



### THE FINANCIAL SITUATION.

The general railway strike which was set for last Labor Day has been again threatened, to begin this evening. The first comment to be made is the same as we made in August: that it is the situation which anybody might have foreseen, because all the handling of this perennial quarrel has been tending straight towards it. For approximately ten years, railway employees have been periodically and successively coming forward with fresh demands, on penalty of strike, depending upon the public impatience at being put to inconvenience. What they obtained by a pretended arbitration which undertook only to consider how much they should have and never whether anything were due them, they have accepted, only to take it as the starting-stage for the next recurrent demand. Nothing has been settled; merely a truce for the immediate present has been procured.

Last summer the men came forward more boldly, declaring that arbitration always went against them, and they would have no more of it; they made new demands, with the usual threat, and the altercation went to Mr. Wilson, who listened to the men in private and to the railway executives in public. The latter offered to arbitrate, and to let Mr. Wilson, the open advocate for the men, choose the arbitrators; further, they would deposit the amounts claimed in a guarded trust, to abide the event. The result was the hasty and shameful surrender by the Adamson Law. That was taken to the Supreme Court, which has not yet announced its decision; meanwhile, let it be observed, the roads have been carrying out their proposition which was rejected in August; they are keeping the money for the men while the matter is in court and are awaiting the Court's action. On the other hand, the men say they have given the Court time enough; "we are going ahead as if there was no Adamson Law or no Supreme Court; it makes no difference what the Supreme Court does." That is, we care nothing for any court. If the law is upheld, we win; if the law is condemned, "we will ask for no less, we stand pat." We won't wait any longer; "we have been fooled with long enough."

It does not seem necessary to spend words on the position of a contestant who is in court with his cause but says he will get his demand if he wins and will take it if he does not and he has decided that he will not wait for the decision, but will go right ahead.

It is not unlikely that the German hand of intrigue may be stirring in the matter, by way of promising the men some financial support if they go on strike, inasmuch as nothing could play more directly into the hand of Germany than an interruption of transportation here at this present time. Still, it is not necessary to argue that, for the men are bright enough and unscrupulous enough to seize on the emergency without an outside suggestion. The reason they give for their suddenness, however, deserves to have a strong light projected upon it. They must have their demanded booty before war actually begins, because, according to Mr. Lee, of the trainmen:

*"If America goes to war, the men know that, as patriotic citizens, they must then stick to their posts. They also know that if we go to war it may be years before they get the eight-hour day. Therefore, we are going to get the eight-hour day before we go to*

war. If the public doesn't like the crisis at this time, they can blame the railroads, who are responsible for the delay."

Yes, but why "must" these patriotic citizens "stick to their posts," in the event of war? Assuming that they must, there are only two possible answers: their sense of duty, as patriotic citizens, must and would compel them to stick, or else the Government or some other (possibly unknown) external force would compel them. If the former, what is the moral and practical difference between deserting their posts after war begins and doing the same just on the eve of its beginning? If the latter, the power which could hold these threatening deserters to their posts exists now as truly as it could exist if a foreign army were at our ports; it needs to be invoked and used.

The patriotism of labor, however, appears to be unlike Portia's idea of mercy: its "quality" is very much "strained." Mr. Gompers will stand by the country, upon conditions. Labor will help the United States and "take part in defense of the Republic," if labor can have spokesmen in the councils for conducting war, "also a voice in determining the conditions upon which they will give service;" if it may levy upon the profits of the rich; "it will help defend the United States," "with increased guarantees and safeguards and when the profits which the employers shall secure from the industry in which they have been engaged have been limited to fixed percentages."

Extended comment on this most remarkable manifesto seems needless. These men, by their accepted spokesman, talk as if they were hirelings, ready to undertake military service for a price which they carefully specify in advance. It seems one more illustration of their strange obsession that they are a distinct class, no part of the country, not concerned directly in its welfare, and owing it no duty. They would impose terms upon "the United States." At the polls, they are citizens, with a preponderant vote which they will bestow or withhold, according as their demands are granted or withheld; otherwise, they stand off and announce conditions upon which they help defend this country (not theirs) in case it is attacked. Could organized labor, as now organized, be so effectively condemned by a stranger as out of the mouths of its leaders?

As for the renewed threat of strike, we can only say once more that these men are accustomed, like spoiled children, to get their way given them when they threaten direful things, and probably they have not the remotest expectation of being left to do what they say. Next, it is not supposable that the roads are wholly unprepared, or that all the men will obey the order if it is given, or that men cannot be found for a partial service in the worst event. The men talk as if they also were an outside and third party, indifferent whether transportation goes on or halts, not needing food for themselves and their children like the rest of us; in sum, they talk as if it were no affair of theirs, but the roads could suit themselves, and the public can just blame the roads for any inconvenience.

Such an attitude is blind and childish, but also serious and close upon criminal. Have we a Government or not? Will there ever be a more convenient season than now for taking up this open issue and closing it finally? If Government has power to

take possession of the roads as a military necessity, and could then compel these threatening deserters to stay at their posts, where is such power lying dormant now? Have we given ourselves over to domination by a privileged class that openly flouts its disregard of the courts, and so helplessly that we have no recourse left?

There is a law (sometimes invoked against corporations whose crimes seem to lie largely in being prohibited) that forbids combinations in restraint of trade. It would be foolish to say that a combination to tie up transportation is not in restraint of trade, or that any conceivable combination could more effectually restrain trade than one to stop the movement of the materials and products of trade. It is not practicable, perhaps, to arrest and punish thousands of men; it is not difficult, the determination being present, to do that with a few leaders. The leaders of this combination in restraint are known, and they openly announce the restraint for a day and hour. They could have been told in August that an attempt to execute their threat would be at their personal peril; instead, Mr. Wilson and Congress bowed to them, asked to be told what would satisfy them for the present, and hastened to enact it. Has anything been gained by that course, except six months' time which has brought the country anew to the same position, but in a sharper need?

The worm will turn, a proverb declares. If this country is not weaker than the worm that crawls, what should hinder it now from turning; from taking a stand with feet firmly set upon the ground; from beginning to teach organized labor that citizenship is not "class," that obligations are not wholly one-sided, that there are lengths past which privilege shall not be permitted to push itself?

Gold mining results in the Transvaal for February 1917 do not seem in any mentionable degree to reflect the unrest among the miners reported early in the month. On the contrary, the average daily output from the mines was appreciably greater than for January or for the year 1916 as a whole, and but moderately under that for the corresponding period a year ago, which established a high record for February. This apparently confirms the reports that the men have no desire to interfere with the production of gold during the continuance of the war. The specific labor trouble to which reference is made was a small strike in one of the mines, but it resulted in a calling of a meeting of the Miners' Union for Feb. 11, at which various points at issue with the Chamber of Mines were freely discussed, and eventually the differences were amicably adjusted. In fact the workmen definitely agreed to the appointment of a conciliation board (made up of five representatives of their organization and an equal number of members of the Chamber of Mines), whose decisions should be absolutely binding on both sides, an adjustment that would seem to assure full future workings. As regards the actual outcome from the mines in February, the total yield was 721,321 fine ounces, or a per diem average of 25,761 fine ounces, this comparing with 782,634 fine ounces and a daily average of 25,246 fine ounces in January and 753,594 fine ounces and 25,986 fine ounces, respectively, for the like period of 1916. For the two months of the current calendar year the new supply of gold secured from the Transvaal reaches 1,503,955 fine ounces,

against 1,541,061 fine ounces for the period in 1916 and 1,391,205 fine ounces in 1915.

Building operations in the United States in February 1917 would seem to reflect in some measure, at least, the effect upon this important industry of the abnormally high prices prevailing for practically all material entering into construction work and the further hindrance of the difficulty of securing early or prompt deliveries thereof. As we have heretofore intimated, high prices are in themselves a very potent influence in checking building operations, except in those instances where the need for structures is so urgent that all other considerations are brushed aside; and when there is added the element of doubt as to deliveries—the possibility of more or less frequent and long interruptions in prosecuting operations—projects are very apt to be held in abeyance awaiting more favorable conditions. That has presumably been the situation thus far this year, but even at that the amount of work for which permits have been issued compares very favorably with other years at this time. As regards the cost of materials, we find evidence of notable advances within recent months, no matter in what direction we turn. All forms of steel used in construction work have risen materially and mills are reported to be engaged to capacity for some time to come. Brick, plaster, cement, lime and most kinds of lumber, too, continue to tend upward. Under the circumstances, it is a favorable augury that, instead of showing a marked decline, the amount of work arranged for in the United States as a whole in February approximates very close to—in fact practically equals in the amount to be expended—that of the period a year ago.

Our February statement covers returns from 145 cities and indicates prospective expenditures for construction work of \$53,388,907, against \$53,866,306, or a decrease of only 0.9%, and a satisfactory gain over 1915 is recorded. The result for Greater New York is well above that for the month last year, but that is due entirely to operations in Manhattan, the boroughs of Brooklyn, Bronx and Queens showing rather important declines. The current aggregate of outlay is \$12,434,792, against \$10,344,482. Outside of this city the estimated cost under the permits issued during the month reaches \$40,954,115, against \$43,521,824 in 1916.

As arranged by us in groups, the cities of New England record an augmentation in expenditures of one-third of a million dollars over last year, and at the South there is a gain of  $1\frac{1}{4}$  millions. In the Middle Division (exclusive of Greater New York), on the other hand, a loss of three-quarters of a million is disclosed; in the Middle West  $1\frac{7}{8}$  millions, on the Pacific Coast a little under a quarter of a million, and in the "Other Western" virtually a like amount.

For the two months of 1917 the total estimated outlay at the identical 145 cities reaches \$110,109,958, against \$109,195,817 in 1916 and 92 millions in 1915, Greater New York's share of the total being 22 1-3 millions, 23  $\frac{1}{2}$  millions and 24  $\frac{5}{8}$  millions, respectively. Outside of New York this year's portion is 87  $\frac{3}{4}$  millions, which contrasts with 85  $\frac{5}{8}$  millions and 67  $\frac{3}{8}$  millions. The New England group of 21 cities furnishes an aggregate of \$12,961,124 for the two months, or a quarter of a million more than for the period a year ago, and the Southern section (27 cities) shows a gain of  $1\frac{3}{4}$  millions. The total for 32 municipalities in the Middle West at

\$29,058,146 falls below 1916 by over 5 millions, with the loss at Chicago alone 7 millions; and the 32 cities in the Middle Group (Greater New York not included) furnish a decline of half a million. The "Other Western" division, represented by 22 cities, however, makes a favorable comparison with 1916—\$9,583,449, comparing with \$8,714,185—and the Pacific's total of \$13,307,901 for 15 municipalities is  $4\frac{3}{4}$  millions more than that of the previous year.

The commercial failures statement for February 1917, in even greater degree than that of January, is indicative of the satisfactory status of affairs in mercantile and industrial lines of the United States as a whole. The reduction in number of defaults was notably large, contrasted with the previous year, with the disasters in the trading division, which in some branches must have felt the adverse influence of extremely high prices for many commodities, fewer than in any year since 1910. Furthermore, liabilities in that group were only about two-thirds of those of 1916 and actually the smallest in fully a decade. Among manufacturers, also, a distinctly favorable condition is apparent, the indebtedness reported having been less than in any year since 1907. In the miscellaneous class (agents, brokers, &c.), however, although a marked drop from 1916 in the number of disasters is to be noted, the debts reported were double those of a year ago, seven large failures standing for over 4 million dollars. In all, the failures involving liabilities of \$100,000 or more numbered for the month only 21, or the best showing for February since 1910, but, due to the large amount of indebtedness in the agents, &c., division, just referred to, the total of liabilities exceeds 1916 and 1912, but fails behind all other years back to 1907. For the elapsed portion of 1917 (two months) there have been 45 large failures for an aggregate of \$16,299,063 reported, these comparing with 54 and \$16,273,959 in 1916 and 79 and \$41,002,922 in 1915.

According to Messrs. R. G. Dun & Co.'s compilations, the authority for our deductions and conclusions, the number of commercial failures in February 1917 was only 1,165, with liabilities of \$16,617,883, these contrasting with 1,688 and \$18,744,165 in 1916 and no less than 2,278 and \$32,404,630 in 1915. The exhibit for the two months is likewise very favorable, particularly in the matter of liabilities, which fall below those for the corresponding period of any earlier year back to but not including 1909. Briefly, the number of disasters in the two months this year was 2,705, representing debts of \$34,901,003 against 3,697 and \$44,607,451 a year ago, 5,126 and \$82,045,205 in 1915 and 3,368 and \$61,728,540 in 1914. The manufacturing division accounts for \$12,031,457 of the current year's aggregate, against \$18,986,961 in 1916 and \$36,687,625 in 1915, close to half of this latter ascribable to the Rumely failure. Trading indebtedness of \$14,877,830 contrasts with \$21,550,752 and \$36,345,364, and among agents, brokers, &c., liabilities of \$7,991,716 compare with \$4,069,738 and \$9,012,216.

From Canada, too, reports indicate a marked improvement in the solvency situation thus far in 1917. A very large decrease in the business mortality of the Dominion, as compared with 1916, occurred in January, and the same is even more true of February, the number forced into insolvency during the month having been little more than half the total of the previous year—115 contrasting with 207—while lia-

bilities were only \$2,014,417 and \$3,033,472, respectively. Manufacturing debts were \$914,006, against \$537,363, trading only \$638,308 against \$1,795,380, and miscellaneous \$462,103 against \$700,729. The two months' grand aggregate of liabilities for 1917 is \$4,372,111 against \$6,072,277 in 1916, of which \$1,524,222 and \$2,147,559 in manufacturing, \$1,765,831 and \$2,997,384 in trading and \$1,082,058 and \$927,334 in miscellaneous branches.

With virtually no preliminary warning to the outside world, Russia has in less than a week passed through a revolution that will not only prove of wide significance in the development of that great Empire, but should exercise an important influence in bringing the great European war to a more speedy end. The bureaucracy has apparently been completely overturned. It had apparently become honeycombed with German intrigue, and, according to press accounts, has been preventing a whole-hearted participation in the war by Russia. The Czar on Thursday was reported to have abdicated in favor of the Grand Duke Michael Alexandrovitch, as Regent until the Czarevitch becomes of age. Yesterday, however, advices from Petrograd stated that the abdication had been delayed, though that and the establishment of the regency have, it is announced been fully decided on. Latest accounts appear to indicate the complete success of the Government's overthrow and that business is proceeding calmly under the new conditions. The new Government is in sympathy with the people. It has imprisoned those officials of pro-German sympathies who are declared to have betrayed the Empire to the Germans. The army, including its chief commanders, such as the Grand Duke Nicholas and Generals Brussiloff and Ruzsky, have announced their adherence. The Russian Ministry charged with corruption and incompetence has been completely swept from office, one of their number, Alexander Protopopoff, head of the Interior Department, having been reported killed, while two others as well as the President of the Interior Council are under arrest. A new National Cabinet was at once announced with Prince Lvoff as President of the Council and Premier. The other offices are held by men who are close to the Russian people. The uprising really began with minor food riots and labor strikes, the cry for food reaching the hearts of the soldiers, so much so that one by one regiments rebelled until finally those troops which had for a long time stood loyal to the Government joined the ranks of the revolutionists. The Duma was not slow in following. It was this authority that declared that the Government had been overthrown. It warned the Emperor that the fate of the dynasty depended upon his acceptance of the new order of affairs. All the prisons for political offenders have been thrown open by the revolutionists and their occupants have joined the emancipators. There seems no reason to doubt that the revolt is entirely anti-German in its purpose. The proposed Regent has been openly opposed to German influence in the Russian Court. The support of the Russian army and of the Grand Duke Nicholas is relied upon by the revolutionists. The Grand Duke is reported by Petrograd dispatches to have threatened to himself lead a revolt, should any attempt be made at a separate peace with Germany. How the week's events are regarded by the Entente Powers is suggested by

the announcement of Andrew Bonar Law, Chancellor of the British Exchequer, in the House of Commons on Thursday. The Chancellor said:

"A message has been received from our Ambassador to the effect that a statement from the Duma announced that the Emperor had abdicated and that Grand Duke Alexandrovitch had been appointed Regent.

"There is some comfort for us in the comparative tranquility with which the change was effected. There is also real comfort that all the Government's information shows that the movement was not in any sense directed toward an effort to secure peace by Russia.

"On the contrary, the discontent was not against the Government for carrying on the war, but for not carrying it on with that efficiency and energy which the people had expected."

Yesterday in the House of Commons the Chancellor read the following later dispatch from the British Embassy in Petrograd: "What was stated in my previous telegram does not appear to be quite accurate. The Emperor's abdication and the appointment of Grand Duke Michael as Regent have not yet taken effect, although decided upon by the executive committee."

In financial circles in New York it is believed the uprising will clear the atmosphere. There seems not the slightest reason to expect that the change of Government will result in any form of repudiation of securities held either here or in Europe. France is reputed to be the largest holder of Russian securities, having something like \$6,000,000,000 invested in this direction.

That Germany may be the next of the European countries to adopt a democratic form of government is suggested by reports from Berlin quoting a speech of Chancellor von Bethmann-Hollweg before the Prussian Diet. He protested against criticism leveled at the Reichstag by the Upper House of the Diet and reiterated previous assurances that the war must lead to a political reorganization and that the Government would after the close of hostilities propose a reform of the Prussian franchise. "After the war," the Chancellor continued, "we shall be confronted with the most gigantic tasks that ever confronted a nation. They will be so gigantic that the entire people will have to work to solve them. A strong foreign policy will be necessary, for we shall be surrounded by enemies whom we shall not meet with loud words, but with the internal strength of the nation. We can only pursue such a policy if the patriotism, which during the war has developed to such a marvellous reality, is maintained and strengthened." The Chancellor declared that the maintenance of patriotism could only be achieved by granting the people in general equal co-operation in the administration of the Empire. "Woe to the statesman," he said, "who does not recognize the signs of the times, and who, after this catastrophe, the like of which the world has never seen, believes he can take up his work at the same point at which it was interrupted." A motion has been introduced in the Prussian Lower House by the leader of the National Liberal Party requesting the Royal State Government to present a bill by which membership in the House of Lords shall be changed in such a way that, while retaining the Royal privilege of appointment, there shall be abolished all privileges of families and dignitaries which now exist in rela-

tion to membership in the House. It is proposed that representation by means of elections be granted to all large municipalities and to all professions of importance for the economic life and the civilization of the people.

Details of the arming of American ships and all movements of vessels, the news of which might be of aid to an enemy, are now being withheld by the Washington authorities. The newspaper press has been requested not to publish such information. The American steamship *Algonquin* with ten Americans in her crew was sunk by a German submarine without warning on the morning of March 12. Thus far the position at Washington has not been to regard this as the "overt act" which has been awaited to bring about a formal state of war between our own country and Germany. It is known, however, that armed American merchantmen are on their way and the next few days are not unlikely to bring important results should attacks be made upon them. These ships have on board American gunners whose instructions are secret, though it is considered not unlikely that they will construe these instructions as authority to "shoot first" in the event of any possible attack.

In the week's military operations the outstanding feature has been the capture of Bagdad, which fell before British troops on Sunday. This is the chief Turkish city in Mesopotamia and formerly was the capital of the Empire of the Caliphs. The British campaign against Bagdad was opened in 1915, when an Anglo-Indian force under General Townshend was landed at the head of the Persian Gulf and moved rapidly up the Tigris. With 40,000 men he first pushed forward with amazing speed, but finally, after a long siege in which a relief party was unsuccessful in reaching him, General Townshend on April 13 1916, his food supplies exhausted, was compelled to surrender. The resumption of the British operations on a large scale did not occur until last December. The new commander, Major General Frederick Maude, is reported to have an army of 120,000 men. The British troops, who are now well beyond Bagdad, are still keeping up their successes. The British have been making further progress of importance in the West. On Wednesday the official report from the British headquarters in France announced the abandonment by the Germans of their main defensive system west of Bapaume on a front of 3½ miles. These gains were substantially increased during the closing days of the week. Some 90 miles east of Samara in Persia the Russian forces are reported to have captured the important town of Kermanshah in a drive westward in an endeavor to form a junction with the British troops operating in Mesopotamia.

The Chinese Government on Wednesday formally severed diplomatic relations with Germany. This action was taken because of Germany's resumption of ruthless and unrestricted warfare and the killing of several Chinamen on board British vessels that had been torpedoed without warning. The Chinese Government at once seized all German merchantships interned in the harbor at Shanghai.

Cable correspondents in London agree that very little is passing in the way of investments or indi-

cating speculative interest at the British centre. A firm tone has been maintained, especially in the case of the  $4\frac{1}{2}\%$  war loan, which has been bought in expectation that conversion rights might be granted in the event of the government deciding in the near future to issue premium bonds. The success of the sweepstakes on the London Stock Exchange during the period of distribution of the recent loan seems to have produced quite a distinct impression in favor of a speculative feature in connection with subsequent issues. Easier money has aided the firmness. The news of the more favorable attitude of the Federal Reserve Board toward foreign loans was well received. The revenue of the United Kingdom for last week was £18,914,000 and the expenditure £31,077,000. Treasury bills outstanding were reduced £70,069,000. Call money is now quoted at  $3\frac{1}{2}\%$  and the present condition of ease will, it is expected, possibly increase until the resumption of the issue of Treasury bills which was discontinued on January 4th, with an outstanding total at that time in excess of a billion sterling. The amount is, according to the latest report, £576,191,000, the greater part of which is in three months bills. Negotiations are in progress for the opening of an Italian credit in London. How strict has been the policy of investigating foreign-born members when they have applied for re-election on the London Stock Exchange is suggested by the news that the Exchange Committee has considered 112 applications for annual re-election from such, of which eighty-four have been rejected and twenty-eight passed upon favorably. The members who have thus failed of re-election comprise some wealthy and formerly very influential brokers, including the head of one firm the dissolution of which means the discharging of some fifty or more clerks. The approaching annual election for members of the committee, it now appears, will have a number of contests. The chief issue is the question of brokers sharing their commissions with the banks. Of the fourteen new candidates nominated five represent bank interests. Thirty seats on the committee are vacated at this election and twenty-nine of the actual incumbents are standing again, making forty-three candidates for the thirty vacancies. The anti-bank agitators are not expected to win, as the times are not considered propitious for any drastic alterations of Stock Exchange rules.

