95.72
Citizens Nat. Bank, Alex'n'ria—	97.51	A. B. Leach & Co., Inc.—	95.00
N. S. Hill & Co.—	97.00	Caldwell & Co.—	92.75

Financial Statement.

Real value of taxable property—	\$25,000,000
Assessed valuation, 1920—	12,719,854
Total bonded debt (incl. this issue)—	\$1,164,300
Less sinking fund—	19,000

Net debt— 1,145,300
 Population, 1920 census, 18,060.

ALLEN COUNTY (P. O. Fort Wayne), Ind.—BOND OFFERING.—E. G. Kampe, County Treasurer, will receive bids until 10 a. m. Aug. 25 for \$45,000 5% Hosler Road, Cedar Creek Township bonds. Denom. \$750. Date Aug. 20 1921. Int. M. & N. Due \$2,250 each six months from May 15 1922 to Nov. 15 1931, inclusive.

ALLEN COUNTY (P. O. Lima), Ohio.—BOND OFFERING.—Sealed proposals will be received by G. Lew Wallace, Clerk Board of County Commissioners, until 12 m. Sept. 7 for \$100,000 Lima-Delphos Road, Inter-County Highway No. 127 improvement bonds. Denom. \$1,000. Date Sept. 1 1921. Prin. and semi-ann. int. (M. & S.) payable at the Treasury of Lima County. Due \$10,000 every six months from Mar. 1 1922 to Sept. 1 1926, incl. Cert. check on a local bank for \$500, payable to the County Treasurer, required. Bonds to be delivered at the County Treasury on Sept. 17 1921. Bidders must satisfy themselves as to the legality of these bonds.

ALLIANCE CITY SCHOOL DISTRICT (P. O. Alliance), Stark County, Ohio.—BOND OFFERING.—M. M. Mansfield, Clerk of Board of Education, will receive sealed bids until 12 m. Sept. 9 for \$70,000 6% bonds. Denom. \$1,000. Date Sept. 1 1921. Prin. and semi-ann. int. (M. & S.) payable at the office of the depository of the School District in Alliance. Due \$5,000 yearly on Sept. 1 from 1922 to 1935, incl. Bonds to be delivered at the City Savings Bank & Trust Co., Alliance, Ohio, and

the successful bidder to furnish the bond blanks. To be sold to the highest bidder at not less than par and accrued interest and each bid to be accompanied by a certified check or certificate of deposit on an Alliance bank in amount of \$500. The right is reserved to reject any or all bids.

ARECIBO, Porto Rico.—BOND SALE.—The \$592,000 5½% gold coupon tax free bonds, offered on Jan. 31—V. 111, p. 2246—have been sold to Ames, Emerich & Co. of New York. Denom. \$1,000. Date Jan. 1 1921. Prin. and semi-ann. int. (J. & J.) payable at the Chase National Bank, N. Y. in gold coin of the United States. Due yearly on July 1 as follows: \$38,000, 1926 to 1929, incl., and \$40,000 1930 to 1940, incl.

Financial Statement.

Assessed valuation 1920	\$11,328,225
Total bonded debt (this issue only debt)	592,000
Population U. S. 1920 census, 46,578.	

ASHLAND, Ashland County, Ohio.—BOND OFFERING.—Sealed proposals will be received by E. R. Balliet, Clerk of City Council, until 12 m. to-day (Aug. 20) for the following three issues of 6% improvement bonds:

\$20,000 bonds. Denom. \$1,000. Date Sept. 1 1921. Int. M. & S. Due \$1,000 every six months from Mar. 1 1922 to Sept. 1 1931 incl.
 30,000 bonds. Denom. \$500. Date Sept. 1 1921. Int. M. & S. Due \$1,500 every six months from Mar. 1 1922 to Sept. 1 1931 incl.
 36,000 bonds. Denom. \$1,000. Date July 1 1921. Int. M. & S. Due \$1,000 every six months from Mar. 1 1922 to Sept. 1 1939 incl.
 Cert. check for 1% of bid, payable to the City, required. Purchaser to pay accrued int. to date of delivery.

ATLANTA SCHOOL DISTRICT, Calif.—BOND SALE.—An issue of \$15,000 bonds has been sold to the Stockton Savings & Loan Society Bank of Stockton at 100.16.

ATTLEBORO, Bristol County, Mass.—BOND SALE.—An issue of \$20,000 6% coupon tax-free "Mechanic Street" bonds, which was offered on Aug. 12 was sold to Harris, Forbes & Co. at 100.81, a basis of about 5.61%. Denom. \$1,000. Date Aug. 1 1921. Prin. and semi-ann. int. (F. & A.) payable at the First National Bank of Boston. Due \$5,000 yearly on Aug. 1 from 1922 to 1925, incl.

NOTE SALE.—An issue of \$3,750 6% coupon tax-free notes for acquiring land which was also offered on Aug. 12 was also sold to Harris, Forbes & Co. at 100.81. Denom. 1 for \$750 and 3 for \$1,000. Date Aug. 1 1921. Due Aug. 1 1922.

Financial Statement July 25 1921.

Assessed valuation 1918	\$20,911,754 42
Assessed valuation 1919	21,950,094 58
Assessed valuation 1920	22,104,107 63
Average net valuation for 1918-19-20	\$64,965,956 63
Debt limit 2½% of average valuation	21,655,318 87
Total gross debt, not including these issues	541,382 97
<i>Deductions—</i>	
Water bonds	\$498,000 00
Sewer bonds	319,000 00
A. B. C. Street Railway bonds	18,000 00
Norton, Taunton & Attleboro St. Ry. Co.	28,000 00
B. C. Tuberculosis Hospital	45,000 00
Street railway loan	7,300 00
	915,300 00

Net debt	\$317,000 00
Borrowing capacity July 21 1921	\$224,382 97
Sinking fund applicable to debts within debt limit	None
Sinking fund applicable to debts outside debt limit	311,678 75
Population 1915	18,480

AUGLAIS COUNTY (P. O. Wapakoneta), Ohio.—BOND OFFERING.—Chas. E. Fisher, County Auditor, will receive sealed proposals until 12 m. Aug. 29 for \$53,000 6% bonds. Denom. 2 for \$1,000 each and 34 for \$1,500 each. Date Aug. 1 1921. Prin. and semi-ann. int. (M. & S.) payable at the County Treasurer's office. Due \$1,000 on March 1 and Sept. 1 1922 and \$1,500 each six months from March 1 1923 to Sept. 1 1938, incl. Certified check for 2% of the amount bid for, payable to the County Treasurer, required. Bidders will be required to satisfy themselves of the equality of said bonds. Purchaser to pay accrued interest.

BARBERTON, Summit County, Ohio.—BOND OFFERING.—H. B. Frase, City Auditor, will receive bids until 12 m. Aug. 30 for the following 6% improvement bonds.
 \$9,500 (property owner's portion) improvement bonds. Denom. \$500.
 14,600 (property owner's portion) paving bonds. Denom. 29 for \$500 and 1 for \$100.
 12,300 (property owner's portion) improvement bonds. Denom. 24 for \$500 and 1 for \$300.

Date Sept. 1 1921. Int. semi-annually. Cert. check for \$200 for each issue payable to the City Treasurer, required. Purchaser to pay accrued interest.

BARTLESVILLE, Washington County, Okla.—BOND OFFERING.—R. S. Cox, City Clerk, will receive bids until 2 p. m. Sept. 6 for the \$300,000 6% conventional hall and community hall bonds of 1921, mentioned in 112 p. 2659. Denom. \$1,000. Date May 15 1921. Int. semi-annually May 15 and Nov. 15, except Coupon No. 1, which is for one year's interest and falls due May 15 1922, payable at the fiscal agency of the State of Oklahoma in New York City. Due May 15 1936. Each bid shall be accompanied by a certified check, municipal or government bonds, in the sum of \$5,000. These bonds were voted by 708 to 479 on April 5—V. 112, p. 1651. Each bond bears the approving opinion of the Attorney General of the State of Oklahoma, rendering them incontestable thirty days after approval. Approved June 25 1921. Favorable preliminary opinion of Chapman, Cutler & Parker, bond attorneys of Chicago, final opinion of attorneys will be furnished upon consummation of sale and delivery of bonds.