British trade continues to expand. An increase of £3,612,000 is indicated by the British Board of Trade's statement in the imports into the United Kingdom during February, while the exports also showed an expansion, namely of £952,000 comparing with the corresponding figures of February 1916. The expansion of imports is the more significant because of the Government's restrictions on the inbound movement of necessary freight. Hence the increase has been chiefly in the arrivals of food and raw materials, manufactured articles having in fact declined. In the exports a substantial reduction in cotton goods is indicated, the total for February aggregating 330,125,000 yards, against 416,785,000 for the corresponding month of 1916. Following is the record of total imports and exports for February and for the two months ending with February:

	February		Jan. 1 to Feb. 28	
	1917.	1916.	1917.	1916.
Imports	£70,960,000	£67,348,243	£161,337,000	£142,296,484
Exports	37,288,000	36,335,782	84,148,000	73,092,949
Excess of imports	£33,672,000	£31,012,461	£77,189,000	£69,203,535

Bonar Law, the Chancellor of the British Exchequer, introduced in the House of Commons on Thursday a supplemental vote of credit for £64,000,000 for the current year. The Chancellor explained that this brought the total vote for the year up to £2,010,000,000, and since the war began to £3,792,000,000. He added that it came as a disagreeable surprise to him that the £200,000,000 voted Feb. 12 was not sufficient to carry on to the end of the financial year. The amount of £18,000,000 was required for wheat from Australia, £23,000,000 for advances to Great Britain's allies and her Dominions, and the remainder for additional expenditure on munitions. The Treasury had expected that the £18,000,000 for wheat from Australia would be paid in the next financial year. The other item of £23,000,000 for Britain's advances to allies and Dominions did not mean that such advances were going to be on a larger scale than had been expected. It was simply a question of paying the money now instead of taking it out of a vote of credit for the next financial year.

The British revenue for the year ending March 31 will largely exceed the Budget estimate, receipts up to Saturday last, namely, £513,333,000, exceeding the estimate of £505,275,000, with three weeks yet to hear from. The principal item of increase over the estimates is the excess profits tax which will figure at about £127,000,000, compared with an estimate of £86,000,000.

A feature of the week that has been watched with keen interest in British business circles has been the controversy over the Government's proposal that India should be permitted to increase its import duty on cotton goods to  $7\frac{1}{2}\%$  from  $3\frac{1}{2}\%$ . After active discussion, and despite the united opposition of the Lancashire cotton manufacturers, the House of Commons adopted without division the proposal, though not before Lloyd George, the Premier, had accepted an amendment proposed by Mr. Asquith, the former Premier, to consider anew the cotton duties after the war. The Government's resolution bringing the matter before the House was in the form of an expression of gratitude to India for its gift of £100,000,000 (\$500,000,000) toward the expenses of the war, with a paragraph giving consent to the increased duty on cotton goods. Lloyd George, in seeking to justify the resolution as a war measure, explained that it was a good deal more than the acceptance of the loan of £100,000,000. There was absolutely no doubt, he said, that India would be able to assist materially in man-power. "We are making special arrangements in India from that viewpoint," he continued, "and we are also asking India to take a much larger share in the equipment and maintenance of our armies. We are anxious to conciliate, to get the goodwill, the sympathy and the zeal of India, particularly at this moment. We therefore thought as a matter of policy as a war measure that this great act of justice should be extended to India, and I do not doubt but that we shall reap an abundant harvest for this deed of justice and fair play." In moving the resolution Austen Chamberlain, Secretary for India, recalled the military services of Indian troops in France, Egypt, East Africa and Mesopotamia. He said that the total number of British-Indian soldiers who had gone into active service was approximately 300,000, although at the beginning of the war the strength of that army was only 231,000. Lloyd George's reference to India

supplying more troops was considered important. Such a course was strongly advocated recently by Winston Spencer Churchill. The Liverpool Cotton Exchange has been informed by the Foreign Office that in order to save tonnage the Government has decided to prohibit except under license the exportation of all raw cotton from the United Kingdom.

A statement made in the French Chamber of Deputies on Wednesday by M. Raoul Peret, reporter of the Budget Committee, shows that at the end of June France will have spent during the war in round numbers 83,000,000,000 francs (\$16,500,000,000). The resources of every nature realized during the same period are estimated by M. Peret at 73,408,000,000 francs (about \$14,500,000,000). The reporter proposed on behalf of the Budget Committee increased taxation and certain reductions in expenditures. The amount of short-term national bonds in circulation at the end of February was 14,500,000,000 francs. In addition to her own expenditures France has advanced to her allies 3,875,000,000 francs, making a total outlay since Aug. 1 1914 of 87,000,000,000 francs. A table of resources effective, or probably effective, by June 30, was presented. It included loans made in the United States to amount of 2,188,860,000 francs. Bonds placed in England, it is figured, will yield 5,927,128,000 francs. The Budget Committee regrets that the Government had not stimulated internal production and that it waited too long before restricting consumption. It demands that the Government practice a policy more in conformity with the exigencies of the situation and that it take more care to preserve the forces of existence from an economic point of view. "We should not show weakness or hesitation," said M. Peret, "when we are on the eve of decisived evelopments and when we foresee the end of the armed conflict in forthcoming victory. At the same time our eyes must not be closed to the difficulties which it will be necessary to overcome in order to win."

Receipts of the French Treasury from indirect taxes, customs duties and monopolies for the month of February were \$13,600,000 more than during the same month of normal years and \$21,000,000 more than in February 1916. The net increase of the first two months of the year over the same period of 1916 was \$43,000,000, of which \$27,400,000 came from custom duties.

Operations on the Paris Bourse have not been active, though quotations have, as a rule, been maintained. Reports of a Cabinet crisis appear to have been without practical effect, and even the overthrow of the Russian Government, whose bonds are so widely held in France, does not appear to have exerted any decisive influence. Marine stocks have been firm as a rule. Taking into consideration the destruction of 400,000 tons, or 17% of French shipping in the war, the Central Committee of the French Shipowners' Association have decided to ask the Government to allot sufficient materials at the shipyards to hasten the construction of vessels now in hand and to lay down new ships and repair old ones. The meeting at which this decision was reached was largely occupied with the high rates of insurance required by the State. These, it was affirmed, exceeded the returns from the freight. An instance was cited where insurance of 120,000 francs was

charged on a vessel and a cargo of coal, while the freight money amounted to only 60,000 francs.

Announcement was made early in the week by governmental decree of the flotation of a new Spanish loan of 1,000,000,000 pesetas (\$200,000,000). It will be issued at 5% and will be redeemable in fifty years. Subscriptions will be open on March 31.

There has, not unnaturally, been keen interest in the various reports, biased and unbiased, of the loss of life that has resulted from the war. The Associated Press early in the week sent a report from Washington showing that more than 10,000,000 men are recorded as wounded, captured or missing as a result of the European conflict. We know nothing further regarding the responsibility for the figures except the Press Association's statement that it is "the first complete tabulation of official and authenticated semi-official reports of the various belligerents" received at Washington. Among the military proper 4,441,200 are reported dead, 2,598,500 wounded and 2,564,500 captured and missing. Among civilians, especially on the Russian and Balkan fronts and in Armenia, another 400,000 are figured either dead or wounded through the war. These figures admittedly are only approximate and are in some instances necessarily several weeks old. They depend for their accuracy, the Press Association says, first on the official reports of the various belligerents which are minimum figures, and then on a careful re-checking with all available authentic information. The figures follow:

## ENTENTE COUNTRIES.

	Killed.	Wounded.	Captured and Missing.	Total.
England.....	205,400	102,500	107,500	515,400
France.....	870,000	540,800	400,000	1,810,800
Russia.....	1,500,000	784,200	800,000	3,084,200
Italy.....	105,000	49,000	55,000	209,000
Rumania.....	100,000	150,000	250,000	500,000
Belgium.....	50,000	22,000	40,000	112,000
Serbia.....	60,000	28,000	-----	88,000
Total.....	2,890,400	1,676,500	1,652,500	6,319,400

## CENTRAL POWERS.

Germany.....	893,200	450,000	245,000	1,588,200
Austria.....	523,100	355,000	591,000	1,469,100
Turkey.....	127,000	110,000	70,000	307,000
Bulgaria.....	7,500	7,000	6,000	20,500
Total.....	1,550,800	922,000	912,000	3,384,800

These losses are based upon the assumption that in Germany 90% of the total wounded return to the front and 80% in all the other countries.

Official rates continue to be quoted at 5% in Paris, Berlin, Vienna and Copenhagen; 5½% in London, Italy, Portugal and Norway; 6% in Petrograd, and 4½% in Switzerland, Holland and Spain. In London the private bank rate declined to 4⅞% for sixty and ninety day bills against 4⅞% a week ago. Cables from Berlin still give 4⅞% as the nominal private bank rate at that centre. No reports have been received by cable of open market rates at other European centres, so far as we have been able to ascertain. Money on call in London has been reduced to 3½%, against 4¼% last week.

The Bank of England in its weekly statement reported another decline in its gold item this week, the amount being £225,090. Reserves were reduced £62,000, there having been a decrease in note circulation of £163,000. The proportion of reserve to liabilities, however, as a result of a large reduction in the Bank's liabilities, advanced to 16.62%, against 14.02% a week ago and 27.53% last year. Public deposits decreased £34,512,000, other deposits £4,051,000 and Government securities were reduced

£7,885,000. Loans (other securities) registered a decline of £30,605,000. The English Bank's gold holdings now stand at £53,784,845, against £55,127,725 in 1916 and £59,456,251 the previous year. Reserves total £34,161,000. This compares with £40,665,925 last year and £43,849,781 in 1915. Loans aggregate £165,424,000, as against £92,433,129 and £115,749,996 one and two years ago respectively. The Bank reports as of March 10, the amount of currency notes outstanding as £130,307,699, compared with £130,471,172 last week. The amount of gold held for the redemption of such notes has not been changed from £28,500,000. Our special correspondent is no longer able to give details by cable of the gold movement into and out of the Bank for the Bank week, inasmuch as the Bank has discontinued such reports. We append a tabular statement of comparisons:

BANK OF ENGLAND'S COMPARATIVE STATEMENT.

	1917.		1916.		1915.		1914.		1913.	
	March 14.	March 15.	March 15.	March 17.	March 18.	March 19.	March 18.	March 19.	March 19.	March 19.
	£	£	£	£	£	£	£	£	£	£
Circulation.....	38,073,000	32,911,800	32,265,470	28,434,810	28,484,150					
Public deposits.....	86,377,000	52,403,529	70,950,454	27,448,023	26,623,955					
Other deposits.....	119,113,000	95,275,693	100,403,688	40,446,766	40,657,155					
Gov't securities.....	24,081,000	32,838,646	30,049,177	11,152,689	13,034,257					
Other securities.....	165,424,000	92,433,129	115,749,996	43,818,944	44,823,090					
Reserve, notes & coin	34,161,000	40,665,925	43,849,781	31,185,218	26,827,955					
Coin and bullion.....	53,784,845	55,127,725	59,456,251	41,170,028	36,862,165					
Proportion of re- serve to liabilities	16.60%	27.70%	25.63%	45.83%	40.50%					
Bank rate.....	5 1/4%	5%	5%	3%	5%					

The Bank of France announces a further gain in its gold holdings of 11,167,000 francs, thus bringing the total gold holdings (both at home and abroad) to 5,168,043,000 francs, which compares with 5,023,143,390 francs (all in vault) a year ago and 4,244,353,836 francs in 1915. Silver holdings were reduced 1,716,000 francs. Note circulation increased 80,272,000 francs. General deposits declined 40,574,000 francs, while bills discounted showed a reduction of 33,172,000 francs. Other changes were unimportant. Note circulation is now 18,361,549,000 francs, against 14,719,698,770 francs in 1916 and 11,109,468,560 francs the year preceding. Comparisons of the various items with the statement for the previous week and the corresponding dates in 1916 and 1915 are as follows:

BANK OF FRANCE'S COMPARATIVE STATEMENT.

Gold Holdings—	Changes for Week.		Status as of		
	Francs.	Francs.	Mar. 15 1917.	Mar. 16 1916.	Mar. 18 1915.
In France.....Inc.	11,140,000	3,221,405,500	5,023,143,390	4,244,353,836	
Abroad.....	27,000	1,946,637,500			
Total.....Inc.	\$11,167,000	5,168,043,000	5,023,143,390	4,244,353,836	
Silver.....Dec.	1,716,000	266,623,000	362,028,132	377,078,875	
Bills discounted.....Dec.	33,172,000	583,540,000	366,305,981	228,967,289	
Advances.....Dec.	18,062,000	1,241,005,000	1,248,433,161	688,237,892	
Note circulation.....Inc.	80,272,000	18,361,549,000	14,719,698,770	11,109,468,560	
Treasury deposits.....Dec.	16,214,000	23,517,000	32,833,918	117,559,727	
General deposits.....Dec.	40,574,000	2,443,917,000	1,958,838,830	2,461,282,482	

The return of the Imperial Bank of Germany, issued as of March 7, shows the following changes: Total coin and bullion increased 1,652,000 marks; gold increased 1,663,000 marks; Treasury notes showed a reduction of 53,075,000 marks; notes of other banks increased 2,872,000 marks; bills discounted expanded 31,711,000 marks; advances were decreased 2,418,000 marks; investments gained 1,887,000 marks; other securities increased 28,712,000 marks; notes in circulation recorded an expansion of 56,808,000 marks; deposits fell 36,021,000 marks, and other liabilities declined 9,446,000 marks. The German Bank's gold holdings now aggregate 2,836,410,000 marks, comparing with 2,458,800,000 marks a year ago and 2,293,620,000 marks in 1915. Loans and discounts total 8,541,000,000 marks. Last year the amount was 5,864,500,000 marks, and

the year preceding 4,298,020,000 marks. Notes in circulation amount to 8,130,277,000 marks, against 6,532,000,000 marks and 4,940,140,000 marks one and two years ago, respectively.

Despite the active demands that are in sight on the capital supply, local money circles have displayed increased ease this week. One influence has been the heavy importation of gold, which is undoubtedly being brought in for a double purpose—first, that of counteracting the lower money rates that are prevailing in London and thus discouraging the withdrawal of American funds on deposit in London banks; secondly, to provide a proper atmosphere for the offering of Entente loans on this side of the Atlantic. A French loan of \$100,000,000 is to be announced at once. It will be secured by collateral, as in the case of former loans, and the French Government will agree to maintain a margin of 20% by depositing additional collateral in the event of a decline in the market value of the securities already deposited. Italy is offering, through important financial institutions, a part of her internal loan that was authorized last month. It is understood that a new British application for funds may be expected as soon as the French loan has been taken care of. This, possibly, may take the form of a sale of Treasury bills such as was contemplated when the Federal Reserve Board issued its "warning" against unsecured foreign loans in November. Then, of course, we must naturally expect a demand for funds by our own Government, in view of the large expenditures that are being so freely entered into to meet the crisis that has arisen. Local banking interests are awaiting the announcement of Washington's financial plans with keen interest. The uncertainty that exists in this direction is, not unnaturally, a handicap in the matter of arranging other financial operations. It is conceded that our own Government bonds must be given the right of way. It is believed that a considerable amount can be placed on a 3% basis, in view of their tax-exempt feature and the spur that patriotism may always be expected to furnish to subscriptions. Meanwhile corporate financing on anything like a large scale must wait, and managers of the railroads and other institutions must be content to continue supplying their necessary financial needs with short-term notes.

Last Saturday's bank statement of New York Clearing House members, which will be found in more complete form on a later page of this issue, was less favorable than for some time and recorded a substantial decline in reserves. Loans again increased, \$25,636,000. Net demand deposits were expanded \$10,548,000, although net time deposits decreased \$4,863,000. Reserves in "own vaults" declined \$28,277,000 to \$497,867,000, of which \$443,978,000 is shown to be specie. Last year the amount of reserve in own vaults was \$497,233,000, including \$430,968,000 in specie. The reserve in Federal Reserve vaults showed an expansion of \$6,042,000 to \$208,603,000, which compares with \$168,734,000 a year ago. Reserves in other depositories increased \$1,353,000 to \$58,117,000, against \$54,628,000 in 1916. Aggregate reserves were reduced \$20,882,000 to \$764,587,000. This compares with \$720,595,000 held at this date last year. The reserve required was increased \$953,750; consequently, surplus reserves dropped \$21,835,750, thus carrying total excess reserves down to 142,591,520, the smallest total



held in some time, although above that of the corresponding period in 1916, which was \$136,226,880.

Dealing more specifically with money rates, call loans this week have again covered a range of 2@2½%. Monday, Tuesday and Wednesday the high quotation was not changed from 2½%, the low 2% and 2¼% the basis for renewals. On Thursday the range was still 2@2½%, although renewals declined to 2%. Friday 2½% continued the maximum figure, with 2% the minimum and 2% the ruling rate. For fixed maturities the inquiry continues as light as ever. Sixty and ninety days closed at 3¼@4%, against 3¼@4%, four months to 3¼@4%, against 4%; five and six months, however, remained at 4%, unchanged. A year ago sixty-day funds were quoted at 2½@2¾%, ninety days at 2¾%, four months at 3% and five and six months at 3@3¼%. In mercantile paper the situation has undergone no material change. Sixty and ninety days' endorsed bills receivable and six months' names of choice character continue to be quoted at 4@4¼%, with names not so well known at 4½%, although lower rates are looked for in the not distant future. Banks' and bankers' acceptances continue in good demand, with quotations on both eligible and ineligible bills a shade easier. Detailed rates follow:

	Spot Delivery			Delivery within 30 Days
	Ninety Days	Sixty Days	Thirty Days	
Eligible bills of member banks.....	3¼@2¾	3¼@2¾	3¼@2¾	3¼ bid
Eligible bills of non-member banks.....	3¼@3	3¼@3	3¼@3	3¼ bid
Ineligible bills.....	3¾@3¼	3¾@3¼	3¾@3¼	4½ bid

The Federal Reserve Board on the 14th inst. approved a rate of 3½% on agricultural, commercial, live-stock and commodity paper with maturities of 15 days and less, effective March 15, for the Federal Reserve Bank of Atlanta. There have been no other changes by any of the Federal Reserve banks during the week, as far as our knowledge goes. Prevailing rates for various classes of paper at the different Reserve banks are shown in the following:

DISCOUNT RATES OF FEDERAL RESERVE BANKS.

CLASSES OF DISCOUNTS AND LOANS	CITIES											
	Boston.	New York.	Philadelphia.	Cleveland.	Richmond.	Atlanta.	Chicago.	St. Louis.	Minneapolis.	Kansas City.	Dallas.	San Francisco.
<i>Commercial Paper—</i>												
1 to 10 days maturity.....	3½	4	3½	3½	4	3½	3½	3½	4	4	3½	3½
11 to 30 " ".....	4	4	4	4	4	4	4	4	4	4	4	4
31 to 60 " ".....	4	4	4	4	4	4	4	4	4	4	4	4
61 to 90 " ".....	4	4	4	4½	4	4½	4½	4	4½	4½	4½	4½
<i>Agricultural and Live-Stock Paper—</i>												
91 days to 6 months maturity.....	5	5	4½	5	4½	5	5	5	5	5	5	5½
<i>Promissory Notes of Member Banks—</i>												
1 to 15 days maturity.....	4	3	3½	3½	3½	3½	3½	3½	4	4	3½	3½
<i>Trade Acceptances—</i>												
1 to 30 days maturity.....	3½	3½	3½	3	3½	3½	3½	3½	3½	4	3½	---
31 to 60 " ".....	3½	3½	3½	3½	3½	3½	3½	3½	3½	4	3½	3½
61 to 90 " ".....	3½	3½	3½	4	3½	3½	3½	3½	3½	4	3½	3½
<i>Commodity Paper—</i>												
1 to 30 days maturity.....	4	---	3½	---	3½	3½	---	3½	3½	4	3½	3½
31 to 60 " ".....	4	---	3½	---	3½	3½	---	3½	3½	4	3½	4½
61 to 90 " ".....	4	---	3½	---	3½	3½	---	3½	3½	4	3½	4½
61 days to 6 months maturity.....	4	---	3½	---	3½	3½	---	3½	3½	4	3½	4½

OPEN MARKET DISCOUNT AND PURCHASE RATES OF FEDERAL RESERVE BANKS.

*Bankers' Acceptances.*—Authorized discount rate for all Federal Reserve banks minimum, 2%; maximum, 4%.  
*Trade Acceptances.*—Bills with maturities of 90 days or less, purchased in open market without member bank endorsement, by New Orleans branch of Atlanta Federal Reserve Bank; 3½ to 4%.  
*Commercial Paper.*—Bills purchased in open market by Dallas Federal Reserve Bank; 3 to 5%.  
*Bills of Exchange.*—Bills purchased in open market by Atlanta Federal Reserve Bank; 3½ to 5½%.  
*Bills With or Without Member Bank Endorsement.*—Bills with maturities of 90 days or less purchased in open market by St. Louis Federal Reserve Bank; 2 to 4%.  
 \* 15 days and under, 3½%; 16 to 30 days, 4%.

Sterling exchange rates are slightly firmer for all classes of bills except cable transfers, which remain virtually as last quoted. The firmness is traceable to

the more orderly conditions that have been reached in the shipping world, there now being fairly regular sailings from this side, although specific dates are not advertised. Gold importations to the amount of \$56,700,000 have arrived. The ease in money rates on this side has been another factor. The Federal Reserve Board's more cordial attitude toward foreign loans has likewise exerted a stimulative influence. Several large foreign loans are soon to be announced. Italy is offering part of its recently authorized internal loan at this centre and will keep on deposit here the proceeds of such bonds as she sells to pay for supplies purchased from American manufacturers. Exports of merchandise from New York are showing some indication of the interference with shipping resulting from Germany's new submarine plans. The marine division of the Custom House recorded 100 fewer vessels clearing for foreign ports in February than in January. The week's gold movement has included importations of \$31,200,000 at New York and \$25,000,000 at Philadelphia, all from Canada. The export engagements have aggregated \$1,630,000, including \$1,010,000 to South America, \$100,000 to Cuba and \$520,000 to Spain.

Referring to quotations in detail, sterling exchange on Saturday, comparing with Friday of last week, was firm; sixty-day bills advanced to 4 71¼@4 71¾, although demand was unchanged from 4 75¾@4 75½ and cable transfers at 4 76 7-16. The arrival of additional large amounts of gold, as well as easier local money rates, were sustaining influences on Monday; trading, however, was quiet with all interests awaiting the outcome of the President's action in arming American shipping; demand was called nominal at 4 75 7-16; sixty days advanced to 4 71¾@4 71½, while cable transfers were unchanged at 4 76 7-16. Tuesday's dealings were small in volume, although the tone of the market continued firm; quotations were not changed from 4 75 7-16 for demand and 4 76 7-16 for cable transfers; sixty days were quoted at 4 71½, against 4 71¾@4 71½ on Monday. Trading was again light on Wednesday, being at times almost at a complete standstill; rates were still pegged at 4 75 7-16 for demand, 4 76 7-16 for cable transfers and 4 71½ for sixty days; there seemed to be a more or less general agreement in exchange circles to await further developments in the international situation. On Thursday announcement of a mail steamer to sail on Saturday brought about a firmer tone, and demand rates, under a more brisk inquiry, moved up to 4 75 7-16@4 75½, and sixty days to 4 71½@4 71 9-16; cable transfers, however, were still quoted at 4 76 7-16. Friday's market was quiet but firm and fractionally higher. Closing quotations were 4 71 9-16 for sixty days, 4 75½ for demand and 4 76 7-16 for cable transfer. Commercial sight finished at 4 75 5-16, sixty days at 4 70 13-16 ninety days at 4 68 9-16, documents for payment (sixty days) at 4 70 9-16, and seven-day grain bills at 4 74 7-16. Cotton and grain for payment closed at 4 75 5-16.