Financial Statement.

Equalized assessed valuation of 1920	\$9,671,410 00
Equalized assessed valuation of 1921 (estimated)	11,346,863 00
Total bonded debt including this issue	689,343 00
Sinking fund	160,933 00
Net debt	528,410 00

No water works bonds.
 Population, Federal census 1920, 14,471.

BARTOW, Jefferson County, Ga.—BOND OFFERING.—A. S. Camp, Mayor, will receive sealed bids until 12 m. Sept. 1 for \$6,000 electric-light and \$4,000 school-impt. 6% 30-year bonds. Denom. \$100. Date July 1 1921. Prin. and int. (July 1) payable at the National City Bank, N. Y. Certified check for 2% of the amount of bid, payable to the above Mayor, required. Bonds will be printed and engraved by the successful bidder.

BEACH HAVEN, Ocean County, N. J.—BONDS NOT SOLD.—The issue of 6% coupon (with privilege of registration) funding water, sewer and improvement bonds not to exceed \$34,000 offered on Aug. 1 (V. 113, p. 437) was not sold but will be reoffered at a private sale.

BEAUMONT SCHOOL DISTRICT, Riverside County, Calif.—BID.—The only other bidder for the purchase of the \$49,000 6% school bonds on Aug. 8, awarded, as stated in V. 113, p. 752, was the State Board of Control, which bid par and interest.

BELLAIRE, Belmont County, Ohio.—BOND OFFERING.—Sealed proposals will be received until 12 m. Sept. 12 by N. C. Upperman, City Auditor, for the following issues of 6% coupon Guernsey Street improvement bonds:
 \$1,957 bonds. Denom. \$1,000 and \$957. Due \$1,000 on Aug. 1 1922 and \$957 on Aug. 1 1923.
 3,256 bonds. Denom. \$1,000 and \$256. Due \$1,000 yearly on Aug. 1 from 1922 to 1924 incl. and \$256 on Aug. 1 1925.

Date Aug. 1 1921. Prin. and semi-ann. int. payable to the City Treasurer. Cert. check for 5% of bid, payable to the City Treasurer, required.

BELTRAMI COUNTY (P. O. Bemidji), Minn.—BOND OFFERING.—Until 10 a. m. Sept. 7 A. D. Johnson, County Auditor, will receive bids for \$85,000 6% trunk highway reimbursement bonds. Denom. \$1,000. Date Sept. 1 1921. Int. semi-ann. Due yearly on Sept. 1 as follows: \$10,000 1931 to 1938, incl., and \$5,000 1939. Certified check for 2% of the amount of issue, payable to the County Treasurer, required. Official advertisement states that the county has never defaulted in payment of bonds at maturity.

BIG HORN COUNTY (P. O. Hardin), Mont.—BOND SALE.—An issue of \$43,000 6% funding bonds has been sold to the Merchants Loan

Co. of Billings, this company first buying up a similar amount of warrants which were outstanding against the county at 93, and then exchanging the warrants for bonds at par. The bonds are in denom. of \$1,000 and are payable at the Boatmen's Bank of St. Louis. The above corrects the report given in V. 113, p. 316.

BIG HORN COUNTY SCHOOL DISTRICT NO. 4 (P. O. Shell), Wyo.—BOND OFFERING.—Myrtle D. Smith, Clerk, will receive bids until 1 p. m. Sept. 24 for \$2,000 6% school-building bonds. Denom. \$500 Date Sept. 1 1921. Int. annually (Sept. 1), payable locally or at the State Treasurer's office. Bids less than par not considered.

BIG HORN COUNTY SCHOOL DISTRICT NO. 5 (P. O. Himes), Wyo.—BOND OFFERING.—Bids will be received until 1:30 p. m. Sept. 3 by S. D. McKenney, Clerk, for \$1,500 6% school-building bonds. Denom. \$100. Date Sept. 1 1921. Int. annual (Jan. 1), payable locally or at the State Treasurer's office.

BIRMINGHAM, Jefferson County, Ala.—BOND ELECTION.—On Oct. 10 \$300,000 5% market house or houses bonds will be voted upon. Denom. \$1,000. Int. semi-ann. Due as follows: \$50,000 after 6 years from date of issue; \$50,000 after 7 years from date of issue; \$50,000 after 8 years from date of issue; \$50,000 after 9 years from date of issue and \$100,000 after 10 years from date of issue. N. A. Barrett is President of the City Commission.

BLAKELY TOWNSHIP, Lackawanna County, Pa.—BOND OFFERING.—The Directors of the Poor of Blakely Township will offer at public sale at their office, First National Bank Bldg., Olyphant, Pa., at 8 o'clock p. m. Sept. 2, to the highest responsible bidder, a certain issue of coupon bonds aggregating \$250,000, dated Aug. 1 1921, bearing interest at the rate of 5½% per annum, payable semi-annually. For dates of maturity, tax-free provisions and other particulars apply to James W. Smith, Secretary, Peckville, Pa.—The right is reserved to reject any or all bids.

BLOUNT COUNTY (P. O. Maryville), Tenn.—BIDS.—The highest bid and the next to highest bid received at the offering on Aug. 15 of the \$250,000 6% coupon road bonds (V. 113, p. 553) were as follows:

E. F. Ames, Maryville, par and interest less \$6,000.
 Caldwell & Co., Nashville, par and interest less \$8,125.
 Neither of the above bids has as yet been accepted, as a conditional bid was made by R. L. Peters, contractor, at par and interest provided he is awarded contract. Bids on the contract were to be considered Aug. 19.

BOGANSVILLE TOWNSHIP, Union County, So. Caro.—BOND OFFERING.—Hayne P. Smith, Chairman of the Township's Highway Commission (P. O. Jonesville, So. Caro., R. F. D.), will receive bids until 12 m. Aug. 29 for \$20,000 20-year coupon highway bonds. Denom. \$1,000. Date Sept. 1 1921. Int. payable annually in New York. Cert. check for \$1,000 required. Bids should be made at lowest rate of interest.

BREA, Orange County, Calif.—BOND SALE.—Blyth, Witter & Co. have been awarded \$40,000 6% tax-free water-works bonds. Date Sept. 1 1921. Prin. and semi-ann. int. (M. & S.) payable at the office of City Treasurer. Due \$1,000 yearly from 1922 to 1961 incl.

Financial Statement.

Assessed valuation 1920-21	\$1,191,000
Total debt, including this issue	115,000
Population, 1920, 1,036; present estimated population	1,600

No debt has been incurred by the City of Brea for purposes other than water-works. All of the debt is self-supporting.

BROOKLINE, Norfolk County, Mass.—TEMPORARY LOAN.—A temporary loan of \$150,800 dated Aug. 17 1921 and due Feb. 17 1922 was recently awarded to Estabrook & Co. of Boston on a 5.29% discount basis.

BROWN COUNTY (P. O. Nashville), Ind.—BOND SALE.—The \$10,600 4½% B. F. Nelson et al., Washington Township bonds offered on Aug. 15—V. 113, p. 752—were sold to the Farmers Trust Co. of Columbus, Ind. at par and accrued interest. Date Sept. 1 1921. Due \$530 each six months from May 15 1922 to Nov. 15 1931, incl.

BRUCE, Brookings County, So. Dak.—BOND OFFERING.—Reports say that E. A. Holm, City Auditor, will receive sealed bids until 8 p. m. Aug. 24 for the \$12,000 7% electric power line bonds, recently voted—V. 113, p. 752—Date Aug. 31 1921. Due in 15 years. Cert. check for \$500 payable to L. D. Doken, City Treasurer, required.