As was not unnatural in view of the week's remarkable developments, the Continental exchanges continue to exhibit nervousness and hesitancy. Announcement of the Administration's decision to place guns on all American merchant ships was well received, as indicating the likelihood of a speedy resumption of more normal conditions in mail transportation. Most of the business passing is still

being done through the medium of cables. Exchange on Rome was again the most active feature, and despite apparently well-grounded statements that action is to be taken by the Italian Government for the purpose of stabilizing exchange, lire once more established a new low record of 7 87, although this was attributed in part to speculative selling. Fluctuations were wide, the high for the week being 7 76; the close was considerably below this figure. Francs were firmer and advanced on prospects of a new loan soon to be placed in this market. The Teutonic exchanges ruled steady and higher, reflecting the withdrawal of German funds from this centre by nervous holders. Rubles were about steady, and notwithstanding the revolutionary outbreak in Russia, closed at the highest point of the week. Demand bills on Berlin closed at 68 $\frac{3}{4}$  and cables at 68 $\frac{7}{8}$ , compared with 68 and 68 1-16 a week ago. The sterling check rate on Paris, after advancing to 27.82, closed at 27.83, against 27.82 $\frac{1}{2}$  last week. In New York, sight bills on the French centre finished at 5 85, against 5 85 $\frac{3}{8}$ ; cables at 5 83 $\frac{7}{8}$ , against 5 84 $\frac{1}{8}$ ; commercial sight at 5 85 $\frac{7}{8}$ , against 5 85 $\frac{7}{8}$ , and commercial sixty days at 5 90 $\frac{3}{4}$ , against 5 90 $\frac{3}{4}$  on Friday of last week. Kronen closed at 11.18; this compares with 11.12 the week preceding. Lire finished at 7 85 for bankers' sight and 7 84 for cables, against 7 78 and 7 77, the previous close. The final quotation for rubles was 28.35, as compared with 27.60 a week ago.

In the neutral exchanges trading was dull and devoid of special feature. Scandinavian exchange has shown an easier tendency. Swiss rates continued to rule firm. Spanish pesetas were slightly lower. Guilders remained pegged at the lower levels recently established until Wednesday, when further declines were recorded. Bankers' sight on Amsterdam finished at 40 $\frac{1}{4}$ , against 40 $\frac{3}{8}$ ; cables at 40 5-16, against 40 7-16; commercial sight at 40, against 40 $\frac{1}{4}$ , and commercial sixty days at 39 13-16, against 40 $\frac{1}{8}$  on Friday of last week. Swiss exchange closed at 5 03 $\frac{1}{4}$  for bankers' sight and 5 02 $\frac{3}{4}$  for cables, in comparison with 5 03 $\frac{3}{4}$  and 5 02 $\frac{1}{2}$  the week previous. Greek exchange (which is still regarded as neutral) continued to be quoted at 5 00 for sight bills. Copenhagen checks closed at 29.00, compared with 28.90. Checks on Sweden finished at 29.55, against 29.60, and checks on Norway closed at 29.00, as against 28.60 a week ago. Spanish pesetas finished at 21.16. This compares with 21.22 the previous close.

The New York Clearing House banks, in their operations with interior banking institutions, have lost \$965,000 net in cash as a result of the currency movements for the week ending March 16. Their receipts from the interior have aggregated \$8,076,000, while the shipments have reached \$9,041,000. Adding the Sub-Treasury and Federal Reserve operations and the gold imports and exports, which together occasioned a gain of \$38,976,000, the combined result of the flow of money into and out of the New York banks for the week appears to have been a gain of \$38,011,000, as follows:

Week ending March 16.	Into Banks.	Out of Banks.	Net Change in Bank Holdings.
Banks' interior movement.....	\$8,076,000	\$9,041,000	Loss \$965,000
Sub-Treas. and Fed. Res. operations and gold imports and exports.....	63,523,000	24,547,000	Gain 38,976,000
Total.....	\$71,599,000	\$33,588,000	Gain \$38,011,000

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

Banks of	March 15 1917.			March 16 1916.		
	Gold.	Silver.	Total.	Gold.	Silver.	Total.
England...	£ 53,784,845	£	53,784,845	£ 55,127,725	£	55,127,725
France...	123,856,165	10,064,920	133,921,085	200,025,720	14,481,120	214,506,840
Germany...	129,448,850	792,600	127,241,450	123,924,150	2,243,150	125,167,300
Russia *...	147,535,000	11,617,000	159,152,000	162,126,000	4,859,000	166,985,000
Aus-Hun.c...	51,578,000	12,140,000	63,718,000	51,578,000	12,140,000	63,718,000
Spain....	53,085,000	29,835,000	82,920,000	37,091,000	30,269,000	67,360,000
Italy....	35,987,000	3,906,000	38,893,000	42,100,000	4,193,000	46,293,000
Netherl'ds...	49,297,000	540,100	49,837,100	41,294,000	399,800	41,693,800
Nat. Bel. h...	15,380,000	600,000	15,980,000	15,380,000	600,000	15,980,000
Switz'land...	13,741,600	-----	13,741,600	10,092,200	-----	10,092,200
Sweden....	16,364,000	-----	16,364,000	8,938,000	-----	8,938,000
Denmark....	9,019,000	113,000	9,132,000	6,559,000	170,000	6,729,000
Norway....	6,643,000	-----	6,643,000	4,014,000	-----	4,014,000
Tot. week...	701,719,460	69,208,620	770,928,080	758,309,795	69,361,070	827,670,865
Prev. week...	701,013,550	69,666,810	770,680,360	758,774,319	69,101,890	827,876,209

\* Gold holdings of the Bank of France this year are exclusive of 277,865,502 held abroad.

\* The gold holdings of the Bank of Russia for both years in the above statement have been revised by eliminating the so-called gold balance held abroad.

c July 30 1914 in both years. h Aug. 6 1914 in both years.

### THE RUSSIAN REVOLUTION AND THE WAR.

The comment of reflecting men on the extraordinary and unexpected news which came from Russia on Thursday laid instinctive stress on the bewildering rapidity and the no less bewildering scale of magnitude with which the world is just now making history. Certainly not since 1848, and possibly not since the great French Revolution of 1879, has any generation had the opportunity of looking on while actual or potential changes of such sweeping significance in the Governments of the world were visibly under way.

That the news of the coup d'état at Petrograd, at least in the form in which its very first announcement reached the outside world, was unexpected, the astonishment with which the dispatches were read gave sufficient proof. Well-informed people knew beforehand that something important was happening in Russia. A political crisis had evidently been reached when the Czar's suspension of the Duma was announced last Monday. Signs had already multiplied of collision between the Imperial and legislative authority, and the open accusations made, as well as the recent significant changes in the Russian Ministry, pointed to popular distrust in the Court party's methods and purposes of conducting the war with Germany.

That feeling was now being emphasized by a shortage of food supplies; and in Russia—whose economic problem since 1914 has been, not how to get wheat from abroad, but what to do with her own large harvests which she could not export—such a shortage was naturally, and doubtless rightly, ascribed to official incompetency in distributing home supplies. That a political crisis might result, even a popular uprising like that of 1905, had for several weeks past seemed not at all improbable. Most people thought of such an event as a seriously complicating influence on Russia's conduct of the war and on the fortunes of the Allies; for the situation as foreshadowed certainly suggested use of the army to suppress revolt at home. That Germany expected that result has been pretty clearly intimated. Therefore the news that the revolution of the Duma against the Czar had been entirely successful, that the army had sided with the Duma, that the Czar's abdication was probable, that the Imperial Ministers had been imprisoned, and that order had been maintained by a strong Committee of Safety made up of leading public men, marked one of the most strikingly sensational events in the history of the war to date.

It is still too early, and the details thus far received are too meagre, to determine with confidence precisely what the resultant situation is or what will be

its larger outcome, as bearing either on Russia's internal politics or on the prosecution of the war. The formal recognition of the Provisional Government by England, France and Italy, reported yesterday from Petrograd, is of high political significance. There were doubtless many factors operating to cause the revolution; but there seems to be little doubt that its fundamental cause was suspicion of pro-German influences at work in the dominant Court party. There had been not only indications but positive proof that such influences existed. One Minister of War was forced out of office, not very long ago, under the public allegation of being in the pay of the enemy. Sturmer, lately Prime Minister, was publicly charged last year with being "reactionary" and pro-German; he too was forced out, though the Minister of the Interior, Protopopoff, a friend of Sturmer's and accused of similar sympathies, had retained his office.

Both of these public men had been regarded as proteges of the Emperor, and, in the popular mind at least, the fact that the Czarina was daughter of the Grand Duke of Hesse and therefore, like the Queen of Greece, a German princess, was regarded as a sinister element in the situation. How far this faction in the Imperial Government was deliberately responsible for Russian military reverses it might be difficult to say. But that incompetence in conducting the supply department, even if not actual treachery, was largely responsible for the Russian failure in the Carpathians and for the sudden checking of Brussiloff's recent advance on Austria, has been believed, even by neutral military critics.

It would be premature as yet to say what will be the bearing of the revolution on the actual conduct of the campaign. Yet on that question, much of the immediate outlook of the war must necessarily depend. The Russian news has come at a moment of unusual interest on the other fields of political and military activity. In one direction, and that the quarter which Americans at least are watching with most vital interest, the situation has not changed. The question as to results of our arming of merchant ships under direct Government authority to pass the German war zone has not yet been tested. News of the sinking, in the Channel without warning, of the steamer *Algonquin*, very lately placed under American registry, was not accepted as a crucial test—largely because such transfer of ownership itself creates a disputed diplomatic question, and because the Government rightly insists that any further step in German-American relations be based on a perfectly clear case.

But on the European side, developments of the week have been of high interest. The capture of Bagdad by General Maude, after a remarkably brilliant march, wiped out the recollection of General Townshend's unhappy fiasco of 1915 and pointed to the possible ultimate crumbling away of Turkey's Asiatic empire. The continued withdrawal by German troops from the Western front in the face of General Haig's advance may possibly, as Berlin alleges, have been merely a strategic move to strengthen the German front by narrowing its line; but in view of the important positions abandoned by the Germans or captured by the English, it is bound to encourage the Allied offensive. The rupture by China of diplomatic relations with Germany, as a result of the submarine policy, was not an event of the first diplomatic importance. For

Germany, however, it must at least have some sinister bearing on the question what results after the war will be entailed by her present policy toward neutral commerce, and it certainly awakens reminiscences of the equally grave blunder by the German military authorities in the manner of conducting their own advance on Peking in the Boxer rebellion of 1900.

Taken altogether, the week's news shows the fortunes of war to be just now inclining distinctly against the Teutonic allies. But the world must wait for the opening of spring to learn what will be the real offensive operations of the higher importance on the European continent—whether against Russia, Italy, the Saloniki line or the West front. It may be, as European statesmen and generals have very commonly predicted, that this summer's campaign will bring the end of the war into sight. That possibility is at least suggested by a further group of events this week, even before the news from Russia. With a singularly striking coincidence of time, signs of political restlessness in the belligerent States themselves have this week come to light.

In England two angry Parliamentary disputes have arisen; one over the placing of protective duties on cotton goods sent to India, the other taking the form of an open clash between the Irish Nationalists and the Lloyd George Government, over the Irish party's demand for immediate home rule in Ireland—which the Government still refuses, except as applied to limited sections. In France a more positive attack on the Briand Cabinet than has occurred in many months has seemed largely to voice dissatisfaction regarding the Balkan campaign, and the Minister of War has had to resign. From Hungary reports not yet confirmed have come that the present Premier Tisza, known for his strong pro-German policies, will be unseated, possibly to be replaced by Andrassy, leader of the Liberal opposition. Even in Germany, despite the close censorship over cabled news, such editorial utterances as that of last Monday by Dr. Theodore Wolff of the Berlin "Tageblatt," comparing the present aristocratic and military regime in that country with the old regime in France before the Revolution, and asserting that "the times are ripe for fearless innovations," can scarcely be without large significance. It found further reflection in Bethmann-Hollweg's speech of Thursday in the Reichstag, promising political reorganization and reform of the Prussian franchise after the war.

We do not imagine that any of these developments means the breakdown of determination to pursue the war to its finish. In Russia, particularly, their significance appears to be exactly the opposite. Yet it is also impossible to ignore the fact that these signs of the day reflect a restlessness over prolongation of the war itself—especially under the present trying economic conditions to the people at home—which has not been visible so universally at any previous time. Whether this aspect of the situation foreshadows renewal of overtures for peace, perhaps after the summer campaign, and with greater chance for agreement on the terms, and if so, what the nature of such negotiations would be, that can be only roughly conjectured in so bewildering a situation. When one reads, however, the recent Washington summary of losses in the war up to the end of 1916—showing total casualties for the Allies of 6,319,400, of which 2,890,400 were killed, and 3,384,800 for the Teutonic Powers, of which 1,550,800

were killed, and when the list of killed in order of magnitude reports 1,500,000 lost by Russia, 893,200 by Germany, 870,000 by France and 523,100 by Austria—it will easily be imagined that popular determination that the war must be brought to its conclusion, may be an element of high importance.

#### THE THREATENED RAILROAD STRIKE.

The Supreme Court evidently cannot be hurried into a decision on the Adamson Law. In this it differs from the Congress which passed the Act. And in this it stands as a bulwark against the rule of force and the insistence of passion. *Somewhere* in our Government deliberation should reside, reason and justice remain. Else we must give ourselves up to turmoil and internal strife; else we must reconcile ourselves to a condition where liberties are few, where laws are many—even where laws are subservient to license—and government the whim of the moment, the will of a class. And yet not long ago it was seriously proposed to make the law of Congress supreme!

Confronted by war without and within the Republic, not only is the way of the peace-maker hard in the land of his birth, but the constitutionalist and the citizen despairs of trying to see his way out, to get his bearings, from which to perform a patriot's duty; and the business man is tossed hither and yon on a sea of constant troubles. It seems almost useless to try to consider the state of the country.

We appear to have vainly hoped that this test of strength of the labor unions would be postponed to a less stressful period. With a session of Congress called, already denominated the "war Congress," with food "riots" and congested freight alarming the country, with foreign shipping at a standstill, and domestic trade trembling with apprehension of hidden disaster, even at the moment when the Supreme Court is considering the case of the so-called "Steel Trust," aye, when famine and death ride the whirlwind in half the world, it is proposed by a handful of men in the United States to paralyze the business of the country for the sake of increasing their daily wages. Surely, the time is opportune! But the mask is off. And the people of this country may see these four "brotherhoods" for what they are. And if patriotism is a term which applies to civil conduct as well as to military service, this resort to a strike at such a period of our history will be weighed in the balance of "the higher good."

This sea of trouble is proposed at the very hour when the American Federation of Labor is announcing its loyalty to "preparedness" and the Government, and declaring its unalterable opposition to militarism or a government by force. If this is not throwing the jewel of consistency into the gutter, what is it? And if this is not a conspiracy in restraint of trade, what would constitute one?

If the people supinely submit to this means of raising wages, if the railroads yield to this pressure, if the authorities of Government, now engaged in formulating measures to protect rights on the seas, allow the rights of the citizen to be thus destroyed upon land, then we may as well yield popular government, as we have understood it, into the hands of opportunism, forget the traditions of the fathers, and bury our heads in shame. That the struggle will be sharp and decisive we would naturally expect. And yet expectation is no longer justified in anything. And

though short or long—one would believe it will sound the doom of this form of unionism.

We have got to settle these questions *some time*. We cannot drift along carelessly indifferent to the root of the evil. As citizens of a common country our liberties are slipping away from us, and this whole matter centres about the principle of private ownership. If a man is entitled to own what he earns and to initiate and conduct business in his own behalf, whether individually or as a member of a corporation, and to have not only the sanction but the protection of the Government therein, then we have got to sweep away all theoretical complications and stand firmly on this basis. As matters are now we are between three forces: Government ownership and regulation; a theory of social order or Socialism; and existence and effort under natural law, or individualism. Some time we must make choice.

If labor unionism, as now conducted, compels Government ownership, though it loses thereby its existence and practice, it has gained in theory, for if there was not this latent feeling that a man's ownership and endeavor are not tenable with human justice, these wage-unions could never obtain growth and power. And if individualism had not yielded so much and so long to the insidious growth of the commission form of government, it would not now be powerless to cope with the labor unions. And if the citizen now had the protection of the Government in "life, liberty and the pursuit of happiness" in the fundamental form of free "business," as it was designed by the founders of the Republic, he would not now be at the mercy of these conflicting and conscripting forces.

But we take no firm stand. This is the day of temporizing and expediency. We are glad to be let alone, when we are, in our own business. If our business is attacked, we seek the easiest way out, though it sacrifice a principle. The railroads are fighting now for the right to operate their own business, and at the same time are asking for Federal license and reasonable control at the hands of a commission; and the people look on and aid them in neither. Is it any wonder that we do not know what a day may bring forth? Is it not to be expected that one after another our chief industries will be interfered with? Yet nowhere is there a concerted movement to return to individual ownership and control under the natural laws of soil and sense!

We may preach that the so-called "interests of capital and labor" are one and the same. But we are unwilling to put them to the test. We are forever trying to make them what we think they ought to be, by separate laws aimed at one or the other. Confusion worse confounded is the result. And we continue to cast our eyes longingly toward "Government" for relief. As long as a labor union may strike and ruin the country and the business employing it, as long as a railroad is prevented by a commission from relating rates to earnings and earnings to wages, is it possible for these two elements of our industrial life to come together and harmonize their differences? Yet we shift along, careless whether we are free to toil and trade, just so we can avoid temporary trouble.

Well—it may be that a "big strike" will open our eyes. But unless we see the *big principle* at stake, it will teach us no good lesson. We have got to search for the root of the evil and pluck it out. We have got to restore the Government to its original

purpose. We must demand a reinstatement of the principle of individualism, or be content with a form of semi-Socialism, more troublesome even than complete communism. For in the latter, though life would be hopeless and reduced to a degrading level, it would at least be static. We would have little turmoil, for there would be nothing to trouble over. Once in a while the lash of the taskmaster might cut our backs, but as long as we did our "stunt," there would be no property to fight over and no need to strike. The whole question is, shall "individualism" obtain?

#### PEOPLE AND PRESS IN THE EXISTING CRISIS.

The calling of an extra session of Congress to convene April 16 affords the people of the country an opportunity for serious thought upon an impending issue of incalculable moment. That we have reached the parting of the ways is evident to every one. It is equally clear, however, that whether by any dispensation that may ensue we escape the "overt act" which shall tend to make war a fact, or do not escape, the declaration yet remains in the bosom of Congress, where it reposes by the Constitution. Accordingly the people have time to think soberly and intently. We have been termed a volatile people. And our system of elections tends to keep excitement at a high pitch. But of one thing we have always been sure, the *state* of the country and the *safety* of the Government, whatever the uncertain fortunes of politics. The question now before the people goes deeper than this, and touches, however much we may deprecate the thought, the life of the people for decades to come under conditions inseparable from the conduct and results of a great war. For, though brave in our own might, and conscious of a high rectitude of purpose, it will hardly be disputed that war itself arouses an element of iron rule, of compulsory force, of concentrated power, in the fabric of our republican Government, which has never been active, if it has been even latent.

This is a consideration for the people where the people are the source of power. And it therefore becomes the duty of a consecrated citizenship to ponder deeply these problems. Too much, it may be said without offense, we allow others to think for us. Duty now demands individual thought and expression. And by the same law a duty is laid upon the press to enunciate principles, to declare well-sifted facts, and to discuss measures impartially, and without partisan bias. And by "partisan" we mean a too strenuous advocacy of individual belief, a purpose to influence public sentiment by inflammatory appeals upon one side or the other. More is at stake than the consequences of a political election. Although it may become necessary to accept the gage of battle, we have only to recall the speculations of 1914, to perceive that we will enter upon a course the end of which no man can foresee. There is now a breathing space for thought, and it should be embraced to the full.

As we conceive it, it is not the mission of the press, in as grave a situation as now confronts the nation, to overshadow the individual thought of the people. Engrossed in the past in an active business life the citizen has come to rely, possibly too much for his own mental growth, upon the press. And it has been a great teacher, with non-essential

exceptions, nobly fulfilling its mission. But it has naturally fallen into the quasi-error of an attitude of thinking for the people, of constituting itself a guide and mentor. This we feel should be relinquished at this time. In this critical hour, both people and press are better for intensive thought, for individual conviction, and for temperate expression. We should be far from placing a restraint on the freedom of discussion by either, but it is as far from advisable for a Senator to wish the first conscription to fall upon New York editors whom he thinks advocate war, as it would be for these editors, members of the press, to shout "near to treason" upon the sworn acts of public servants. Nor should the citizen in his deliberations be influenced by either suggestion. We are all citizens—this is the big thing—and let us not whip ourselves into a passion either for or against war.

And so, in the intervening time until Congress meets, let there be the full responsibility of solemn consideration of the war-issue, in all its bearings, and unimpassioned expression of views by both—the citizen and the editor. After all, it is the truth, as each of us sees it, which alone should influence us. If we substitute for the vague term "public sentiment" the higher one of public judgment, the member of Congress may return to his task fully informed as to what he is commissioned to do. There are subtle influences about us of which we are unaware. It is possible to conceal one truth by another. It is possible to display news in such a way as to divert the mind from a full consideration of the problem. It is easy to practice upon ourselves a sort of hypnosis which deprives us of analytical power. We may come to regard patriotism, even, as only proven by the waving of a sword. We may rush to the conclusion that an evil done to our interests unless resented in kind assails our honor, when in fact it only discloses lack of honor in another. The present of all times in our history is a time for introspection by citizen and his representative in office, and by those whose business it is to discuss issues in the public print. It is a time to ask ourselves what we think *we* would do if the settlement were left to us, for upon this is founded our whole scheme of free government. It is very easy to shift the responsibility to one who has been elected to office, and it is one thing to act in that capacity and another to put ourselves in place of one in office.

Again, there are centres of thought and action which move us, albeit we are unconscious of their influence, from our moorings. New York City is such an influence. Washington is another, though a different one. The power of the press of New York City, this intensive centre of thought, reaches to the remote confines of the Republic, and spreads to the wide world. In this city centres first the world's news—to be sifted, analyzed, purveyed, in scores of journals, ably edited and financially strong. The result goes immediately to a heterogeneous population gathered from the four quarters of the globe, directly impinges on the commerce and finance that grapple hold upon the labors and fortunes of a hundred millions of people. And in a way New York epitomizes the nation. With this condition goes a power and a duty to lead the people in wisdom and safety, in so far as the natural effect of publishing shall contribute to this. And yet New York City is *not* the United States. Its aims, ambitions, self-interests, great and commanding as they are, inter-

woven as they are with the business of the whole people, salutary as they are upon the energies of all, typical and cosmopolitan as they become since they radiate round the earth, must still be local and metropolitan, must still be more thrilled, excited, electrified by world conditions, war dangers, civic duties in emergency, than obtain in a city, say St. Louis, far in the interior. The "atmosphere" of thought is therefore different. And against this, as it appears in a colorful press, the citizen should oppose the restraint of his own analysis and conclusion.

And the same is true of Washington, where the Federal Government centres, and where political intrigue, military and civil opinion, and foreign representation, hold sway. All this physical fabric, centred there, through which the Government acts, does not by its existence become *the Government*. That still rests in the whole people, to be newly expressed when the new occasion arises. And if we but keep this before us we will be able to reduce to its proper dimensions the acts of public servants in any of the three co-ordinate branches of the Government. There is a constant refrain going over the land "Stand by the President." It has its origin in a sincere desire to promote the country in unity and strength, together with a kindly feeling of loyalty for one whose burdens are heavy to bear. And it should admonish us to tread softly in our criticism of this high official and of all those who act in a representative capacity in this crisis. But this should never relieve the citizen from his personal civic duty of thinking out to the best of his ability the welfare of the nation, and calmly expressing his conviction. Therefore he should rid his mind of the "atmosphere" of Washington, and place his interpretation, colored too as it must be by his locality and home-feeling, upon the course to be pursued, by a nation that extends from Maine to Texas and from ocean to ocean, on an overshadowing question that has in it the weal and woe of the people for decades if not for centuries to come, a question which, whatever it may do to the material interests, will also affect the spiritual life of the people. Only thus can there be one country, one people, and *one duty*.

#### TAXING ADVERTISING DISPLAY.

A bill in Albany, introduced by an Assemblyman from this borough, proposes still one more new taxing recourse, namely, a levy upon advertising. According to the introducer, the intention is to levy upon advertising on billboards, roofs and walls, and not upon advertising in printed publications. This may be his intention, and it is not certain but that the prevalent custom of large billboards and high "sky" signs upon roofs (both of these being subject to great abuse and open to objection on account of the fire hazard) might expediently be discouraged by a tax. Yet if the intention of this bill is to reach only public displays of that class and avoid touching advertising in printed publications, he should recast his draft to make such meaning clear; for according to the news dispatch from Albany "advertisements, advertising signs and devices" would come under its scope, and that language would plainly include what is said to be excluded.

According to the news item, "advertising would be taxed on a progressive scale, varying according to the size of the advertisement or sign or according to the

prominence with which the advertisement is displayed, or any other circumstance affecting its value from an advertising point of view." If this is correct, the proposition is distinctly objectionable on one of the grounds for objecting to the "excess profits" tax, namely that it introduces qualifications and adjustments that are difficult and almost impossible to carry out. Size of an advertisement, and its relative prominence, might conceivably be judged in some random fashion, but "any other circumstances affecting its value from an advertising point of view" involve estimates of circulation, character, suitability of the medium for the particular matter advertised, and a dozen other points as to which advertisers would be glad of some infallible counsel, so that they could expend their fund to the best advantage; to put it in brief, such "circumstances" are indeterminable, and a tax assessor would be a poor hand at guessing about them.

A special tax upon advertising would be bad on even more serious grounds. In effect, it would be one more income tax, and one very difficult of ascertainment as well as very severe upon the publishing business, which is already very seriously burdened by rising costs, especially the cost of paper, as to which the Government has just attempted to come to the rescue by arranging a "fair" price with the alleged paper-making trust, instead of moving to dissolve the trust, as in other notable cases. Advertising is said to be "the life of trade," and there is large truth in the saying. For three prime requisites to success in business (aside from professional success) are: meritorious merchandise, whether ponderable or financial obligations or pro-personal services, good management, and proper advertising. Whoso would have the public as customers must address the public, and this is his means of doing so. Trade and industry being worth while (and especially from the tax-gatherer's point of view), whatever makes or helps trade must be counted a public benefit; therefore it ought not to need urging that advertising is a public good.

At least there should be no question that newspapers and other publications, with all their human shortcomings, are for the public good; like the railway and the telephone, they are used, without considering how the world would get on without them, and if they were not really "affected with a public interest" (to use a phrase of the courts concerning public utilities) they would quickly languish out of existence. But it is not so well understood as it should be that advertising supports publications, and that scarcely one of them could exist without it. To attack advertising is therefore to attack the publishing business at a vital point; yet we have had propositions (to a slight extent already put into enactment) for censoring and regulating it, and some plan for levying a tax on it must be expected. Publishers are already subject to an income tax, and also to an "excess profits" tax, if they are fortunate enough to have any such profits. They might reasonably ask to be left alone now.

No problem in government is more delicate and difficult than to lay taxes on a genuinely economic basis, so that they shall be productive, just, and shall not tend to dry up the sources of production and revenue; no legislative duty more needs profound study and real statesmanship, yet none gets less study and so generally seeks the line of apparent least political resistance. To find some near and

handy funds which can be laid hold of without arousing anybody of consequence by the polls is the average legislator's thought. Few men in legislatures are competent to draw a bill of any kind, and fewer to draw a tax bill; yet every member seems to think himself competent to do either.

**CANADA PREPARING TO GET IMMIGRANTS AFTER THE WAR.**

Ottawa, Canada, March 10.

Although opinions on immigration probabilities in the period following the war are of every degree of confidence and pessimism, it is an important fact that those most concerned with immigration duties in the Government and railway companies are polishing their machinery as the prelude to brisk business. The Canadian Pacific's plans may be estimated from the statement of Vice-President J. S. Dennis: "If Canada can be guided by past occurrences, it can expect and should prepare for a great influx of immigrants." The C. P. R. Department of Natural Resources, with headquarters at Calgary, Alberta, has based its working program this year on the probability of large immigration from the United States immediately after the war closes, with accessions from Great Britain and Europe, probably commencing twelve or eighteen months later. The Canadian Northern Railway, in its Lands and newly created Natural Resources departments, is working on the same anticipations. As with the railway and steamship lines, so with the Federal Immigration Department. The Government has determined not to operate any immigration campaign in France, Belgium or Great Britain without first consulting the wishes of those countries. It is fully realized that embargoes on emigration may be enacted by the belligerent nations as a precautionary measure to apply to the first year or two of peace. Canada will not attempt any policy at variance with the Allies' domestic plans. Efforts will be freely made to induce a trek from the Western States into the large areas of free land yet available for homesteading. The Canadian Government has under advisement a scheme to place several million acres of land at the disposal of British, French or other soldiers of the Allies, with provision for education in agriculture, and every practical assistance to give them a start. In every plan of the Federal or Provincial governments or the railway companies, the entire emphasis is placed upon the need for greater agricultural development.

In the ten years from 1904 to 1914, 2,500,000 persons came to Canada to settle—from Great Britain 1,000,000, from the United States 900,000 and the remainder from other countries. That ten-year period also represented Canada's greatest era of development.

**RAILROAD GROSS AND NET EARNINGS FOR JANUARY.**

Earnings of United States railroads in complete form for the first month of the calendar year make a much better exhibit, at least as far as the net is concerned, than would have been deemed possible considering the rise in operating costs. Increase in expenses does play a prominent part in the returns, but the further increase in gross earnings was of such magnitude as to leave a substantial addition to the net even after providing for the augmentation in expenses. This is the reverse of the experience in the

preceding month (December 1916), when the addition to expenses outstripped the gain in gross.

The increase in the gross reaches the large sum of \$40,845,785, or 15.29%, and one reason for the extent of the gain is found in the fact that January the present year contained only four Sundays, whereas the month in 1916 had five Sundays, giving the present year the advantage of an extra working day. Hence though the augmentation in expenses reached \$32,166,454, this still left \$8,679,331 to the good as additional net earnings, as will be seen by the following:

January (467 Roads)—	1917.	1916.	Inc. (+) or Dec. (-).	
Miles of road.....	248,477	247,327	Amount.	%
Gross earnings.....	\$307,961,074	\$267,115,289	+\$40,845,785	15.29
Operating expenses.....	220,212,170	188,048,716	+\$32,166,454	17.11
Net earnings.....	\$87,748,904	\$79,066,573	+\$8,679,331	10.98

The showing becomes additionally satisfactory when it is recalled that we are comparing with exceptionally good figures in 1916, our compilation at that time showing \$46,840,440 gain in gross, or 21.27%, and \$27,347,413 gain in net, or 53.05%. The present year's improvement comes on top of this large improvement in January of last year. On the other hand, in both 1915 and 1914 there were losses. The 1916 gain alone, however, overtopped the losses for the two previous years combined. In January 1915 our compilation registered \$16,598,551 decrease in gross and \$890,982 decrease in net. In January 1914 the falling off amounted to \$16,884,807 in gross and \$12,451,572 in net. It is to be remembered, too, that in 1913 there were very important gains in both gross and net, though these gains were themselves, in part, merely a recovery of exceptionally heavy losses in January 1912, when the winter weather experienced was the worst encountered in a generation. Stated in brief, our tabulations in January 1913 registered \$38,128,677 gain in gross and \$18,781,777 gain in net. On the other hand, in January 1912 our compilations recorded a decrease of \$2,440,307 in gross and of \$7,019,714 in net. In 1911 the changes were small—a gain in gross of \$4,248,770 and in net of \$3,483,309. In 1910 there was a large gain in gross, namely, \$27,776,971, but it yielded only \$6,918,577 gain in net. Below we furnish a summary of the January comparisons for each year back to 1896. For 1911, for 1910 and for 1909 we use the totals of the Inter-State Commerce Commission, but for preceding years we give the results just as registered by our own tables each year—a portion of the railroad mileage of the country being always unrepresented in the totals, owing to the refusal at that time of some of the roads to give out monthly figures for publication.

Year.	Gross Earnings.			Net Earnings.		
	Year Given.	Year Preceding.	Increase or Decrease.	Year Given.	Year Preceding.	Increase or Decrease.
January	\$	\$	\$	\$	\$	\$
1896	53,316,855	48,726,980	+4,589,875	15,194,163	13,180,595	+2,304,568
1897	51,065,589	54,615,619	-3,550,030	14,277,924	15,394,495	-1,116,571
1898	60,345,290	52,705,271	+7,640,019	17,883,662	14,601,313	+3,232,349
1899	63,149,968	58,753,141	+4,396,827	18,744,046	17,447,630	+1,296,415
1900	78,264,883	86,312,140	-8,047,257	20,384,126	20,489,925	-1,054,200
1901	95,514,376	81,878,382	+13,635,994	30,435,731	25,011,701	+5,424,030
1902	99,888,443	91,517,105	+8,371,338	32,593,376	30,441,463	+2,151,913
1903	100,840,997	92,230,790	+8,610,207	30,021,883	29,745,477	+276,406
1904	101,839,230	106,687,145	-4,847,915	24,043,880	32,139,525	-8,095,645
1905	103,641,710	96,912,364	+6,729,346	26,593,381	23,538,414	+3,054,967
1906	128,556,968	106,741,980	+21,814,988	38,673,269	26,996,772	+11,676,497
1907	133,840,696	123,664,663	+10,176,033	36,287,044	37,096,918	-809,874
1908	135,127,023	155,152,717	-20,025,694	29,659,241	41,155,587	-11,496,346
1909	182,970,018	173,352,799	+9,617,219	50,295,374	41,036,612	+9,258,762
1910	211,041,034	183,264,063	+27,776,971	57,409,657	50,491,080	+6,918,577
1911	215,057,017	210,808,247	+4,248,770	53,890,659	57,373,968	-3,483,309
1912	210,704,271	213,145,078	-2,440,807	45,940,706	52,960,420	-7,019,714
1913	246,663,737	208,636,060	+38,027,677	64,377,164	45,495,387	+18,881,777
1914	233,073,834	249,958,641	-16,884,807	52,740,589	65,201,441	-12,460,852
1915	220,282,190	236,880,747	-16,598,557	51,582,992	52,473,974	-890,982
1916	267,048,635	220,208,595	+46,840,040	78,899,810	51,582,397	+27,317,413
1917	307,961,074	267,115,289	+40,845,785	87,748,904	79,066,573	+8,679,331

Note.—In 1896 the number of roads included in the month of January was 135; in 1897, 127; in 1898, 150; in 1899, 115; in 1900, 114; in 1901, 130; in 1902, 109; in 1903, 105; in 1904, 103; in 1905, 94; in 1906, 100; in 1907, 97. In 1908 the return were based on 157,023 miles of road; in 1909, 231,970; in 1910, 230,808; in 1911, 242,479; in 1912, 237,888; in 1913, 235,607; in 1914, 243,732; in 1915, 249,959; in 1916, 247,620; in 1917, 248,477.

As far as the separate roads are concerned the present year, instances where, as in many preceding months, the increase in expenses exceeded the increase in gross earnings, are by no means lacking. Yet they are not so prominent as in other months, nor so numerous. Those two great Eastern systems, namely the Pennsylvania Railroad and the New York Central, are as heretofore conspicuous in that regard. The Pennsylvania Railroad on the lines directly operated both east and west of Pittsburgh reports a loss in net of \$1,289,015 in face of a gain in gross of \$2,057,853. Including all lines owned and controlled which make monthly returns to the Inter-State Commerce Commission, the showing is the same, there being \$1,126,529 loss in net notwithstanding \$2,789,044 gain in gross. Last year there was no less than \$7,887,586 improvement in gross and \$5,227,129 improvement in net, showing what remarkably good earnings we are comparing with.

The New York Central this time falls \$972,816 behind in net in face of \$1,102,478 enlargement of the gross. This is for the Central itself. Including the various auxiliary and controlled roads, the whole going to form the New York Central System, the result is a loss of \$1,079,600 in net in face of a gain of \$2,833,083 in gross. Last year in January the New York Central System recorded \$6,216,051 increase in gross and \$4,694,001 increase in net. The Erie this time reports a contraction of \$109,496 in gross and a loss of no less than \$898,291 in net. The Union Pacific, while having added \$1,079,573 to gross, reports a small shrinkage in the net, \$24,997. The Boston & Maine, notwithstanding \$312,317 gain in gross, loses \$150,667 in net. The "Soo" road loses in both gross and net—\$133,904 in the former and \$165,020 in the latter.

Generally speaking, however, the separate roads are able to show improvement, and in not a few cases the improvement is very striking, as witness the return of the Atchison, with \$2,987,763 gain in gross and \$1,864,715 gain in net, and the Southern Pacific with \$4,404,664 increase in gross and \$2,632,720 increase in net. In the following we show all changes for the separate roads for amounts in excess of \$100,000, whether increases or decreases, and in both gross and net.

**PRINCIPAL CHANGES IN GROSS EARNINGS IN JANUARY.**

<i>Increases.</i>		<i>Increases.</i>	
Southern Pacific.....	\$4,404,664	Chicago & Alton.....	\$258,632
Atch Topoka & Santa Fe.....	2,987,763	Delaware Lack & West.....	211,360
Pennsylvania.....	2,057,853	Chicago & East Illinois.....	207,963
Chicago Burl & Quincy.....	1,626,848	Mobile & Ohio.....	206,134
Missouri Pacific.....	1,364,407	New Ork Texas & Mexico.....	190,727
Baltimore & Ohio.....	1,328,069	Chicago Ind & Louisv.....	183,941
Chic R I & Pac Lines.....	1,248,011	Central of Georgia.....	174,251
Chicago & North West.....	1,179,769	Hocking Valley.....	173,855
Illinois Central.....	1,133,727	Internal & Great No.....	169,040
New York Central.....	91,103,478	Spokane Portl & Seattle.....	165,945
Southern Railway.....	1,083,800	Lake Erie & Western.....	161,684
Union Pacific.....	1,079,573	Virginian.....	156,980
St Louis—San Francisco.....	989,889	Chesapeake & Ohio.....	155,751
Great Northern.....	979,568	Cinc New Ork & Tex Pac.....	153,274
Missouri Kansas & Texas.....	957,730	Nashv Chatt & St Louis.....	149,975
Louisville & Nashville.....	915,096	Western Pacific.....	148,123
Northern Pacific.....	832,773	Florida East Coast.....	138,891
Michigan Central.....	788,881	Western Maryland.....	138,414
N Y New Haven & Hartf.....	708,456	Elgin Joliet & Eastern.....	134,282
Chicago Mlv & St Paul.....	706,076	Lough Valley.....	125,163
Atlantic Coast Line.....	635,435	Los Angeles & Salt Lake.....	124,836
Cleve Cine Cbio & St L.....	518,608	Maine Central.....	124,224
Denver & Rio Grande.....	479,207	Cinc Hamilton & Dayton.....	116,113
Seaboard Air Line.....	424,366	Chicago Great Western.....	106,348
Norfolk & Western.....	423,795		
St Louis South West.....	417,362	Representing 58 roads	
El Paso South Western.....	410,535	in our compilation.....	\$36,999,721
Phila Balt & Washington.....	392,373		
Philadelphia & Reading.....	392,156		
Colorado & Southern.....	352,639	<i>Decreases.</i>	
Boston & Maine.....	342,317	Minneapolis St Paul & S S M.....	\$133,904
Yazoo & Miss Valley.....	306,758	Erie.....	109,496
Texas & Pacific.....	298,007		
Kansas City Southern.....	294,513	Representing 2 roads	
		in our compilation.....	\$243,400

*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., together with the Pennsylvania Company, and the Pittsburgh Cincinnati Chicago & St. Louis, the Pennsylvania RR. reporting \$1,326,185 increase, the Pennsylvania Company \$101,735 gain and the P. C. C. & St. L. \$539,933 gain. Including all lines owned and controlled which make monthly returns to the Inter-State Commerce Commission, the result is a gain of \$2,789,044.

*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 gain of \$2,833,083.

**PRINCIPAL CHANGES IN NET EARNINGS IN JANUARY.**

<i>Increases.</i>		<i>Increases.</i>	
Southern Pacific.....	\$2,632,720	Chicago & Alton.....	\$113,754
Atch Topoka & Santa Fe.....	1,864,715	Yazoo & Miss Valley.....	109,570
Missouri Pacific.....	844,566		
Chicago Burl & Quincy.....	727,561	Representing 28 roads	
Baltimore & Ohio.....	597,141	in our compilation.....	\$12,023,646
Southern Railway.....	505,454		
Illinois Central.....	463,898	<i>Decreases.</i>	
Missouri Kansas & Texas.....	448,483	Pennsylvania.....	\$1,289,015
St Louis—San Francisco.....	384,888	New York Central.....	6972,816
Louisville & Nashville.....	379,628	Erie.....	898,291
Chicago & North West.....	373,516	Delaware & Hudson.....	358,604
Atlantic Coast Line.....	365,605	Lough Valley.....	347,200
Chic R I & Pacific Lines.....	344,913	Pittsburgh & Lake Erie.....	292,314
N Y New Haven & Hartf.....	340,584	Philadelphia & Reading.....	216,818
Colorado & Southern.....	296,660	Pere Marquette.....	209,275
El Paso Southwestern.....	288,925	Central of New Jersey.....	197,846
St Louis Southwestern.....	282,415	Wabash.....	168,262
Northern Pacific.....	248,162	Minneapolis St Paul & S S M.....	165,020
Norfolk & Western.....	219,030	Boston & Maine.....	150,667
Kansas City Southern.....	188,606	Delaware Lack & West.....	131,082
Denver & Rio Grande.....	183,711	Bessemer & Lake Erie.....	120,998
New Ork Texas & Mexico.....	171,376	Grand Trunk Western.....	113,533
Spokane Portl & Seattle.....	142,149	Elgin Joliet & Eastern.....	103,196
Chicago Mlv & St Paul.....	139,274		
Texas & Pacific.....	136,275	Representing 16 roads	
Seaboard Air Line.....	129,567	in our compilation.....	\$5,735,127

*a* This is the result for the Pennsylvania RR., together with the Pennsylvania Company, and the Pittsburgh Cincinnati Chicago & St. Louis, the Pennsylvania RR. reporting \$286,138 decrease, the Pennsylvania Company \$790,411 loss and the P. C. C. & St. L. \$212,466 loss. Including all lines owned and controlled which make monthly returns to the Inter-State Commerce Commission, the result is a loss of \$1,126,529.

*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 \$1,079,600.

When the roads are arranged in groups or geographical divisions, in our customary manner, every division registers an increase in gross, but two of the divisions show losses in the net, namely the Eastern and Middle group and the Middle Western group. Our summary by groups is as follows:

Section or Group.	Gross Earnings				Inc.(+) or Dec.(—). %
	1917.	1916.	1917.	1916.	
January.....					
Group I (18 roads) New England.....	14,083,502	12,780,792	+1,302,710	10.19	
Group 2 (31 roads) East & Middle.....	81,105,632	75,816,095	+5,289,537	6.98	
Group 3 (60 roads) Middle West.....	36,619,422	33,245,308	+3,374,116	10.16	
Groups 4 & 5 (92 roads) Southern.....	42,033,423	36,084,351	+5,949,072	16.49	
Groups 6 & 7 (74 roads) Northwest.....	64,044,784	55,805,523	+8,239,261	14.76	
Groups 8 & 9 (94 roads) Southwest.....	51,106,540	39,927,854	+11,478,686	28.96	
Group 10 (48 roads) Pacific Coast.....	18,907,771	13,755,368	+5,212,403	37.90	
Total (467 roads).....	307,961,074	267,115,289	+40,845,785	15.29	
	<i>Mileage</i>		<i>Net Earnings</i>		
	1917.	1916.	1917.	1916.	Inc.(+) or Dec.(—).%
Group No. 1.....	7,832	7,831	3,658,562	3,520,471	+138,091 3.92
Group No. 2.....	29,322	29,335	19,866,633	22,695,155	-2,828,522 12.46
Group No. 3.....	23,432	23,437	7,635,833	9,697,232	-2,063,399 21.28
Groups Nos. 4 & 5.....	42,007	41,893	14,850,015	12,229,136	+2,620,879 21.43
Groups Nos. 6 & 7.....	68,310	68,954	19,121,575	17,632,524	+1,489,051 8.45
Groups Nos. 8 & 9.....	58,220	58,044	16,235,160	9,779,821	+6,455,339 66.01
Group No. 10.....	18,994	18,763	6,383,126	3,515,304	+2,867,822 81.68
Total.....	248,477	247,327	87,748,904	79,099,573	+8,649,331 10.98

*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.