BURBANK HIGH SCHOOL DISTRICT, Los Angeles County, Calif.—BOND OFFERING.—Proposals will be received until 11 a. m. Aug. 22 by L. E. Lampton, County Clerk (P. O. Los Angeles), for the \$161,000 5½% bonds offered unsuccessfully on April 4—V. 112, p. 1652. Denom. \$1,000. Date April 1 1921. Prin. and semi-ann. int. payable at the office of the County Treasurer. Due yearly on April 1 as follows: \$2,000, 1922 to 1925, incl.; \$3,000, 1926 to 1929, incl.; \$4,000, 1930 to 1933, incl.; \$5,000, 1934 to 1937, incl.; \$6,000, 1938 to 1941, incl.; \$7,000, 1942 to 1946, incl.; \$9,000, 1947 to 1950, incl., and \$10,000, 1951. Certified or cashier's check for 3% of the amount of bonds bid for, payable to the Chairman of Board of County Supervisors, required. Bonded debt, \$22,000. Assessed value 1920, \$3,667,995. Population (est.), 6,000.

BURGOON, Sandusky County, Ohio.—BOND OFFERING.—J. F. Rady, Village Clerk, will receive sealed proposals until 12 m. Sept. 6 for \$5,000 6% electric bonds. Denom. \$250. Date Aug. 1 1921. Int. M. & S. Due \$250 each six months from May 15 1922 to Nov. 15 1931, incl. Purchaser to pay accrued interest.

CACHE COUNTY (P. O. Logan), Utah.—ADDITIONAL DATA.—E. H. Rollins & Sons were alone in obtaining the \$300,000 road bonds from this County on Aug. 3 at 99.05 for 6s—V. 113, p. 652. Other bidders were: Bosworth, Chanute & Co., Stacy & Braun, National City Co. {98.86 for 6s
 94.32 for 5½s
 Harris Trust & Savings Bank, Wm. R. Compton Co., {98.66 for 6s
 Palmer Bond & Mortgage Co. {
 The purchasers also submitted a bid of 94.68 for 5½s.

CALCASIEU PARISH (P. O. Lake Charles), La.—BOND ELECTION.—It is reported that the Calcasieu Parish Police Jury has been petitioned to call an election on Nov. 8 for the voting of \$2,750,000 bonds to dig a deep-water canal to connect Lake Charles with the Sabine River and the Gulf of Mexico.

CANANDAIGUA, Ontario County, N. Y.—BOND OFFERING.—William M. Crowley, City Treasurer, will receive sealed bids until 8:30 p. m. Sept. 2 for \$120,000 coupon or registered special appropriation bonds not to exceed 5% interest per annum. Denom. \$1,000. Date Oct. 1 1921. Interest annual y Due \$6,000 yearly on July 1 from 1922 to 1941, incl. Certified check for \$3,000, payable to the City Treasurer, required.

CASS COUNTY (P. O. Logansport), Ind.—BOND OFFERING.—J. J. McCormick, County Treasurer, will receive bids until 10 a. m. Sept. 1 for the following 5% bonds:
 \$26,900 M. W. Burley et al., County Unit Road, in Jefferson Township bonds. Denom. \$1,000 and \$345.
 13,300 John N. Robinson et al., County Unit Road, in Jefferson Township bonds. Denom. \$1,000 and \$300.
 9,000 C. E. Kennedy et al., Jackson Township bonds. Denom. \$450. Int. M. & N. One bond of each issue due being May 15 1922. Date August 15 1921.

CHAFFEY UNION HIGH SCHOOL DISTRICT, San Bernardino County, Calif.—BOND OFFERING.—Harry L. Allison, Clerk Board of County Supervisors (P. O. San Bernardino) will receive sealed bids until 11 a. m. Aug. 22 for \$40,000 6% bonds. Denom. \$1,000. Date July 12 1920. Int. payable Jan. 12 and July 12. Due yearly on July 12 as follows: \$10,000, 1947 to 1950, incl. Cert. check or cash for \$1,000 payable to the Board of County Supervisors, required. Official circular states that no litigation is pending affecting the corporate existence of district, title of present officials or validity of these bonds; no bonds of this district have ever been repudiated; the validity of this bond issue approved by O'Melveny, Millikin & Tuller of Los Angeles.