**RAILROAD GROSS EARNINGS FOR FEBRUARY.**

Our preliminary statement of railroad gross earnings for the month of February registers only a moderate increase for the roads as a whole as compared with the same month last year, and some of the separate roads show substantial decreases. It is not strange that this should be so. In the first place we are now comparing with very heavy totals of earnings in the year preceding; in the second place, the month this year contained one less day than last year, this latter having been leap year, when February had 29 days; in the third place, the grain movement in the West underwent large contraction, the late season's crops having been short, and floating supplies having been reduced to small proportions, owing to the great export demand which for so many months back has been a continuous feature; finally, the freight congestion and car shortage, which reached such pronounced proportions during February, nearly all over the country, in part as a result of Germany's



new submarine policy, interfered very seriously with traffic movements and reduced the volume of business transported in many different directions.

Our table shows an increase for the month of only \$1,431,520, or 2.32%, while fourteen out of the forty roads contributing returns have suffered decreases. The gain last year, however, was very large, and bearing in mind the loss of a day this year, the statement cannot be regarded as very unsatisfactory. Our early statement for February 1916 recorded a gain of no less than \$10,999,465, or 19.88%—roughly 20%. It is true, however, that then comparison was with poor returns in both 1915 and 1914. In February 1915 our early statement showed a loss of \$3,230,377, or 5.37%. In February 1914 there was likewise a decrease, the amount being \$6,465,140, or 9.61%. As it happens, too, in the year preceding (1913), though there was then a gain, it was not of unusual extent—that is, our preliminary statement for February 1913 registered a gain of no more than \$3,440,529, or 5.56%. In 1912, however, the gain was of larger proportions, the reason being that it was leapyear, and February then, as in 1916, contained an extra day. Our early then statement for February 1912 showed \$6,221,900 increase in gross, or 11.32%. The year before (1911) the total registered only a slight increase, but prior to 1911 the returns were quite satisfactory as a rule, though in 1908 there was a falling off because of the business depression which followed the panic of 1907, and there were also losses in a few other years arising generally out of bad weather conditions. In the following we furnish a summary of our early February totals for each year back to 1897:

Table with columns for February, Mileage (Year Given, Yr. Preceding, Increase or Decrease), Gross Earnings (Year Given, Year Preceding), and Increase (+) or Decrease (-) in \$ and %.

Note.—We do not include the Mexican roads in any of the years.

As far as the losses by the separate roads this time are concerned, they come mainly from Western grain-carrying roads, though there are two or three others in the list where the freight congestion probably interfered seriously with the movement of tonnage. The Minneapolis St. Paul & Saulte Ste. Marie falls behind last year in the sum of \$371,893; the Minneapolis & St. Louis in amount of \$205,967; the Chicago Great Western by \$189,089, and the Pere Marquette by \$240,323. Then there are two coal-carrying

roads, the Chesapeake & Ohio, with \$245,501 decrease, and the Buffalo Rochester & Pittsburgh, with \$88,953 decrease, besides the Grand Trunk Railway of Canada, which has fallen behind \$179,709. On the other hand, the Great Northern has \$543,799 gain, and all the Southern and Southwestern roads give a good account of themselves. In the following we show all changes for the separate roads for amounts in excess of \$30,000, whether increases or decreases.

PRINCIPAL CHANGES IN GROSS EARNINGS IN FEBRUARY.

Table showing principal changes in gross earnings for various roads, categorized by increases and decreases.

Representing 13 roads in our compilation... \$2,809,340. Representing 10 roads in our compilation... \$1,521,435

The shrinkage in the Western grain movement was of large proportions. At the Western primary markets the receipts of wheat for the four weeks ending Feb. 24 this year were only 18,475,000 bushels, against 31,834,000 bushels in the same four weeks of last year; of corn only 20,752,000 bushels, against 32,416,000; of oats, 13,940,000 bushels, against 22,294,000; of barley, 3,799,000, against 8,075,000, and of rye, but 689,000 bushels, against 1,175,000. For the five cereals combined, the receipts for the four weeks this year were no more than 57,655,000 bushels, as against 95,794,000 bushels in the four weeks of 1916. The details of the Western grain movement in our usual form are set out in the following:

WESTERN FLOUR AND GRAIN RECEIPTS.

Table showing Western Flour and Grain Receipts for four weeks ending Feb. 24, 1917 and 1916, categorized by flour, wheat, corn, oats, and barley.

Total of All—

Summary table showing total receipts for 1917 and 1916.

The cotton movement in the South, too, was of small proportion, there having been a further reduction this year after a very large shrinkage last year. In other words, at the Southern outports the receipts for the month of February 1917 were no more than 302,064 bales, as against 573,144 bales in February 1916 and 1,447,471 bales in February 1915. The shipments overland were 146,638 bales in the month this year, against 249,397 bales in February 1916 and 239,274 bales in February 1914.

RECEIPTS OF COTTON AT SOUTHERN PORTS IN FEBRUARY AND FROM JANUARY 1 TO FEBRUARY 23-29 1917, 1916 AND 1915.

Table showing receipts of cotton at southern ports for February and from January 1 to February 23-29 for the years 1917, 1916, and 1915.



\$5,000. The interest on the fully registered bonds will be paid by cheque, which will be remitted by post. Interest on bonds with coupons will be paid on surrender of coupons. Both cheques and coupons, at the option of the holder, will be payable free of exchange at any branch in Canada of any chartered bank, or at the Agency of the Bank of Montreal, New York City. Subject to the payment of 25 cents for each new bond issued, holders of fully registered bonds without coupons will have the right to convert into bonds of the denomination of \$1,000 with coupons, and holders of bonds with coupons will have the right to convert into fully registered bonds of authorized denominations without coupons at any time on application to the Minister of Finance. The books of the loan will be kept at the Department of Finance, Ottawa, and application will be made in due course for the listing of the issue on the Montreal and Toronto Stock Exchanges.

Recognized bond and stock brokers having offices and carrying on business in Canada will be allowed a commission of  $\frac{3}{8}$  of 1% on allotments made in respect of applications bearing their stamp, provided, however, that no commission will be allowed in respect of the amount of any allotment paid for by the surrender of bonds issued under the War Loan prospectus of Nov. 22 1915, or in respect of the amount of any allotment paid for by surrender of 5% debenture stock maturing Oct. 1 1919. No commission will be allowed in respect of applications on forms which have not been printed by the King's Printer. Forms of application may be obtained from any branch in Canada of any chartered bank and at the office of any Assistant Receiver General in Canada. This loan is authorized under Act of the Parliament of Canada, and both principal and interest, which will be payable in gold in New York and Canada, will be a charge upon the Consolidated Revenue Fund.

The two previous domestic war loans (\$100,000,000 10-year bonds put out in November 1915 at 97 $\frac{1}{2}$ , yielding about 5.42% and \$100,000,000 15-year bonds in September 1916 at 97 $\frac{1}{2}$ , netting 5.30%), were both heavily subscribed. The particulars of the 1915 loan were published in our issues of Nov. 27 1915 (page 1825) and Dec. 11 1915 (page 1994), and of the 1916 loan in our issue of Sept. 16 1916 (page 981).

**GOVERNMENT OF THE FRENCH REPUBLIC LOAN OF \$100,000,000.**

It is understood that the Government of the French Republic proposes to offer for public subscription in this country very shortly, \$100,000,000 2-year notes. The loan is to be secured with a deposit here of collateral having a market value of \$120,000,000, consisting of about \$20,000,000 of American dividend paying securities and of high grade miscellaneous foreign securities, including a variety of neutral issues owned by France. In case the securities depreciate in value because of the change in market price or in the rate of exchange so that the 20% margin shall become impaired by the French Government agrees to deposit additional securities.

It is expected that the loan, which will be dated April 1 1917, will bear 5 or 5 $\frac{1}{2}$ % interest and will be offered to the public on a basis to yield between 6 and 6 $\frac{1}{2}$ %.

The holders of the notes will have an option, it is said, to exchange them into 20-year 5 $\frac{1}{8}$ % French bonds, which will give to those who wish it, in lieu of cash, a security which would profit by whatever appreciation might occur in French credit during the life of these 20-year bonds. Another provision designed to give the holders possible benefits in addition to the interest yield on the notes themselves is contained in a clause which provides that the notes shall be paid in dollars, or in francs, at the rate of 5 $\frac{3}{4}$  francs to each dollar. The choice of the form of payment will lie with the holder of the note.

In July last the French Government obtained a loan in this country of \$100,000,000 through the American Foreign Securities Co., organized especially for this purpose with a capital of \$10,000,000. In order to meet the major part of the \$100,000,000 loan, the company made a public offering of its secured notes amounting to \$94,500,000, bearing 5% interest and maturing Aug. 1 1919. The notes were offered to the public at 98 and interest, yielding about 5.735%, and were all disposed of two days after the subscription books were opened. A detailed list of the collateral pledged by the French Government as security for the loan was given in our issue of Sept. 23, 1916, page 1080.

French banks, in co-operation with the Government, have, as already reported by us in these columns, arranged a number of credits in this country for commercial purposes. Three of these, totaling \$45,000,000, were brought out here through William P. Bonbright & Co., Inc., and two others, aggregating \$45,000,000, through Brown Brothers & Co. Arrangements were completed in October last for an industrial credit of \$50,000,000 through the Bankers' Trust Co. and William P. Bonbright & Co., Inc.

**BRITISH GOVERNMENT LOAN SYNDICATE CLOSED.**

The syndicate which handled the \$250,000,000 5 $\frac{1}{2}$ % 1 and 2-year secured convertible gold notes of the United Kingdom of Great Britain and Ireland and for which subscription books were closed on Jan. 29, has been closed and checks for the syndicate profits mailed to the members. The profits on each participation of \$100,000 was \$1,340, or approximately 1 $\frac{3}{8}$ %. The leading members of the syndicate were: J. P. Morgan & Co.; the First National Bank; the National City Co.; Harris, Forbes & Co.; Brown Brothers & Co.; Wm. A. Read & Co.; J. & W. Seligman & Co.; Kidder, Peabody & Co.; Lee, Higginson & Co.; Lazard Freres; Kissel, Kinnicutt & Co.; White, Weld & Co.; the Guaranty Trust Co.; the Bankers Trust Co.; the Farmers' Loan & Trust Co.; the Central Trust Co. of Illinois, Chicago; the Union Trust Co., Pittsburg; the Continental Commercial Trust & Savings Bank, Chicago; the Marine National Bank, Buffalo; and the First & Old Detroit National Bank, Detroit.

Particulars of the \$250,000,000 loan were given in our issue of Jan. 20 (pages 207 and 208) and the list of securities serving as collateral for the loan was published by us on Feb. 17 (pages 610 to 612, inclusive).

**SUBSCRIPTIONS TO NEW SWISS LOAN—OTHER ISSUES DURING WAR.**

The sixth Swiss mobilization loan, subscriptions to which closed on Jan. 31, has met with marked success, according to semi-official advices made public at London under date of Feb. 18. These advices say:

The sum asked for was 100,000,000 francs nominal, the issue price being 99 and the interest 4 $\frac{1}{2}$ %. The sum applied for is over 161,000,000 francs, which is considerably more than in the case of the two preceding loans, also of 100,000,000 francs each. Of this amount, 139,154,600 francs is new money and 22,174,100 francs is stock (offered for conversion) of the first mobilization loan, issued toward the end of 1914, of 30,000,000 francs nominal, bearing interest at 5%. The total number of subscribers is 25,968.

As the population of Switzerland is slightly less than four millions, it would seem that about one inhabitant in every 150, taking all ages together, is a subscriber—a result which, even allowing for the subscriptions from foreigners within or outside the country, of which the latter class probably are not very many, is testimony to Swiss patriotism and thrift, and, combined with the unexpectedly large product of the war levy on property and earned income, to Swiss financial strength.

Subscribers of less than 1,000 francs are to receive allotments in full; those of larger sums, 54.2% of their applications. The following table, taken from the "Gazette de Lausanne," gives the results of the six "mobilization loans" issued in Switzerland since the outbreak of the war:

	Nominal amount in million francs.	Issue price.	Total of applications in millions francs.
No. 1.....	30	99	41.8
No. 2.....	50	100	179
No. 3.....	100	96 $\frac{1}{2}$	190
No. 4.....	100	97	125
No. 5.....	100	97	127
No. 6.....	100	96	161

**SECURITIES REQUISITIONED BY GREAT BRITAIN UNDER DEFENSE OF REALM REGULATIONS.**

The first list of securities requisitioned by the British Treasury under the Defense of the Realm Regulations issued in January governing foreign colonial and Indian securities (and published in our issue of March 3, page 807), consists of United States and Canadian issues. The London "Financial News" of Feb. 19, just received from abroad, in printing the list and the notice with regard thereto, said:

All securities specified in the list which are held in this country (England) or held abroad by persons resident in this country must (subject to the exceptions contained in the Regulations of the Order) be delivered to the American Dollar Securities Committee, 19 Old Jewry, E. C., not later than March 17 1917. In cases in which it is more convenient to holders to make delivery in New York, special arrangements for delivery there will be made upon application to the American Dollar Securities Committee.

The Order does not apply to securities deposited with the Treasury under Schemes A and B before Jan. 27 1917. The schedule of the Order shows the rates at which compensation will be calculated for the securities requisitioned. These rates are based on the sterling equivalent at the Exchange of the day of the New York quotations of the respective securities on Friday the 16th inst., with an addition of three weeks' interest over and above that already accrued. The compensation will be paid within seven days after the delivery of the securities, and will be of the same amount, whatever may be the date of delivery.

Private owners of securities should arrange wherever possible to make delivery through a banker or member of the Stock Exchange, to whom commission will be paid by the Treasury.

The notice, as reprinted in the "Financial News" from the London "Gazette," follows:

*Treasury Chambers, February 17 1917.*  
**Defense of the Realm Regulations.**  
*Treasury Securities Order (No. 1).*

Whereas, the Treasury have power, under Regulations 7c, 7d and 7e of the Defense of the Realm Regulations (inserted in those regulations by an Order in Council dated Jan. 24 1917) to apply Regulation 7c to certain securities, and to take possession or require delivery of the securities to which the regulation is for the time being applicable, subject to and in accordance with the provisions of the regulation; and

Whereas, the Treasury are of opinion that for the purpose of strengthening the financial position of the country it is expedient that Regulation 7c should be applied to the securities specified in the schedule to this Order;

Now, therefore, in pursuance of their powers under the said regulations, and of all other powers enabling them in that behalf, the Treasury hereby order as follows:

1. Regulation 7c is hereby applied to the securities specified in the first schedule to this Order.

2. (1) Any such securities shall be transferred to the Treasury on or before March 17 1917, and for that purpose—

(a) Any person having possession of any such securities which pass by delivery shall on or before that date deliver the securities to the American Dollar Securities Committee at the National Debt Office, 19 Old Jewry, London, E. C.; and

(b) Any person who is registered as the owner of any such securities which are transferable by deed shall on or before that date lodge the necessary blank transfer with the Committee; and

(c) Any person who is the owner of any such securities which are transferable otherwise than by deed shall, on or before that date, do all things necessary for transferring the securities into the name of the Committee or any person nominated by them for that purpose.

Any such person (in this Order referred to as the transferor) shall also deliver to the Treasury any documents of title relating to the securities which may be in his possession or at his disposal.

(2) Any owner of any securities mentioned in the First Schedule to this Order, and any person who has power to dispose of or sell any such securities, or has the custody of any such securities, or receives on his own behalf or on behalf of any other person the dividends or income of any such securities, or has any interest in any such securities, shall (if he is not the transferor) on or before March 17 1917 give to the American Dollar Securities Committee full particulars of the securities and of his position in relation thereto, delivering at the same time to the Committee any documents of title relating to the securities which may be in his possession or at his disposal, and comply with any directions given to him by the committee for completing the transfer of the securities.

(3) The American Dollar Securities Committee may, if they think fit, on the application of the owner of any securities which are not for the time being in the United Kingdom, arrange for the transfer of the securities to Messrs. J. P. Morgan & Co. at their New York office, and the transfer in accordance with this Order of the securities to Messrs. J. P. Morgan & Co. at their New York office will, in such a case, for the purposes of this Order, be treated by the Treasury as the transfer of the securities to the Treasury.

3. (1) Subject to the provisions of this Order the Treasury will, within seven days after any securities are transferred under this Order, pay compensation through the American Dollar Securities Committee for the securities at the rate mentioned in the second column of the first schedule to this Order.

(2) The compensation money shall be paid to the transferor of the securities (whose receipt shall be a sufficient discharge), and the compensation money shall be subject to the same trusts, charges, liens, rights and equities (if any) as the securities in respect of which it is paid.

(3) The transfer of securities under this Order to the Treasury includes the transfer of the right to receive all dividends or interest payable or paid on or after Feb. 17 1917 (except where the rate of compensation is stated in the schedule to this Order to be ex- any particular dividend or interest), and any coupons representing any such interest or dividends and all coupons for future interest or dividends shall be surrendered on the transfer of the securities, and if any coupons are not so surrendered the Treasury will deduct the amount of the coupons from the compensation money.

(4) Where securities transferred under this Order are held either on loan or contango, and the loan or contango is carried over under the scheme for providing Government assistance in dealing with account to account loans on the Stock Exchange, special arrangements will be made by the Treasury for postponing the payment of compensation until the securities cease to be subject to the scheme, and for the determination of the compensation as at the time when it becomes payable, and for payments to be made in the meantime in respect of the income of the securities.

(5) Where securities are not transferred to the Treasury within the required time, the Treasury will not be bound to give the compensation for which provision is made under this Order, but may give such compensation as they think just in the circumstances; provided, that any reduction of the compensation under this provision shall not prejudice the recovery of any penalty which may have been incurred.

The Treasury may also in such a case where all persons responsible for the transfer of the securities have, with proper diligence and expedition, done all that was in their power to procure the transfer of the securities, if they think fit, add to the compensation any sums which they think just as representing any loss of interest on the compensation money due to the postponed payment thereof.

4. (1) Securities are excepted from the operation of this Order if it is proved to the satisfaction of the Treasury—

(a) That the securities come within the proviso to sub-section (1) of Regulation 7c, as set out in the second schedule to this Order; or

(b) That the securities have, on or before Jan. 26 1917, been tendered for deposit with the Treasury under any scheme for placing securities at the disposal of the Treasury in connection with the regulation of foreign exchanges; or

(c) That the securities are securities in respect of the income from which a person is entitled to relief from the additional tax imposed by section 27 of the Finance Act, 1916, by virtue of paragraphs (e), (f) or (g) of sub-section (3) of that section as set out in the second schedule to this Order.

(2) Where the transferor of any securities claims that the securities are, by virtue of this provision, excepted from the operation of this Order, he shall, on or before March 10 1917, give notice to the American Dollar Securities Committee, stating particulars of the grounds on which his claim is based; and if on adjudication his claim is not sustained this Order shall take effect as respects those securities as if the seventh day after the date of adjudication (if that day is later than March 17) were substituted for March 17 1917.

5. The owner of any securities to which Regulation 7c of the Defense of the Realm Regulations is for the time being applicable (including any person who has power to dispose of or sell the securities, or has the custody of, or receives on his own behalf, or on behalf of any other person, the dividends

or income from, the securities), and any person who has any interest in any such securities or is the registrar of any such securities, is under that regulation bound to take all steps and do anything which is necessary or is directed by the Treasury for the purpose of or in connection with the delivery or transfer of those securities to the Treasury; and if he acts in contravention of, or fails to comply with, that provision, he is guilty of a summary offense against those regulations.

6. The Treasury reserves to itself power to decline the transfer of any securities of which they have power to take possession in pursuance of this Order, and in that case no person shall be subject to a penalty for not complying with the provisions of this Order as to the transfer of the securities.

7. This Order may be cited as the Treasury (Securities) Order 1917, No. 1 Given under our hands this 17th day of February 1917.

A. BONAR LAW,  
STANLEY BALDWIN,

*Two of the Lords Commissioners of His Majesty's Treasury.*

The list of securities requisitioned is as follows:

**First Schedule.**

*Securities to which Regulation 7c is Applied, Whether the Securities Are Actually in the United Kingdom or Not.*

Security.	Amount of compensation payable (in the case of bearer bonds) for each \$500 of the nominal amount of the security:
Allegheny Valley Ry. (Penna. R.R.) Gen. M. 4%, 1942	102 ex March coup
American Telephone & Telegraph Coll. Trust 4%, 1929	96 3/4
do Conv. 4%, 1936	103 1/2 ex March coup
do Conv. 4 1/2%, 1933	103 1/2 ex March coup
Atchafalaya & Santa Fe Gen. M. 4%, 1995	100
do Adjustment M. 4%, 1995	90
do Conv. 4%, 1955	108
do Conv. 4%, 1960	108
Baltimore & Ohio Prior Lien M. 3 1/2%, 1925	97 1/2
do First M. 4%, 1948	98 1/2
do South Western Division 1st M. 3 1/2%, 1925	96 3/4
do Conv. 4 1/2%, 1933	98 3/4 ex March coup
do Pittsburgh Lake Erie & West Va. Refund. 4%, 1941	91 1/2
Canadian Pacific Ry. special inv. fd. 6% note cts. 1924 107 ex March coup	94 1/2
Central Pacific First Refund. M. 4%, 1949	94 1/2
Central of New Jersey Gen. M. 5%, 1987	124 1/2
Chesapeake & Ohio First Cons. M. 5%, 1939	113 1/2
do Gen. M. 4 1/2%, 1992	93 1/2 ex March coup
do Conv. 4 1/2%, 1930	86 1/2
Chicago Milwaukee & St. Paul Gen. M. 4%, 1989	96 3/4
do Debenture 4%, 1934	96 3/4
do Conv. 4 1/2%, 1932	103 3/4
Chicago St. Louis & New Orleans Cons. M. 5%, 1951	114 3/4
Erlo RR. First Cons. M. Prior Lien 4%, 1996	85 1/2
do First Cons. M. Gen. Lien 4%, 1996	7 1/2
General Electric (of N. Y.) Deb. non-conv. 5%, 1952 110 1/2 ex March coup	94 1/2
Illinois Central 4%, 1952	92 1/2
do Conv. 4%, 1953	92 1/2
Kansas City Terminal First M. 4%, 1960	91 1/2
Lake Shore & Michigan Southern Deb. 4%, 1928	90 1/2 ex March coup
do Debenture 4%, 1931	100
Long Island RR. Refund. 4%, 1949	91 1/2 ex March coup
Louisville & Nashville Unif. M. 4%, 1940	98 3/4
Minneapolis St. Paul & Sault Ste. Marie 1st Cons. M. 4%, 1938	98 3/4
Minneapolis Sault Ste. Marie & Atlantic 1st M. 4%, 1926	102 3/4
New York Central & Hudson River 1st M. 3 1/2%, 1997	86 1/2
do Debenture 4%, 1934	86 1/2
New York Telephone 1st & Gen. M. 4 1/2%, 1939	104 1/2 (101 3/4)
Northern Pacific Prior Lien Ry. & Land Grant M. 4%, 1997	99 1/2
do General Lien Ry. & Land Grant M. 3%, 2047	69 1/2
Northern Pacific-Great Northern Joint C. B. & Q. Coll. Tr. 4%, 1921	103 1/2
Oregon Short Line Refund. M. 4%, 1929	99 1/2
Oregon-Washington RR. & Nav. 1st & Ref. M. 4%, 1961	89 1/2 (86 1/2)
Pennsylvania Co. First M. 4 1/2%, 1921	107 1/2
Reading Co. Gen. M. 4%, 1997	99 3/4
Southern Ry. First Cons. M. 5%, 1994	106 3/4
Southern Pacific Co. Central Pacific Stock Coll. Tr. 4%, 1949	88 3/4
do Conv. 4%, 1929	80 1/2 ex March coup
do Conv. 5%, 1934	106 1/2
Southern Pacific RR. First Refund. 4%, 1955	97 1/2
U. S. Steel Corp. Sec. M. sink. fund. coll. trust 5%, 1963	112 1/2
Union Pacific RR. & Land Grant First M. 4%, 1947	101 1/2
do 1st Lien & Ref. 4%, 2008-95 1/2 ex March coup (92 1/2) ex March coup	97 1/2
do Conv. 4%, 1927	97 1/2

\* Compensation payable for each £100 of the nominal amount of the sterling security. The compensation for registered bonds, which can be converted into bearer bonds, will be at rates five shillings below the respective rates specified in the schedule, and the compensation for registered bonds which cannot be converted into bearer bonds will be at rates £1 below the respective rates specified in the schedule.

**Second Schedule.**

*Provisions under which Securities May be Excepted.*

1. Proviso to sub-section (1) of Regulation 7c. Provided that no such order shall apply to any securities as to which the Treasury are satisfied that on Jan. 24 1917 they were beneficially owned by a person not ordinarily resident in the United Kingdom and that they remain so owned.

2. Paragraphs (e), (f) and (g) of sub-section (3) of section 27 of the Finance Act, 1916.

27. (3) A person shall be entitled to relief from the additional duty imposed by this section—  
(e) In respect of income derived from any such securities held in any country outside the United Kingdom, by persons who are not domiciled in the United Kingdom, or by trustees who are prevented by the laws of such other country or by the terms of their trust from placing the securities at the disposal of the Treasury, and are not entitled to the benefit of any indemnity conferred by Act of Parliament in respect of the contravention of those terms, if the securities were so held before May 29 1916; or where such securities are under the jurisdiction of a court in such other country, and it would be contrary to the laws of such other country to place such securities at the disposal of the Treasury; and

(f) In respect of income derived from any such securities which are deposited with persons outside the United Kingdom as a security for a loan from those persons, or have otherwise been made security for a loan from persons outside the United Kingdom if they were so deposited or made security before May 29 1916 or after that date with the approval of the Treasury, and if the Treasury are satisfied that the securities cannot be released without impairing the security for the loan; and

(g) In respect of income derived from any such securities which are proved to the Special Commissioners to be held by any company or persons concerned in the trade or business in any country outside the United Kingdom as a condition (imposed in that country) of carrying on that trade or business.

**CONFERENCE OF CLEARING HOUSE EXAMINERS AND MANAGERS IN ST. LOUIS.**

The first annual mid-winter conference of Clearing House Examiners and Managers, held at St. Louis, March 6th and 7th 1917, we learn, was the largest and most important gathering of its character ever held in America. It was attended by men familiar not only with the details of the operations of the Clearing House, but who are also familiar with the underlying principles and general practices in banking as well. The work of the conference was subdivided into four sessions: The first session was devoted to the

City Department; the second to the Country Department; the third to the Credit Department, and the fourth to the Examination Department. A. C. White, Manager of the St. Louis Clearing House Association, prepared, in advance of the meeting, an exhibit made up of the forms used in the different departments of the clearing houses throughout the country. These forms and their use were explained by the Examiners and Managers in detail, and every phase of the clearing house work was thoroughly discussed, in fact, the meeting developed into a real old-fashioned "experience meeting." Every Examiner and Manager present acquired information and ideas which would enable him to return to his office and immediately inaugurate changes and improvements that will effect savings, and increase the efficiency of his organization. One Manager-Examiner stated he did not want to attend the meeting, but his Clearing House Committee insisted upon his attending, and he had learned more during the two days conference than he would have learned at home in a period of two years, and in the future it would be necessary to tie ball and chain to him in order to keep him away from such meetings.

It was decided to hold the next conference on the first day of the annual convention of the American Bankers' Association, and to have two separate sessions, one for the Managers and the other for the Examiners. A Committee was appointed with authority to arrange the program and plan of procedure. The members of the Committee are: Messrs. Meyer of Chicago, Chairman; Wunderlich of Oklahoma City; Hanna of New York; Dan, of Buffalo; Wilson of Los Angeles. Committee on Resolutions and Recommendations: Messrs. Watson of Kansas City, Chairman; Coates of Cleveland; Locke of Detroit; Pearsall of Des Moines; Meyer of Chicago. Committee on Publicity: Messrs. Thralls of New York, Chairman; Locke of Detroit, and White of St. Louis. The conference rounded up its work by formulating recommendations for the consideration of the Executive Committee of the Clearing House Section, and for such further action as that body may deem advisable. The recommendations, we are informed by Jerome Thralls, Secretary of the Clearing House Association of the American Bankers' Association, are:

1. The institution of the Clearing House Examination feature in every community where a sufficient number of banks to engage the entire time of an Examiner are located within a reasonable radius. This, because such examinations are a great benefit not only to the banks and business interests, but to the general public. They reduce losses, uncover duplications of lines of credit, and reveal "kiting" borrowers; raise the standard of credits of the community, induce greater care in the granting of credit and encourage better methods, systems and practices among banks. This is evidenced in a measure by the fact that no depositor has ever lost a dollar because of the failure of any bank under Clearing House Examiner supervision.

2. The establishment of a Country Clearing House in every city where there is available for concentration in such a department a volume of out-of-town cash items aggregating \$1,000,000 or more per month. The eleven country clearing houses in operation showed an increase of 100% in the volume of items handled during the year 1916, and a thorough investigation reveals the country clearing house to be the most efficient, economical, and practical machinery for collecting out-of-town cash items. It reduces the time, labor, and expense involved, and the plan fits into the present banking scheme without friction.

3. The encouragement of the use of the "No Protest Symbol Plan," and insistence that all banks using this plan adopt the \$20 minimum. Banks using other minimums should be called upon to discontinue the use of the plan, because confusion results in their using it in this form, and the action of using it is illegal—the plan being copyrighted and the minimum amount being a part thereof.

4. The standardization of credit forms. The banks of Cleveland, Ohio, have greatly improved the credits of that community through the use of standard forms, and by conducting a comprehensive credit department in the clearing house. The Federal Reserve banks have done valuable work in encouraging the use of uniform statements by borrowers in their respective districts, and this work should be closely followed up by the various clearing houses.

5. The inauguration of a plan for exchanging "go-backs" or "return items" at the clearing houses. This plan saves much trouble, time, labor and annoyance, and its installation entails practically no expense. It was evolved in St. Louis, and is being used successfully in Detroit, Louisville and Oklahoma City.

6. The consideration by the Clearing House Section of the adoption of a national emblem for the use of clearing house banks in the form of a trademark or sign along the lines of that adopted by the Chicago Clearing House Association, and which was reproduced in the February "Journal Bulletin" of the American Bankers' Association. The installation of the emblem to be accompanied by a campaign of publicity, to inform the general public of the real objects and purposes of clearing houses.

7. The working out of a plan of uniting the Country Clearing Houses in a national organization, thereby affording the machinery for the collection of cash items on every section of the country.

8. Arranging for a mid-winter conference of Examiners and Managers to be held in each of the twelve Federal Reserve districts, or in such groups as may be deemed advisable.

9. The preparation of a form or statement to be used by Country Clearing Houses in making a quarterly report, covering their operations, to the Clearing House Section—these reports to be published in the "Journal Bulletin."

10. Encouraging the reporting of total bank transactions, because such statistics serve as a true barometer of business growth and development (Louisville, Ky., is the most recent city to join the list of those reporting. It is hoped during the year to increase the number of cities reporting to one hundred).

A resolution was adopted, extending thanks and appreciation to the St. Louis Clearing House Association for the hospitality and courtesies extended. A. O. Wilson, ex-President of the Clearing House Section, opened the meeting with a short address of welcome on behalf of the associated banks of St. Louis. Robert B. Locke, Manager of the Detroit Clearing House Association, presided.

#### M. B. WELLBORN, OF ATLANTA RESERVE BANK, FAVORS FARM AND BUSINESS DEVELOPMENT.

Chairman M. B. Wellborn, of the board of directors of the Atlanta Federal Reserve Bank, has given out a statement in which he advocates agricultural and financial preparedness as well as military and naval preparedness. His statement follows:

I believe in a big navy and big army program, that by show of strength of preparedness war may be averted; or in the event of a conflict will prove victorious. And, it is equally important, if not more so, that we should learn and spread the doctrine of economy and the necessity of greater individual productiveness, and not fall into the error of the allies in waiting three years to awaken to the consequences of delayed economy and enlarged production.

In this connection, the bankers' associations of Georgia and other States in the Federal Reserve district of Atlanta are doing a great work in aiding and encouraging the diversification of crops. Would it not be well to broaden this into an increased production, and, as Mr. Harding, Governor of the Federal Reserve Board, so fittingly said in a recent address, "Coax from the soil during 1917 as great an abundance as possible of crops of all kinds." Notwithstanding increased diversification and spread of scientific farming statistics of the United States Department of Agriculture show the production of food stuff has not kept pace with the increase in population. The wheat crops and other cereals have been short for the past two years, and the export demand has been such as to cause a shortage of meats. The rapidly increasing cost of living is reaching a point dangerous to the welfare and contentment of the people of our nation, and to my mind the only solution is individual economy and increased production.

There need be no fear of over-production under present and prospective future conditions. In the event this nation becomes involved in war, a condition now apparently more probable than peace, we would find ourselves in a serious situation if we follow the doctrine of "decreased acreage." Little, if any, labor is coming into the country, and the withdrawal of hundreds of thousands of our best men from the farm and factory for the army, the navy and the munition factories, we might find ourselves starting a war on "meat days" and "bread tickets." I feel this is particularly applicable to the South, for while the United States is nearer self-sustaining than any other nation, the South, with its long seasons of production, must in a crisis be the mainstay of our country. So that with the war-cloud hovering over us, the policy of our planters should be to cultivate every acre of ground.

If the President is fortunate enough to keep us out of actual conflict, we still must continue to feed and clothe a majority of the people of the world, and each day of the war brings further demands on our resources. There is, and will continue to be for some years, a scarcity of wool, so that cotton must take its place and the South should decrease cotton acreage only to the extent of raising our food supplies; for with the inroads of the boll-weevil, shortage of supply and increased demand for the staple, I am firm in the belief that cotton will bring a very profitable price during the continuance of the war and for some time thereafter. The planter should not lose sight of the fact that this country at war would mean further demand for cotton. For three years the Northern and Western farmer have taken advantage of the world demand for their products, and the same opportunity now presents itself to the Southern planter.

As representative of the Federal Reserve Board in the Sixth district, I have been conducting a campaign to secure membership of State banks in the Federal Reserve system. No situation could more fully set forth the need of greater financial preparedness than the present international crisis. While only a small number of State banks have joined the system, with the outbreak of war, I am sure the State banks would be willing to weld themselves to the Federal Reserve system in one great financial army to back the nation—for they are equally patriotic institutions. But this consolidation could not be consummated within a day or week and such unification should be now, with a forward look to a national crisis and a helping hand in impounding the gold in this country for effective use in the expansion of our world trade.

#### DISCUSSION OF UNIFORM CREDIT FORMS BY COMMITTEE OF AMERICAN BANKERS' ASSOCIATION.

The Committee on Credit Forms of the American Bankers' Association met in the general offices this week. The entire committee was present, viz.: W. P. Sharer, Zanesville, O., Chairman; Nelson N. Lampert, Chicago, Ill., and ex-President William A. Law, Philadelphia, Pa. There were also present by invitation J. H. Tregoo and W. W. Orr, Secretary and Assistant Secretary, respectively, of the National Association of Credit Men; Howard M. Jefferson, Auditor Federal Reserve Bank of New York; J. H. Puelicher, President State Bank Section, Milwaukee, Wis., and A. S. Hurst of New York, representing the Robert Morris Club, a section of the National Association of Credit Men. General Counsel T. B. Paton attended to give the committee legal advice and General Secretary Farnsworth acted as Secretary to the committee. The entire day was given over to a discussion of the various forms now in use, including the American Bankers' Association credit blanks, the forms of the Federal Reserve Bank of New York and of the other Federal Reserve banks, and the forms of the National Association of Credit Men. The committee finally decided on the preparation of three classes of credit forms, viz., for individuals, firms and corporations. After discussing at great length the various phases to be introduced in the proposed credit forms,

the matter of their compilation was referred to ex-President William A. Law of Philadelphia, who is to report at the spring meeting of the Executive Council at Briarcliff Lodge, May 7-9 1917.

#### DISCUSSION OF TRADE ACCEPTANCES AT CREDIT MEN'S MEETING.

Extended discussion of the trade acceptance and its proposed substitution for the "open book account" credit system was had at a conference of banking and business men held at the Hotel Astor this city on the 9th inst., under the auspices of the National Association of Credit Men. The use of the trade acceptance is favored by the Association, and the Federal Reserve Board is also seeking to further its general use. It is stated that the conference was planned, not with a view to devising a uniform form of acceptance, but with the idea of developing opinion in the matter, which would tend toward the universal adoption of the acceptance. J. H. Tregoe, Secretary and Treasurer of the National Association of Credit Men, opened the meeting. H. Parker Willis, Secretary of the Federal Reserve Board, Beverly D. Harris, Vice-President of the National City Bank of New York, R. H. Treman, Deputy Governor of the Federal Reserve Bank of New York, O. J. Sands, President of the American National Bank of Richmond, D. C. Wills, Governor of the Federal Reserve Bank of Cleveland, G. S. Wileox, Vice-President of the Merchants & Mechanics First National Bank of Baltimore, W. F. H. Koelsch, Vice-President of the Bank of the United States and President of the New York Association of Credit Men, and Raymond B. Cox, Vice-President of the Webster & Atlas National Bank of Boston, were some of those who expounded their views on the subject at the meeting. Mr. Willis in essaying that he did not believe it necessary to devote much attention to advocating the use of trade acceptance, added that every one knows why it should be used. "Every one" he continued, "at all interested in the subject, or led to investigate it, recognizes that the experience of the past, the dictates of good commercial practice in our country at the present time, consideration of economy among ourselves, and the broader arguments derived from banking theory, all combine with the idea of preparedness against emergency conditions to dictate the broader use of the trade acceptance. Arguments against its use are those which spring from inertia, custom, unsound competition, and various obstacles of an artificial nature." Mr. Willis further said:

The form proposed by the Federal Reserve Board is, of course, not the only one that could be employed to advantage, and doubtless as time goes on, it will be improved. What is important is that all those who believe in the use of the trade acceptance should, as soon as they can, agree upon a form which they are prepared to recommend, and, more important still, to explain to the business men who are interested in using it.

Second only in importance to the necessity of agreeing upon and standing firm in support of a good form of trade acceptance, is that of agreeing when and under what conditions this trade acceptance is to be used.

I regret to say that views on this subject, which certainly are erroneous and which may be dangerous, have developed and are being spread abroad.

It should be distinctly and positively understood that the trade acceptance is, in its true form, nothing more than a representative of live indebtedness, and that the acceptance has not been created for the purpose of giving a better hold to the creditor over the debtor, but has been produced in order to create definite evidence of indebtedness which is available for banking purposes. That there will always be in any aggregate of banking paper some items that prove doubtful or slow, is unavoidable and, consequently, to be expected; but to inject into such an aggregate items known and recognized as slow or doubtful, is quite another matter. To create a volume of paper essentially consisting of slow or doubtful items, would be anything but a reform in banking. This proposition seems to me so obvious that I have noted with surprise in literature sent out from usually authoritative sources the thought that the acceptance as such is intended to liquify "frozen credits." Its real intent is, of course, that of preventing credit from becoming frozen, and anything that tends to obscure this essential character in the trade acceptance must be regarded as distinctly injurious.

In every case where an acceptance of any kind is given, the question is naturally raised: What becomes of this acceptance? In the case of trade acceptances there are not a few firms among those which are now encouraging their customers to give these acceptances, who have no intention to use them as a basis for discount. They are seeking to develop the practice of giving such paper in payment, because it is a cleaner and better way of doing business, and because it provides them with a body of discountable paper if they see fit. There are others which are desirous of developing the business because it enables them to get credit at banks in a better and more satisfactory way. It is with this latter class that the question of the means of discounting the acceptance becomes vital.

To-day there is abundant opportunity for borrowing, and the effort of the Federal Reserve banks has been to standardize rates for standard paper. The function of the producer and wholesaler, therefore, is essentially that of enabling the customer to obtain the credit to which he is entitled. On the other hand, the financial institution is aided in extending its credit upon a sound basis, by supplying to it the evidence or data it needs in assuring itself of the true nature of each transaction, so that it can feel certain that every application grows out of a commercial transaction, and is eligible as a basis for the extension of accommodation. Under the trade acceptance plan the development and application of this view of the relation between the business man and the bank becomes very much easier and simpler than under the old system. Credit is rendered more stable, and the flow of business to the smaller banks of the country is greatly facilitated.

It may be recalled that Mr. Treman of the New York Federal Reserve Bank, who was a speaker at last Friday's conference, treated the subject at considerable length before a joint session of the National Association of Hardware Manufacturers and the National Hardware Manufacturers' Association last October, citing the objections of those opposed to the use of the trade acceptance and the advantages claimed by those who favored the charge, and we published a large part of what he had to say at the time in our issue of Oct. 21.

Mr. Treman's remarks at the meeting a week ago were impromptu, and since apparently no record was made of his speech, it is not possible to quote any part of it.

Vice-President Harris of the National City Bank in addressing the Credit Men's meeting stated that "evidently until very radical and universal changes are effected in the matter of selling terms, cash discounts and the long established customs and ethics, as well as the practical machinery of doing business, the financing of a very large proportion of the commercial business of the country will continue to be done as at present, through the medium of single name paper." Mr. Harris further said:

There are unassailable elements of merit in a properly adjusted system of cash discounts, and in my opinion it would be unwise for the present to make any effort to supplant single name paper with trade acceptances, in the case of those who borrow in this way for the purpose of discounting their bills.

Even if it were desirable—which I am very much inclined to question—it is safe to say there is no immediate prospect that single name paper could be universally supplanted by double name paper. It is obvious the merchant who can go to his bank and discount his plain paper at rates ranging all the way say from 3% to 6%, as the case may be, will continue to do so, when he can use the proceeds to discount his bills and take advantage of a cash discount out of all proportion to current interest rates. Under the present sales system there is an abnormal and unwarranted difference between the cash discount allowed in trade, and current interest rates for money. This is an exorbitant, inconsistent and unnecessary tax which merchants are offering to pay to avoid tying up working capital in open book accounts, and as it stands, is not so much an element of strength as an admission of weakness in existing collecting methods, which the general adoption of trade acceptances ought to gradually correct. This constitutes one of the principal sources of profit to firms who are in a position to discount their bills, and strong opposition may naturally be expected to changing it. It goes without saying that the selling price on goods must be correspondingly increased to bear this burden, as well as the loss and expense of doing business under a system of this kind. The accumulated burden falls on the ultimate consumer in the end, and is one of the factors in the high cost of living in this country. The attitude of the trade on this matter, however, will probably be found to be averse to any immediate radical changes in methods, and my feeling is that the readjustment of the cash discount system can only be accomplished, or partially accomplished, through the process of time and a gradual readjustment in sales terms.

My feeling and conviction, after looking at it from all angles, is, that for the present no particular occasion exists to seek to change the practices of those who discount their bills, in putting out single name paper. It is a question for the future to determine as to whether it may at some time appear expedient and desirable, in connection with the workings of our Federal Reserve system, in the development of broad domestic and international markets for commercial paper, to gradually bring about, partially or wholly, the substitution of trade acceptances, in the operations of firms of this character. Should this be accomplished it will come through a developed comprehension of the matter, not as of any individual necessity but in the furtherance, completion and rounding out, as a measure of broad public policy, of a new system which has been tried out successfully in its initial stages, and which has established beyond peradventure that the trade acceptance system, as a uniform system for the country at large to operate under, would afford better safeguards, more liquid and convertible assets, a more sound, stable and scientific basis for our credit and currency system, less loose credit, less opportunity for inflated and falsified statements, better collections, less losses, greater economy of operation and less capital to do a given amount of business, and a far greater potentiality and stability in the general credit situation.

The primary problem to which our efforts should first be directed is that of putting the country's mass of book credits into liquid and negotiable form through the adoption of trade acceptances in transactions with buyers who do not discount their bills. An acceptance verifies the account, puts unmatured credit into negotiable form, and is a strong lever on the debtor to meet obligations promptly, for the protection of his signature and his credit, with many other advantages, too numerous to mention, but which have been within the last year convincingly presented through the efforts of your Association.

I want to say, I am not the least discouraged, but on the contrary, very much encouraged, by the development of the last twelve months. It is true that strictly "trade acceptances" have not been developed to the point where at the moment they are any appreciable factor in the New York market—or, for that matter, in the country's business—but the general idea of acceptances as a vehicle of credit has taken root firmly and is every day growing in momentum, and demonstrating its usefulness.

As I view it, our daily experience is demonstrating that we can use to advantage three distinct types of credit instruments, each serving its appointed function, without usurping the functions of the other, i. e.: Single Name Paper, Bank Acceptances, and Trade Acceptances.

A bank acceptance—which is nothing more than single name paper endorsed by one bank and discounted by another—is invaluable to the Federal Reserve system as a means of standardizing credit in international and open market transactions, through which the country's foreign exchanges and domestic money markets may be stabilized and regulated. It is especially useful in foreign transactions and in domestic transactions between distant points, particularly in carrying the heavy burdens of the country's products—cotton, grain and other commodities—on a large scale. The exigencies of war conditions have given immediate impetus to this form of financing, and its great value is evidenced in the published statements of the banks of this city, and of open market transactions of the Federal Reserve banks, indicating a continually increasing volume of banker's acceptances, running in the last year into hundreds of millions of dollars. While of the highest value and usefulness, however, in serving

its appointed function, the bank acceptance does not strengthen the credit situation in the same way that it is strengthened by the trade acceptance. That is to say, except where secured by commodities, the banks accepting the paper have no further security for their own protection, in so doing, than the credit of the drawer, to whom they are in the same attitude as lending directly on his single name paper, so far as security is concerned, the difference being that they guarantee his obligation in the open market instead of lending him their own funds.