CHARLESTON, Charleston County, So. Caro.—BOND ELECTION.—The following are the four questions to be passed upon by the voters on Nov. 9:

"A. The question of issuing one thousand five hundred (1,500) coupon bonds of the City of Charleston, each in the denomination of one thousand (\$1,000) dollars, aggregating one million and five hundred thousand (\$1,500,000) dollars, payable forty years after their date of issue with the privilege of redemption after twenty (20) years, and bearing interest at a rate not to exceed six (6) per cent per annum, payable semi-annually, the proceeds of bonds to be applied solely for the acquisition and purchase of the lands, water and priarian rights, wharves, docks, warehouses,

YORK SCHOOL DISTRICT (P. O. York), York County, Pa.—
BOND OFFERING.—Proposals will be received until 12 m. Sept. 8 by David N. Crider, Secretary of School District, for \$80,000 5½% coupon or registered (purchaser's option) school bonds. Denom. 40 for \$500, 60 for \$1,000. Date Sept. 1 1921. Int. M. & S. Due \$5,000 Sept. 1 1927, \$5,000 Sept. 1 1928 and \$10,000 yearly on Sept. 1 from 1929 to 1933, incl. and \$20,000 on Sept. 1 1934. Upon acceptance of bid, successful bidder will be required to give certified check on a national bank or trust company for \$2,400. Purchaser to pay accrued interest. Bonds to be delivered at City Bank, York, and are free of Pennsylvania taxes except succession and inheritance taxes. Legality of the issue will be certified to by Townsend, Elliott & Munson of Philadelphia. These bonds were offered without success as 5s on Aug. 3 (V. 113, p. 209).

The official notice of this bond offering will be found among the advertisements elsewhere in this Department.

CANADA, its Provinces and Municipalities.

AMHERSTBURG, Ont.—BONDS NOT SOLD.—An issue of \$131,900 6% debentures offered on Aug. 12 were not sold, as all the bids received were not satisfactory.

BLACK LAKE, Que.—BONDS NOT SOLD.—An issue of \$50,000 5½% bonds offered on Aug. 10 was not sold.

BRITISH COLUMBIA (Province of).—BOND SALE.—An issue of \$1,000,000 6% coupon gold bonds was recently sold to A. E. Ames & Co., Wood, Gundy & Co. and the Canada Bond Corporation, jointly at 93.59, a basis of about 6.58%. Denom. \$500 and \$1,000. Date Aug. 15 1921. Principal and semi-annual interest (F. & A.) payable in gold at the Canadian Bank of Commerce at Victoria, Vancouver, Winnipeg, Toronto or Montreal, at the option of the holder. Due Aug. 15 1941.

Financial Statement.

Assessable property in the Province	\$801,407,268
Total funded debt (including present issue)	54,511,436
Less sinking fund	7,037,924

Net funded debt \$47,473,512
 Provincial assets (timber, roads, Crown lands, public buildings) 610,000,000
 Population 1919, 416,943; estimated present, 600,000. Area, 355,855 square miles.

CARLETON COUNTY, Ont.—BOND SALE.—The following three issues of 6% bonds were recently sold to R. C. Matthews & Co. at 94.691, a basis of about 6.51%:

- \$100,000 bridge bonds. Due in 40 years.
- 25,000 bridge bonds. Due in 30 years.
- 103,000 highway bonds. Due in 20 years.

COTEAU ST., Pierre, Que.—BOND SALE.—The Municipal Debenture Corporation was the successful bidder at 96.50 for an issue of \$200,000 6% bonds offered on Aug. 8. Denom. \$100 and \$500. Date July 1 1921. Int. J. & J. Due July 1 1926.

ESSEX COUNTY, Ont.—DEBENTURE SALE.—C. H. Burgess & Co. were the successful bidders at 96.31, a basis of about 6.80%, for an issue of \$120,000 6% road debentures. The following is a list of bids received:

Dyment, Anderson & Co.	96.18	Wood, Gundy & Co.	95.55
Dominion Securities Corp.	95.72	R. C. Matthews & Co.	95.37
A. E. Ames & Co.	95.59		

LA SARRÉ, Que.—BOND SALE.—The \$35,000 6% municipal bonds offered on Aug. 6 (V. 113, p. 659) were sold to the Provincial Securities, Ltd., at 96.65. Date April 1 1921. Due from 1922 to 1926, inclusive.

PENTICTON, B. C.—NO BIDS.—No bids were submitted on Aug. 1 for the four issues of 6% debentures, aggregating \$100,000, which were offered on that date (V. 113, p. 446).