The third class—Trade Acceptances—when developed as they should be, will strengthen the general underlying situation in making book credits liquid and available, and creating a large volume of self-liquidating paper, arising from actual transactions in consumable merchandise, available for discount with the Federal Reserve banks, and not previously available. This will have not only the advantage of two-name paper, but the added advantage of representing actual transactions in commodities. A trade acceptance is an order to pay. A note is a promise to pay either a debt or a loan, and its self-liquidating character is not *prima facie*.

In the face of the fact that trade acceptances in the New York market, the operations of the Federal Reserve banks, and the banks and money markets of the country in general, have so far appeared only in limited volume, evidence is nevertheless accumulating that this movement is now in process of steady development. In the cotton trade particularly, in the past year, its development has been rapid, in financing cotton going into consumption, both in the New England and Southern mills. There is no doubt both trade acceptances and bank acceptances will continue to grow in favor and usefulness, in connection with the financing of the important cotton industry to which both are so well adapted.

As to the obstacles which stand in the way of a general adoption of trade acceptances, my correspondence develops a practical unanimity of opinion, as I have said, that the general introduction of trade acceptances in many lines of business is regarded as desirable and practicable, and that there are no obstacles which cannot be overcome by combined effort and a more general understanding of the advantages to be gained, and particularly the value of this movement in supplementing the Federal Reserve system and strengthening the general credit situation.

The principal obstacles at present are—

1. Lack of sufficient initiative and combined effort on the part of wholesalers; the feeling that trade might be offended or lost, and the disposition to hang back until others have tried it out; and not enough backbone in the matter. The feeling is general that as the movement gains ground through the satisfactory experience of those taking the initiative, the impetus thus given will help the whole thing along. Numerous firms advise me that they are making satisfactory headway and are pleased with their experience with it, and the additional expense and inducements offered in some cases to obtain trade acceptances are more than offset by the preferential rates at which they can discount such receivables, in connection with many other advantages gained;

2. Other things being equal, customers prefer the open account system because of the leeway and indulgence it has afforded in meeting their obligations, and the fear that their credit might be impaired by giving acceptances. There is also a feeling that if an acceptance is given it would be to their disadvantage in case they should later desire to either make prepayment or need some additional time. In dealing with this there is, or should be, a real test of credit, in which the dealer who buys on certain terms should find his credit greatly strengthened by putting the obligation in definite and businesslike shape, according to contract. Those who meet their bills promptly and deserve credit should be made to realize how much their credit is strengthened thereby, and should be shown every consideration in consequence. In the case of prepayment it would be good policy to allow them to take up their acceptances, with a rebate for the unexpired time. On the other hand, where conditions justify it, there is no reason why additional time should not be granted. The wholesaler would have the management of this in his own hands, taking up the acceptance at maturity and either carrying it past-due, or taking a renewal obligation. The latter should always be by note, however, as obviously the trade acceptance should be only used in the original transaction.

The "Textile World Journal," of this city discussing recently the "Better Development of Business Paper" stated that paper acceptable for open market operations must itself grow out of commercial transactions involving the transfer of wealth in the process of carrying that wealth from producer to consumer. Commercial paper cannot appropriately be used for the purpose of fixed or long time investments. It added:

Just what forms ought to be developed to function most economically, as far as the business man is concerned, but, at the same time in the achievement of this very end, be available also for dealings in an open discount market, can be determined only after most careful study and most patient experimentation.

With this end in view an educational and experimental campaign is being planned by two Philadelphia business men, who for years past have been interested in the subject of banking reform in this country. These men are John S. Jenks, Jr., and George H. Paine. Through the publication of pamphlets, &c., and through correspondence they have been lending valuable aid in bringing the subject to the attention of American business men. They, as other students of American banking, realize that there is now required a more careful study of the credit situation, and perhaps a better adaptation of it to the needs of a modern banking system. In connection with their investigations and as a result of careful study they have suggested a form of paper which may or may not be adapted to achieve the ends that all agree must be achieved. An experiment in actual practice is to be made shortly with this new type of bill, and on the basis of practical experience it is hoped to learn just what is needed in the United States. Under the editorial direction of Professor E. E. Agger, of Columbia University, Messrs. Jenks and Paine are preparing to issue a special newspaper edition, dealing with the whole subject of credit in its relation to modern trade and industry. The articles in this edition are to be prepared by competent men in the business, banking and academic fields. It is hoped to send copies pretty broadly over the country to bankers and business men.

#### REPUBLIC OF BOLIVIA 6% LOAN OF \$2,400,000.

It has been announced that Chandler & Co., Inc., of New York City, recently appointed fiscal agents in the United States for the Republic of Bolivia, have formed a syndicate for the purpose of loaning to the Bolivian Government \$2,400,000. The loan will be in the form of 6% notes and will be cared for through a sinking fund, which will retire \$200,000 par annually for 12 years. The proceeds from the

sale of these notes will be used to purchase railway construction material in this country needed to complete the railway lines to Yungas in the eastern part of Bolivia, and the amounts necessary for the construction of the railway are to be paid over monthly. The bankers have an option, it is understood, of increasing the loan by the amount required to carry out certain proposed extensions. A public offering of the notes will be made by the bankers shortly at a price to yield the investor about 6½%.

#### DISCUSSION OF TRADE ACCEPTANCES AT CREDIT MEN'S MEETING.

D. C. Wills of the Federal Reserve Bank of Cleveland in pointing out the "Value of Trade Acceptances to Bankers" at the discussion of trade acceptances at the meeting on the 9th inst. held at the instance of the National Association of Credit Men, stated that "three of the most vital factors in the successful conduct of the business of banking are:

- 1st. Assurance of an Elastic and Responsive Currency.
- 2nd. Proper Separation of Investment and Commercial Credit.
- 3rd. Safety in Making Loans.

All three of these, he said, are favorably influenced through the introduction and establishment of settlements by trade acceptances, as compared with the open account system. We also take the following from Mr. Wills' remarks:

Federal Reserve notes and coin certificates eventually will be our only forms of currency. If the amount of Federal Reserve notes be increased and diminished only by the supply of instruments representing actual sales, it would truly be responding to the real needs of commerce and industry with all fictitious elements eliminated. Trade acceptances, superseding single name direct notes of borrowers, and constituting the one class of paper to be hypothecated by Federal Reserve banks with their agents for the issue of Federal Reserve notes, will mean that the amount of Federal Reserve notes outstanding will depend on the demands created by the business being done in the country. This seems so obvious that further explanation and enlargement appear unnecessary.

A noticeable weakness in the plan of making advances to commercial customers on their direct unsecured single name notes is the tendency to confuse fixed needs with current requirements. A sixty-day, ninety-day or four months' note, while ostensibly a liquid note to be paid at maturity, may be dependent for payment on the ability of the maker to obtain a renewal, at least in part, through placing his paper in other quarters. The necessity for renewal is usually due to the fact that part of the permanent financing is being carried in short time obligations. Persistent carrying of fixed requirements in debts of short maturities is always fatal. Bankers know how such a course terminates, and use every means at their command to discover when a customer is getting into this danger zone. No method of analyzing credit now available is so conclusive as to the commercial character of any desired loan as the evidence presented by a trade acceptance. Every element of doubt except the possibility of actual fraud is removed; and a fraudulent trade acceptance is so dangerous that the possibility is remote.

There are two weak links in the credit chain set up by present banking methods:

1. When a bank's customer borrows for a stated time \$5,000 to buy certain goods, the bank must depend on the good faith of the borrower to use the money borrowed for the purpose stated.

2. Frequently the goods are received, sold, and payment obtained before the note is matured. The proceeds remain in the hands of the borrower for a time, therefore, with the temptation to make another investment without the knowledge or consent of the lending bank.

With universal giving and getting acceptances, both these weaknesses will be eliminated, and when the buyer pays for his goods all parties to the transaction are released and paid at the same time, including the very much interested banker who advanced the funds.

The acceptances a customer issues instead of accounts payable will be collected through the bank, and the acceptances he carries instead of accounts receivable will be deposited for collection or discounted at the bank. Thus the bank will know how promptly he pays and the character of the houses he patronizes, and also will know the class of customers who purchase his goods and their methods of payment. Trade acceptances automatically furnish that highest class of credit data, namely, accurate ledger information, enabling bankers to estimate more intelligently the responsibility of their borrowers.

So much has been spoken and written recently about trade acceptances, especially by officers of leading banks of the country, covering the subject so satisfactorily, making almost an unassailable case, that it is difficult to dig up a new argument. With the growth of bankers' acceptances, there is beginning to be an intermingling of trade acceptances and bankers' acceptances in the offerings of dealers in this class of paper. This is significant. A high grade trade acceptance will find a wide market. The same acceptance endorsed by a bank will command a better rate than the straight bankers' acceptance of the same bank. An endorsed trade acceptance will vie with a prime bill (i. e. a bill drawn on one bank and endorsed by one or more other banks), in obtaining the market's best rate. This situation insures ease and economy in the sale or negotiation of trade acceptances, a feature of immeasurable advantage to bankers.

It is indisputably true that Great Britain does a vastly greater volume of business in proportion to its fixed capital investment, and with unquestioned safety, than does the United States, and the principal reason is that English business is transacted on the acceptance principle. It is therefore certain that we can vastly increase our volume of business without proportionate increase in capital investment when the regular method of payment for all goods becomes the trade acceptance instead of cash or open account. If the buyers who now pay cash, for example, should all tender thirty-day acceptances, which should cost them less than their direct borrowings at the bank for the purpose of paying cash, they would at once increase very materially their volume of available working capital, while the drawer of the acceptance would not be injured, because he would have paper instantly convertible into working capital whenever needed, and so that portion of fixed capital investment which is now properly required as a reserve of working capital could be greatly reduced, if not eliminated. This would, of course, create a larger volume of bankable paper and a larger volume of business for the banker as well as for the business man, which, without a doubt, would produce increased earnings for the banker instead of decreased earnings. But, after all, the main advantage to bankers is

not primarily an immediate and selfish one, but improvement in the whole structure of credit. Even were there no local benefits, there is sufficient appeal in this broad phase of the subject to attract the interest, support and activity of the American banker.

#### RESIGNATION OF A. J. PETERS AS ASSISTANT SECRETARY OF THE TREASURY.

The resignation of Andrew J. Peters as Assistant Secretary of the Treasury, to resume the practice of law in Boston, was announced on the 15th inst. Secretary of the Treasury William G. McAdoo, in announcing Mr. Peters' resignation, said:

Hon. Andrew J. Peters has resigned as Assistant Secretary of the Treasury, effective to-day. I am sincerely sorry to lose the services of Mr. Peters. His post has been a particularly important one since the outbreak of the European war, because of the many duties devolving upon him in connection with the customs and neutrality laws. Mr. Peters has acquitted himself with distinction and ability in the discharge of the important responsibilities entrusted to him. He told me of his intention to resign several months ago and has remained in office at my request until the present time to prevent inconvenience to the Department. He retires from the public service to resume the practice of law in Boston.

#### W. E. SPROULE DECLARES HIGH COST OF LIVING DUE TO HABITS OF PEOPLE.

That the high cost of living cannot be traced to any defects in the transportation systems of this country but, instead, is due to changes in the standard of living was declared by William Sproule, President of the Southern Pacific Co., after his return home from the East. Mr. Sproule said:

The high cost of food is accounted for by the law of supply and demand. The United States has for a long time produced more food supplies of nearly all kinds than the people of the United States consumed. The production in excess of the home consumption has been marketed abroad and our production has become part of the common stock of food supplies for countries across the sea. Now these countries are mostly at war, an important part of their population becoming consumers instead of producers, as they are in peaceful times.

The demand of those countries from us has risen far in excess of their needs under normal conditions, thus resulting in a contest between our own people and the people of foreign countries as to the price to be paid for the needed supplies. The United States is a part of a family of nations. We cannot live apart unto ourselves even if we wish to do so.

The very prosperity this country is enjoying in general has its penalties. We are exporting food as well as munitions, and in exchange for them we are getting gold. We cannot eat gold. But we can increase production, and the problem of the high cost of living can be solved only by increasing the area of production or increasing the production from existing available areas through better methods, or by both.

The talk of making large appropriations to distribute food as an emergency proceeds on a theory that has always been a failure. It is the old story, we must cut our coat to fit the cloth. In a nation where every able bodied man has plenty of work available, it becomes a mere case of living economically.

I have just returned from Baltimore and the striking feature that interests me there is the market basket. In that city the market is four blocks long and on Saturday nights the workmen come from work with market baskets on their arms, and thousands of women with baskets go to and from the markets every day. The majority go to the stores and buy direct, thus saving telephone and delivery service.

The cause of the high cost of living is not transportation. It is the habits of our own people and the artificial needs we have created for ourselves and to which the trade is merely responsive. Whenever we buy a simple article in a fancy package we are eating less food and more package for the same money. When we buy a pound of tea that we are ordering by telephone and for delivery by automobile, we are paying for the telephone and the automobile. This means we are getting less for our money.

#### RENEWAL OF NEGOTIATIONS OF TRAINMEN'S DEMANDS AND THREATENED STRIKE.

With the failure of negotiations, which were renewed this week between representatives of the trainmen and the railroads to adjust the eight hour day question, notice was served on the railroads on Thursday that a nation wide strike would be enforced beginning to-night, the 17th inst.

President Wilson took action yesterday toward averting the impending strike. Following a meeting of the Cabinet, Secretary of War Baker announced that on recommendation of the Council on National Defense, which was summoned to consider the situation, the President had requested Secretary of the Interior Franklin K. Lane, Secretary of Labor William B. Wilson, Daniel Willard, President of the Baltimore & Ohio RR., and Samuel Gompers, President of the American Federation of Labor, to proceed to New York at once and confer with representatives of both sides in an effort to bring about a peaceful adjustment of the controversy.

We also learn from the "Evening Sun" that the following message, signed by the President and addressed to the heads of the four brotherhoods and to Elisha Lee, Chairman of the National Conference Committee of the Railway Managers, was sent by wire to New York immediately after the Cabinet meeting:

I deem it my duty and my right to appeal to you in this time of national peril to open again the question at issue between the railroads and their operatives, with a view to accommodation of settlement.

With my approval a Committee of the Council of National Defense is about to seek a conference with you with that end in view. A general interruption of the railway traffic of the country at this time would entail a danger to the nation against which I have the right to enter my most solemn and earnest protest.

It is now the duty of every patriotic man to bring matters of this sort to immediate accommodation.

The safety of the country against manifest perils affecting its own peace and the peace of the whole world makes accommodation absolutely imperative and seems to me to render any other choice or action inconceivable.

WOODROW WILSON.

Secretary Baker's statement is as follows:

Acting under a plan suggested by the National Council of Defense to-day, Secretary Lane, Secretary Wilson, Daniel Willard and Samuel Gompers, all members of the Advisory Council of the Council of National Defense, will go to New York immediately to confer with representatives of both sides, with the end in view of bringing about an adjustment of the differences and avoiding a serious situation developing at a time of international crisis.

This action was taken subject to the approval of the President, and his approval has been given.

Secretary Baker also made public a letter which, as Chairman of the National Defense Council, he addressed to members of the Mediation Committee. In this letter he said:

At a meeting of the Council of National Defense it was resolved that you be requested at once to seek an interview with the representatives of the railroad brotherhoods and the railroad executives with reference to the differences now existing between them and apparently threatening to produce a general railroad strike in the country; that you present to the representatives of both sides the grave peril involved in such a situation at this time, and that you request them so to adjust any acute difficulties during the present national emergency.

It is stated that the Administration is determined that whatever means lies within its power will be taken to prevent an interruption in the country's railroad traffic. While drastic measures will if necessary be adopted, reports that the War Department at the instance of the President had notified the State Governors to hold their militia in readiness to cope with the situation in the event of a strike, are said to have been denied.

That the trainmen planned to take aggressive action in the event that the United States Supreme Court failed to hand down a decision in the Adamson eight hour case, on March 5, was indicated in a statement to the members of the brotherhoods, issued by the heads of the organizations on Feb. 14 and referred to in these columns March 3. The enactment of the Adamson law, last September as is known, served to adjust the controversy for the time being and to avert the threatened strike. The law, however, has since been declared unconstitutional by the U. S. District Court at Kansas City and the matter is now before the U. S. Supreme Court for final decision. The renewal of the efforts of the trainmen at this time to effect a settlement of the controversy has been due to the failure of the Supreme Court to hand down a decision (the case has been on the Court's docket since Nov. 28) and the fear that in the event of war, the issue would be side tracked, and hence they have sought to force the matter to a climax. In making known the proposed reopening of negotiations this week, the following statement was issued by the brotherhood leaders at Cleveland on the 10th inst. and published in the daily papers Sunday morning:

A meeting was held at Cleveland March 10 by representatives of the four train and engine organizations, the Brotherhood of Locomotive Engineers, Order of Railway Conductors, Brotherhood of Locomotive Firemen and Enginemen and Brotherhood of Railroad Trainmen, in response to a call issued by the chief executives, for the purpose of conferring as to the situation regarding a settlement of the eight hour day proposition. It was decided to renew efforts to obtain a settlement, and a meeting has been arranged with the National Conference Committee of the Railways to be held in New York on Thursday, March 15.

The 400 chairmen of the four transportation organizations attending the meeting reported the conditions existing on their various systems as even worse than on Sept. 2 1916 when the Adamson eight hour law was enacted. They complain bitterly because the men they represent are working for the same rates of pay and longer hours and worse conditions than prior to the enactment of such law and called attention to the fact that nearly all other classes of labor had been given substantial increases during the past year, which in a measure offset the increased cost of living.

They authorized the chief executives to press the matter to an early conclusion, and while the situation is grave the chief executives feel hopeful of effecting a peaceful settlement when they meet the managers' committee.

The men feel, and their officers support them in the opinion, that the railway companies should have applied the law as intended by Congress and the President of the United States, thus giving the men the benefit from Jan. 1 instead of resorting to the courts.

The above statement was signed by Warren S. Stone, Grand Chief Engineer of the Brotherhood of Locomotive Engineers; L. E. Sheppard, Acting President of the Order of Railway Conductors; W. S. Carter, President of the Brotherhood of Locomotive Firemen and Enginemen, and W. G. Lee, President of the Brotherhood of Railway Trainmen. The latter was quoted as saying at the time:

The settlement conference with the railroad officials will have nothing to do with whatever action the Supreme Court takes in the present test of the Adamson Law. An effort will be made to reach an agreement that will bring peace between the railroads and the men if the law is held constitutional. An effort also will be made to work out a plan that will effectively take the place of the Adamson Law in case it is held unconstitutional.

Advices that unless the demands of the trainmen were recognized at Thursday's conference a nation wide strike



of freight engineers, firemen, conductors and trainmen would go into effect to-night (the 17th) were received by the National Conference Committee of the Railways for the 12th and appeared in the morning papers of the 13th. Conferences of the brotherhood heads and representatives of union leaders from Southeastern territory were held at Washington on the 12th and 13th, when plans for the strike were ratified. A statement at the conclusion of the conference was given out as follows by Messrs. Stone, Carter, Sheppard and W. G. Lee:

All members of the General Committee representing a number of railroads in the Southeastern territory conferred here to-day and gave thorough consideration to the application of the basic eight-hour work day as authorized by the chief executives, which was presented to and refused by the National Conference Committee of the Railways last December. It was then hoped by the brotherhoods that an application of the so-called Adamson Law could be agreed upon that would give train, engine and yard employees, at once, the benefits intended by the President when proposing the eight-hour law. The proposition submitted at to-day's meeting by the chief executives was unanimously endorsed by the various general committees, thus authorizing the chief executives to again renew their attempt to effect a peaceful settlement with the Conference Committee at the meeting to be held in New York Thursday the 15th.

All instructions to the effect that transportation employees are not loyal citizens, because of their attempt at this time to secure from their employers the benefits contemplated by the law, is absurd, and assurances of our willingness and intention to support our country, should war be declared, have been given to the President of the United States.

Surely, the public must recognize that for more than a year we have made every effort to secure a shorter work day, and our membership realizes that this question should be disposed of and industrial peace restored before our country becomes involved in war, which now seems probable.

Seemingly, it has been the purpose of the railroad companies to postpone settlement of this question until either a panic or war would defeat our demands.

On the same day (the 13th) it was announced that President Wilson had been advised, in a letter under date of March 7, of the intended discussion anew of the controversy in New York on the 15th inst. The letter addressed to the President by the brotherhood representatives said:

We feel obligated to officially advise you of our intention to meet again the National Conference Committee of the Railways on March 15th for the purpose of making another effort to adjust the pending eight-hour controversy.

We are very hopeful of working out a satisfactory adjustment with the railroads but if, while we are negotiating, our country should become involved in war, we want to assure you, as Chief Executive of the nation, that we and the membership we represent can be relied upon to support you to the fullest extent and that yourself and the nation will have our hearty and full support.

Preliminary to Thursday's conference the National Conference Committee of the Railways held an executive session on Wednesday, after which Elisha Lee, Chairman made the following announcement:

We are sincerely desirous that the wages and working conditions of our employees should be on the highest plane consistent with the efficient operation of the railroads. When the national wage demands of the four train brotherhoods were made last year we felt that they were beyond reason, entailing, as they did, an annual increase of \$100,000,000, or about 35% in the wages of the 300,000 most highly paid workers in the country.

But we were ready and anxious to submit this wage controversy for settlement to some impartial public tribunal. In the hope that our employees would join with us in seeking the judgment of such a board of inquiry, we earnestly urged that the whole case be referred to:

1. The Inter-State Commerce Commission, the Government body regulating the transportation industry in the public interest; or
2. A board of arbitration under the Newlands Arbitration act of 1913; a law enacted at the joint request of the employees and the carriers; or
3. A board of inquiry to be appointed by the President.

Our offers for a peaceful settlement were all rejected by the brotherhoods.

If we had refused to meet with our employees to discuss their demands, or if we had refused to submit the issue to arbitration, this great body of workers might have been justified in leaving the service. But under the circumstances, the threat of nation-wide strike was indefensible.

We left every door open for a fair determination of the merits of the controversy, and every door is still open.

The Adamson Railroad Wage Law hastily enacted last Summer to avert the threatened strike, is now before the highest Court for a determination as to its constitutionality and meaning. The railroads entered into an agreement with the Government to keep the payroll records of these 300,000 employees from Jan. 1 in such manner as to assure prompt payment to the employees of whatever amounts may be due under the construction placed upon the act by the Court. The brotherhoods, on their part, publicly stated that they would take no radical action pending the decision of the Court.