SASKATCHEWAN (Province of).—BOND SALE.—An issue of \$3,000,000 6% coupon (with privilege of registration) gold bonds was recently purchased by the National City Co., E. H. Rollins & Sons and Eastman, Dillon & Co., jointly at 100.89. Denom. \$1,000. Date Aug. 1 1921. Principal and semi-annual interest (F. & A.) payable at the National Park Bank in New York or Union Bank of Canada in Regina, Winnipeg, Toronto and Montreal. Due Aug. 1 1927. This syndicate the present week offered these bonds to investors to yield 7½%.

SASKATCHEWAN SCHOOL DISTRICTS, Sask.—DEBENTURES AUTHORIZED.—The following, according to the "Financial Post" of Toronto, is a list of authorizations granted by the Local Government Board from July 23 to 30:

School Districts—Quill Lake, \$19,150; Stewart, \$2,500; Landrose, \$3,625; Black Poplar, \$3,661; Furnwood, \$2,500; Richfarms, \$1,700.
Rural Telephones—Naisberry, \$10,000; Dandy Rose, \$5,000; Estlin, \$12,100; Riceton, \$1,625; Beaver Hills, \$15,000; Gray, \$13,500; Bonnie View, \$1,650; Burdick, \$1,700; Crescent View, \$450; Armiston, \$1,400.

DEBENTURE SALES.—The following we learn from the same source, is a list of debentures amounting to \$6,100, reported sold in the same period:

School Districts—Hague, No. 759, \$5,000, 15 years, 8%, Frank A. Peters, Hague; Alluvia, No. 1924, \$1,500, 10 years, 8%, Monarch Life Association, Saskatchewan; Garvagh, No. 3115, \$3,500, 10 years, 8%, Waterman-Waterbury, Regina; Admiral, No. 3526, \$15,000, 20 years, 8%, C. C. Cross & Co., Regina; Stewart, No. 2640, \$12,500, 20 years, 8%, Waterman-Waterbury Mfg., Regina; Selmond, No. 478, \$600, 10 years, 8%, C. C. Cross & Co., Regina; Englefeld, No. 2375, \$5,000, 15 years, 8%, C. C. Cross & Co., Regina; Coleville, No. 3645, \$13,000, 20 years, 8%, H. J. Birkett & Co., Toronto; Roger, No. 4384, \$4,850, 15 years, 8%, Waterman-Waterbury Co., Regina.
Rural Telephones—Darwin, \$600, 15 years, 8%, Dr. Arthur, Redvers.
Villages—Bulyea, \$600.00, 10 years, 8%, O. Retzer, Bulyea; Quinton, \$2,000, 10 years, 8%, J. Burnet, Regina; Prelate, \$950.00, 7 years, 8%, N. Usselmann, Prelate.

STAMFORD TOWNSHIP, Ont.—DEBENTURE SALE.—An issue of \$10,000 6% (twenty installment) debentures was recently awarded the Canada Bond Corporation at a private sale.

THREE RIVERS, Que.—BOND SALE.—The \$332,600 6% bonds offered on Aug. 15 (V. 113, p. 759) were sold to the Provincial Securities, Ltd., at 97.81 and interest. Denom. \$100, \$500 and \$1,000. Date May 1 1921. Due in ten years from date.

YORK TOWNSHIP, Ont.—BONDS NOT SOLD.—An issue of \$185,000 6% bonds, offered recently, was not sold, all bids received being rejected. The following is a list of bids received:

R. C. Matthews & Co.	93.813	Wood, Gundy & Co.	91.65
Dominion Securities Corp.	93.568	C. H. Burgess & Co.	91.53
United Financial Corp., Ltd.	93.189	National City Co.	91.333
Dyment, Anderson & Co.	93.18	Brent, Noxon & Co.	91.00
A. E. Ames & Co.	91.78		

NEW LOANS

\$300,000
Sussex County
 Delaware
 4½s
 Due July 1, 1943, to
 July 1, 1966
 Prices: To Net 5.45%
Biddle & Henry
 104 South Fifth Street
 Philadelphia
 Private Wire to New York
 Call Canal 8437

NEW LOANS

\$425,000
HENRY COUNTY,
Virginia
ROAD BONDS.
 Sealed bids will be received by the Board of Supervisors of Henry County at Martinsville, Va., until
AUGUST 29TH, 1921,
 at 12 o'clock, noon, for \$425,000.00 six per cent semi-annual coupon 34-year bonds of said County to be dated October 1st, 1921. Two per cent (by certified check) required with bid.
 The right reserved to reject any or all bids. Detailed statement or other information on request to
T. C. MATTHEWS,
 Clerk of Board
 of Supervisors.

NEW LOANS

\$3,000,000
STATE OF MICHIGAN
HIGHWAY IMPROVEMENT NOTES OR BONDS.
 The undersigned will receive sealed bids at his office in the City of Lansing, Michigan, until the
31ST DAY OF AUGUST, A. D. 1921,
 up to 11 o'clock in the forenoon of said day, for three million dollars (\$3,000,000) of State of Michigan Highway Improvement notes in denominations of \$5,000 and upward, to be issued by the State Administrative Board of the State of Michigan, pursuant to provisions of Act No. 25 of the Public Acts of the State of Michigan, Extra Session of 1919, as amended. Said notes will be dated September 15th, 1921, and will mature September 15th, 1922. Bids will be received for three million dollars (\$3,000,000) of the above notes bearing interest at the rate of five and one-half per centum per annum, payable semi-annually; also for three million dollars (\$3,000,000) of said notes bearing interest at the rate of five and three-quarters per centum per annum, payable semi-annually; also for three million dollars (\$3,000,000) of said notes bearing interest at the rate of six per centum per annum, payable semi-annually.
 Bids will also be received at the same time for three million dollars (\$3,000,000) of State of Michigan Highway Improvement coupon bonds in denomination of \$1,000 each, to be issued by the State Administrative Board of the State of Michigan, pursuant to the provisions of the above-named Act. Said bonds will be dated September 15th, 1921, and mature September 15th, 1941, and will bear interest at the rate of five and one-half per centum per annum, payable semi-annually.
 A certified check in the sum equal to one per cent of the amount of the bid, payable to the order of the State Treasurer of the State of Michigan, must be submitted with each of the above bids.
 The right is reserved to reject any or all bids. **FRANK E. GORMAN,**
 State Treasurer.

\$80,000

School District of the City of York, Pa.
5½% BONDS
 The School District of the City of York, Pennsylvania, will receive bids until 12 O'CLOCK NOON OF SEPTEMBER 8, 1921, for the purchase of \$80,000 school bonds, registered or coupon, at the option of the purchaser, of which \$20,000 are in the denomination of \$500 each and \$60,000 in the denomination of \$1,000 each, dated September 1, 1921, with interest at five and one-half per centum per annum, payable semi-annually on September 1st and March 1st, free of all Pennsylvania taxes except succession and inheritance taxes. \$5,000 of said bonds are payable on the 1st day of September, 1927; \$5,000 on the 1st day of September, 1928; \$10,000 on September 1st of each year from 1929 to 1933, both inclusive, and \$20,000 on September 1st, 1934, at the office of the School Treasurer, York, Pa. The successful bidder will be required to pay accrued interest, if any, to the time of delivery, in addition to his bid, and upon the acceptance of his bid will be required to give a certified check on a national bank or trust company for \$2,400. The bonds will be delivered to the purchasers at the City Bank of York, Pa.
 The legality of the issue will be certified to by Messrs. Townsend, Elliott & Munson, of Philadelphia, Penna. The right is reserved to reject any or all bids.
 Further particulars on request.
 Address bids, marked "Proposal," to David N. Crider, Secretary School District of the City of York, Pennsylvania.

BALLARD & COMPANY

Members New York Stock Exchange
HARTFORD
Connecticut Securities
MUNICIPAL BONDS
 Underwriting and distributing entire issues of City, County, School District and Road District Bonds of Texas. Dealers' inquiries and offerings solicited.
 Circulars on request.
HAROLD G. WISE
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HOUSTON COMPANY TEXAS
 Established 1915