Congress has made no provision as so earnestly urged by the President for insurance against the interruption of railroad traffic by strikes, and the country is apparently in the same position now that it was in the crisis of last August.

The serious international situation causes every good citizen to put every thought of personal right or desire second to his duty to his country. Surely this is no time for internal industrial warfare. The reported shortages of food and the generally congested traffic of the country bring forcefully to all our minds what would happen in the event of a stoppage of the railroads of the country.

With this situation before us, we feel confident that the patriotism and loyalty of our men will not countenance any rash movement which may seriously embarrass the Government and give the impression outside our borders that this country is torn by industrial strife, and, therefore, an easy prey to the foreign foe.

A meeting of the brotherhoods was also held in this city on Wednesday, concerning which the following statement was issued:

The nearly 200 Chairmen of the transportation organizations meeting here to-day, representing a number of principal lines in Eastern territory,

unanimously approved the proposition presented to the Managers' Committee last December, in the hope at that time of a peaceful settlement.

The railroads, after having refused to accept a settlement of the eight-hour controversy proposed by President Wilson last August, and after having refused to observe the eight-hour law enacted by Congress, must accept responsibility for a strike should it take place. It is too late for them to pose now as patriots, hoping thereby to defeat the just contentions of their employees.

We have requested a renewal of negotiations, commencing to-morrow, in the hope of effecting a peaceful settlement.

As indicating the reasons which prompt the brotherhoods in forcing the question at this time, W. G. Lee was quoted as follows in the "Times" on Thursday:

"This country is in danger of war. We may go to war next week, next month, any time soon. If America goes to war, the men know that, as patriotic citizens, they must then stick at their posts. They also know that if we go to war it may be years before they get the eight-hour day. Therefore, we are going to get the eight-hour day before we go to war. If the public doesn't like the crisis at this time, they can blame the railroads, who are responsible for the delay."

"What reply have you for the railroads' declaration that neither you nor they have any right to make an agreement until the Adamson Law is held valid or invalid?" he was asked.

"We are going ahead as if there was no Adamson Law, or no Supreme Court," he replied. "It makes no difference what the Supreme Court does. If it upholds the law, what the law gives is what we will demand to-morrow morning. If the law is thrown out, we will ask for no less. We stand pat on the eight-hour demand. It won't do the railroads any good if the law is thrown out, for we won't change that demand. We are forcing the issue now in all seriousness and determination. We have been fooled with long enough. We are going to ask the railroads to-morrow for what President Wilson intended us to have, and we are going to get just that."

"I wish the public would not be hasty in making its judgment. Suppose we waited until the Supreme Court acted. If it upholds the law we would get the eight-hour day; if it throws the law out we will get it anyway, because we have the power to get it. Why wait longer? The answer is: We will not wait longer."

With the declination of the railroads on Thursday to agree to the trainmen's proposition to put into effect the latter's interpretation of the Adamson law in advance of the decision of the Supreme Court and the refusal of the labor leaders to consider the proposals of the railroad for the settlement of the issues the negotiations came to a stand still, with the result that the union chiefs decided to enforce the strike order. The proposals on the part of the railroads were:

First—If the Supreme Court holds the Adamson Law to be constitutional and the two sides cannot agree upon the application of any of the points, we will agree that the Eight-Hour Commission shall determine how the law shall be applied.

Second—In case the law is declared unconstitutional, we offer to join you in asking the Eight-Hour Commission to determine the whole controversy; any settlement arrived at to be effective from Jan. 1 1917.

We give below the statement issued at the conclusion of the conference on Thursday by the brotherhood heads outlining their proposition:

We have had two conferences with the Managers' Committee to-day, one this morning at which time we presented a proposition to place the Adamson Eight-Hour Law into effect along the lines suggested by President Wilson last August, which was that in all road service, except passenger, where schedules now run "100 miles or less, 9 or 10 hours or less overtime at 10 or 11 miles per hour," insert 8 hours or less, overtime for basic day and 12½ miles per hour for a speed basis for the purpose of computing overtime. Overtime to be paid for at not less than one-eighth of the daily rate per hour. In all yard, switching, and hostling service, where schedules now read "10, 11, or 12 hours or less, shall constitute a day's work," insert "8 hours or less" shall constitute a day's work. Overtime to be paid for at not less than one-eighth of the daily rate per hour. In passenger service the present mileage basis will be maintained, provided that the basic passenger day will not be in excess of eight consecutive hours, overtime to be paid for at not less than one-eighth of the daily rate per hour.

The Conference Committee of the Railways took our proposition under consideration and at the afternoon meeting notified us that they could not accept it and submitted in lieu thereof the following:

If the Supreme Court holds the law to be constitutional and the two sides cannot agree upon the application of any of the points, we will agree that the Eight-Hour Commission shall determine how the law shall be applied.

In case the law is declared unconstitutional, we offer to join in asking the Eight-Hour Commission to determine the whole controversy. Any settlement arrived at to be effective from Jan. 1 1917.

It will be noted that in any eventuality the Managers' Committee have declined to negotiate any settlement of the eight-hour day; that if the law is held constitutional, they will not agree to our interpretation of the law and desire to submit the application of the law to an arbitration, the members of the Eight-Hour Commission being the arbitrators.

On the other hand, if the law is declared unconstitutional they decline to make any settlement of the matters in controversy with us, and again offer to submit the matter to arbitration, the members of the Eight-Hour Commission being the arbitrators.

If the railroads are willing to submit either of these propositions to arbitration, it is evident that they are willing to give their employees an eight-hour day if the Arbitration Board so decides, but that the roads themselves will never grant the request directly.

We submit that this is an unfair attitude for the Conference Committee of the Railways to assume, for if they are willing to grant the eight-hour day through any method, they should be willing to grant it directly to their employees and not prolong the controversy.

The public should remember that after having failed to reach an agreement with the Conference Committee of the Railways last August, President Wilson intervened and attempted to mediate our differences, and after hearing both sides of the discussion and considering the matter for several days, proposed a settlement, which settlement is practically the same as we have just proposed to the railroads. The railroads refused to accept the President's proposition, when the President recommended to Congress the enactment of a law similar to his proposition. This Congress did, when the railroads again refused to accept the decision of Congress, and have not yet observed the law in a single instance.

It is apparent to us that the purpose of the railroads is to avoid any settlement of the matter until such time as the country becomes involved in war,

when they expect to escape any settlement of whatever character, even though the Supreme Court should decide that the law was constitutional. We have noticed that they will not accept our interpretation thereof, which is practically the same as the President proposed when he recommended the enactment of the law. Therefore, a decision of the Supreme Court upholding the constitutionality of the law would not even indirectly secure for the employees the purpose of the law.

It goes without saying that railroad employees have been patient and loyal to the interests of our country, and in the event of war have offered their services to the Government. It must not be overlooked that during this period, when the railroads have persistently denied their employees that which was intended by the President in his proposition, and that which was intended by the Congress in the Adamson Law, the railroads during a year's period show net earnings of over a thousand million dollars, while the employees, with no increase in wages, have suffered an increase in cost of living equal to more than 40%.

If after more than a year we have failed to secure some relief, and train and engine men conclude to fold their hands and starve in reality rather than by degrees, should they be considered disloyal to their flag?

Why not place some of the responsibility on the employers, who can very easily stop all talk of stoppage of trains by recognizing that such employees must either lower their standard of living, or must work longer than ten hours out of each twenty-four in order to retain American standards of living?

L. E. SHEPPARD,  
Acting President, O. R. C.  
W. S. STONE,  
Grand Chief B. of L. E.  
W. S. CARTER,  
President B. of L. F. & E.  
W. G. LEE,  
President of B. of R. T.

Elisha Lee, on behalf of the Conference Committee of the Railways issued the following statement:

We have offered to leave to the Goethals Eight-Hour Commission, recently appointed by the President, any question that may remain unsettled by the decision of the Supreme Court in the pending Adamson Law case. We regret that the leaders of the organizations have refused to accept this offer and that they have notified us that they have ordered a series of strikes on the railroads beginning Saturday night at 5 o'clock.

The ultimatum presented to the railroads by the organizations was that we must immediately put into effect their interpretation of the law now before the Supreme Court for a determination of its constitutionality and meaning, without waiting for the decision of the Court.

We declined to accept this proposition, feeling that we must abide by the judgment of the Court, and we thereupon made the following formal offer for a settlement of the issues involved:

1. If the Supreme Court holds the Adamson Law to be constitutional and the two sides cannot agree upon the application of any of the points, we will agree that the Eight-Hour Commission shall determine how the law shall be applied.

2. In case the law is declared unconstitutional, we offer to join you in asking the Eight-Hour Commission to determine the whole controversy, any settlement to be arrived at to be effective from Jan. 1 1917.

This offer for a peaceable adjustment was refused.

The members of the Eight-Hour Commission are Major-Gen. George W. Goethals, Edgar E. Clarke of the Interstate Commerce Commission, and George Rublee, formerly of the Federal Trade Commission.

The strike order of the trainmen, as presented to Elisha Lee, follows:

Progressive strikes of freight and yard service men and hostlers have been called, beginning at 6 p. m., Central time, Saturday, on New York Central, East and West; Nickel Plate, Baltimore & Ohio, yards of eighteen roads at Chicago represented by the Brotherhood of Railway Trainmen, Switching Committee, St. Louis Terminal Railroad Association, Merchants Bridge, and Wiggins Ferry. After first group on Sunday afternoon following roads called: group of Northwestern roads, Southern, N. & W., Virginian, C. & O. Balance of roads uncertain, but to follow in groups every twelve or twenty-four hours, with passenger service following.

From Pittsburgh on the 13th inst. it was reported that members of the railroad brotherhoods in that district had received on that day the formal order to strike on March 17, "unless otherwise notified." The dispatches from Pittsburgh said:

The circular, which also officially instructs them as to their conduct during the strike, is signed "Committee: B. of L. E., B. of L. F., O. R. C., B. of R. T." The circular consists of seven numbered paragraphs, the last reading as follows:

Your representatives have been unable to effect a satisfactory settlement and a strike under the laws of the respective organizations becomes effective March 17 1917, 6 p. m. Central time, 7 p. m. Eastern time, unless otherwise notified.

The first paragraph directs that "no man in road service involved in the strike will perform any service after the hour set to strike, unless he already has begun a trip and actually has left the terminal. If the train has left the terminal he will complete the trip and deliver the engine and train at the end of run or tie-up point, if tied up under the law, after which he will perform no further services until the close of the strike. Men in other than road service will leave the service at the appointed time. So far as your legal right to strike is concerned, there is no difference between a mail train and a freight train. You have identically the same right to refuse to perform a service on a mail train as you have to refuse to perform service on a freight train."

All men on strike are ordered in the circular to keep away from railroad property "except such men as are designated certain duties to be performed by authority of the organization. Every man should understand that the laws of the land must be obeyed. Acts of violence of any nature will not be tolerated."

Other sections deal with the manner in which the meetings of the strikers shall be conducted.

The proposed strike program follows:

Saturday, six P. M.—Call out all trainmen in freight service on the New York Central, Baltimore & Ohio, Erie, Atlantic Coast Line, Southern Railway, Louisville & Nashville and Seaboard Air Line. Such an order would involve 40,000 men.

Monday, March 19, six P. M.—Call out the freight trainmen on the Lehigh Valley, Lackawanna, Jersey Central, Pennsylvania, Long Island,

Maine Central, Delaware & Hudson, Reading, and all other roads in the southeastern territory or extending to New York.

Tuesday, March 20, six P. M.—Call out all the freight trainmen in the northwestern group, including the Hill roads and all those centering at Chicago.

Wednesday, March 21, six P. M.—If the railroads still refuse to grant the men's terms, extend the strike to all other freight trainmen and call out the passenger trainmen on every road in the country.

It was stated on the 14th inst. that full co-operation to make a strike effective would be given by the American Federation of Labor in the event of the rejection of the trainmen's demands by the railroads. No immediate sympathetic strikes were contemplated, Federation officials said on the 14th, but the brotherhood chiefs were assured of prompt support in every other way possible. Officials of the Federation's railway department, representing more than 400,000 shop employees, switchmen, telegraphers and maintenance of way laborers not affiliated with the brotherhoods, conferred at length on the situation at Washington on that day. Although no formal announcement was made, it was said the first move if the strike comes would be to admonish all union men not to offer their services to take the place of strikers.

In addition to the conference held in New York on Thursday meetings of the Chairmen of General Committee of the four railroad brotherhoods representing Southwestern roads and Vice-Presidents of the four brotherhoods were held at St. Louis on Tuesday, and for the Western roads at St. Paul on Wednesday last. No information, however, regarding the meetings was made public.

An appeal to the employees of the New York Central urging them to remain at work pending a conclusion of the matter by the Supreme Court was issued by President A. H. Smith on the 15th inst.

Pennsylvania Railroad officials announced on the 14th inst. that they are prepared to cope with a strike. The plans that road made several months ago, when a strike was threatened, still hold good, it is said. No less than 50,000 of the Pennsylvania Railroad employees are reported to have pledged their loyalty to the company and given their word to aid in manning the trains in the event of a strike. These volunteers were obtained and put on the company lists last July and their pledges remain good.

The threatened tie up of the railroads caused Joseph Hartigan, City Commissioner of Weights and Measures and Secretary of Mayor Mitchel's Committee on Food Supplies, to lodge with the railroads and trainmen an appeal for an uninterrupted passage of food and fuel supplies. In his communication presented to Elisha Lee, Chairman of the National Conference Committee of the Railways, and W. G. Lee, Chairman of the Brotherhoods' Committee, he said:

On behalf of his Honor, the Mayor, John Purroy Mitchel, the following proposals are submitted for the consideration of the conference, that may be jointly discussed in the pending proceedings:

No. 1—That the National Conference Committee of the Railways for the railroads of the United States make agreement and give assurance that the transportation of food and fuel supplies to all destinations shall in the event of a strike upon any of the railroads party to the conference, be provided continuous and uninterrupted passage over all railroads.

No. 2—For the brotherhoods of railroad employees, that the brotherhoods agree and guarantee that in the event of a strike upon any of the railroads in the United States, affected by their authority, that supplies of food and fuel for all destinations shall be permitted uninterrupted passage and that arrangement shall be entered into forthwith, with the railroads to furnish proper working crews for such freight and transportation.

These proposals are submitted urging that immediate serious consideration be given them in view of the obvious conditions that will arise in the event of either a partial or general railroad strike throughout the country, more particularly, however, having in mind its effect upon a city like New York, which depends for 95% of its food supplies upon sections at a great distance from New York City.

Elisha Lee in his reply said:

If a strike occurs on the railroads of the United States it is problematical to what extent the service can be performed. We are advised that the men on certain railroads will be called out on the afternoon of March 17.

For the railroads of the country we can say that the food and fuel supplies will be protected as far as can be done with the men in the service.

The following was the reply of the brotherhood leaders:

Every indication now seems to warrant the statement that the freight train, engine and yard employees on certain railways entering this city will peacefully withdraw from service at 7 p. m. Saturday March 17, and that the employees on other lines will continue in service for several days thereafter, making it possible, in our opinion, to furnish this city food and fuel supplies for several days after the strike becomes effective.

We regret exceedingly the necessity of inconveniencing the public in any way, and have declined to give our approval for the stoppage of the work of regular road passenger employees for a period of five days after the strike becomes effective, the result of which will be that regular passenger trains handling only passenger equipment, as well as regular milk trains, can operate as usual.

### EMBARGOES INCIDENT TO THREATENED TRAINMEN'S STRIKE.

The threatened trainmen's strike has resulted in the issuance of new individual embargoes during the week which it was expected would be followed by concerted action if the strike order were carried out. It was indicated on the 15th inst. that the Car Service Commission of the American Railway Association might simply suggest embargoes rather than call upon the roads formally to impose them. The Commission is vested with plenary powers by virtually every road in the United States with reference to meeting the situation caused by the car shortage, but there is some doubt as to whether its powers extend beyond affairs relating to this situation.

The Boston & Albany RR. announced on the 13th inst. that, "on account of the threatened strike of employees in train service," it had instructed agents to accept all freight subject to delay. Yesterday it was said that the road had issued embargoes on all classes of freight, including foods of all kinds and milk. A similar embargo, it was understood, had been issued by the New York Central.

The New York New Haven & Hartford announced on the 15th that all freight would be accepted subject to delay.

On the 13th E. M. Costin, General Superintendent of the Big Four Railroad, announced that, "on account of certain threatening strike conditions," the Big Four Railroad would not accept shipments of livestock and perishable freight after Thursday at midnight, unless it could be delivered to destinations on Big Four lines before Saturday noon. Other classes of freight, the announcement said, would not be accepted after Wednesday at midnight, unless the shipper signed a waiver releasing the railroad company from any damages that might be caused by delay.

The Baltimore & Ohio RR. on the 15th notified its agents and connecting lines that it would not accept shipments of perishable freight or livestock which could not be delivered by 8 a. m. to-day. This action was said to be a precautionary measure against an accumulation of foodstuffs and live animals which could not be moved in the event of its freight train employees going on strike.

Executive officers of every railroad west of Chicago and St. Louis, at a meeting at Chicago on the 15th, decided to order all their agents at once to receive all freight shipments of both carload and less than carload lots subject to delay and loss due to delay in case of a general railroad strike. The order was made effective immediately. Railroad officials explained that the order was not an embargo, and that the roads would continue to receive both perishable and non-perishable freight on condition that shippers waive claims for delay and damage due to a strike. It is reported that this order was issued by the Southern Pacific, Atchison Topeka & Santa Fe, Western Pacific, Chicago Burlington & Quincy and Northern Pacific roads.

Because of the threatened strike the Great Northern Ry. on the 15th placed an embargo on all freight of perishable nature or live stock destined to points on or beyond its lines, that could not be delivered before 5 p. m. Sunday. All other freight, it was stated, would be accepted subject to the owners' risk and delay.

The Wheeling & Lake Erie on the 15th placed embargoes on livestock and foodstuffs which could not be delivered by Saturday.

The Boston & Maine RR. Co. announced an embargo yesterday beginning at 5 p. m. on freight, with the usual exceptions on foodstuffs for human consumption and feed for livestock.

An order was issued by the Chesapeake & Ohio Ry. on the 15th declaring an absolute embargo on freight shipments in anticipation of the threatened strike. It virtually suspended all traffic on the road. Shipments from all points were rejected after the close of business on that day. Shipments from connecting lines, including steamship lines, it was stated, would not be received after last night. With the exception of fuel coal for the railroad itself, no freight will be moved. Practically all ships coming into Hampton Roads

will be held up by lack of bunker coal. Coal now on hand at the piers is sufficient only for the ships now in port. Under the embargo order work on Government ships at the shipyard will be greatly hampered, as material needed for construction of warships under contract is due to arrive daily.

The Louisville & Nashville RR. late on the 15th ordered an absolute embargo on shipments of inflammables, explosives and other dangerous articles, and on livestock and perishables of all descriptions for destinations which could not be reached by noon to-day. The embargo was extended to dead freight for destinations beyond L. & N. rails, but will be accepted for points on its own lines subject to loss or damage due to delay.

The Erie Railroad has declared an embargo on all cargoes, carload lots or less, for points on the system or connecting lines, effective at once.

Yesterday the Southern Railway stopped accepting perishable freight that could not reach its destination before six o'clock this morning.

The Norfolk & Western Ry. has embargoed every class of freight excepting "dead" matter, which is accepted subject to delay.

Texas & Pacific RR. officials issued notice yesterday that all shipments of freight would be received only subject to delay and at the shipper's risk of loss, in the event of a strike.

The Grand Trunk Railway Co. placed an embargo on all freight yesterday.

### ELISHA LEE CONTENDS RAILROAD WAGE PROBLEMS SHOULD BE ADJUSTED THROUGH PUBLIC INVESTIGATION.

With the renewal of the strike agitation among the trainmen, the remarks made last month by Elisha Lee, Chairman of the National Conference Committee of the Railways in a speech at Boston, are apropos. Mr. Lee declared that the railroads have not the same freedom as other industries in adjusting themselves to changes in industrial conditions. Pointing out that the railroads are public carriers, he referred to the fact that the rates they may charge—their only source of income—are fixed through public regulation. Since wages absorb not far from half of the rates charged, the public he contended, that these wages are a public charge just as much as rates. We quote further from his speech as follows:

The railroads have not the same freedom as other industries in adjusting themselves to changes in industrial conditions. During the past few months many manufacturers throughout the country have been making unprecedented profits, and they have shared these wartime gains with their employees in wage increases and bonuses. Not only has the volume of their output increased, but the prices they have received for their products have risen enormously. The turnover on the capital invested in many of our great industries has broken all records. When capital is earning 20, 40, 50 or 100%, large temporary increases in wages are easily made.

But the railroads are in a very different situation. The price of the only product they have for sale—transportation—is fixed by public bodies, and freight and passenger rates do not rise in periods of prosperity as do the prices of other products. In times like these the railroads handle a larger volume of business, but the rates remain stationary, while all other prices are going up. In the year just ended the railroads earned a billion dollars net, but this was only about 6% on their invested capital; and this income shows a comparatively small gain over the preceding years, as compared with the enormous gains in the profits of other industries. The additional profits made by the railroads in boom years are not sufficient to fill up the gaps of the lean years.

The railroads are public carriers. The rates they may charge—their only source of income—are fixed through public regulation. Wages absorb not far from half of the rates charged the public, and these wages, therefore, are a public charge just as much as rates.

We have repeatedly urged that these larger wage problems on the railroads, involving a cost to the public of many millions of dollars, can only properly be settled through public investigation. When we have gone before the Inter-State Commerce Commission for higher rates to meet higher wages and higher costs of materials, the Commission has very emphatically pointed out the public interest in the labor cost of transportation.

The Commission, in 1911, in declining to grant an increase in freight rates said:

Railroad labor, certainly organized railroad labor, is probably as well paid, and some say better paid, than labor of other kinds, upon the average. Railroad employees will hardly expect to receive wages which exceed those paid to other forms of labor for the same grade of service, and this Commission could not permit the charging of rates for the purpose of enabling railroads to pay their laborers extravagant compensation as measured by the general average compensation paid labor in this country as a whole.

When these wage demands were made on the railroads last year, and the spokesmen for the men declared that they would resort to a general strike rather than submit to arbitration, we felt that, as the managers of these properties, we had a public duty to perform, and that we were obliged to lay our case before the court of public opinion.

In a statement issued to the public last summer, after the refusal of the organizations to submit their demands to any board of inquiry, we defined what we believed to be the position we ought to take. We then said:

The railroads feel that they have no right to grant a wage preference of \$100,000,000 a year to these employees, now highly paid and constituting only one-fifth of all the employees, without a clear mandate from a public tribunal that shall determine the merits of the case after a review of all the facts. The single issue before the country is whether this controversy is to be settled by an impartial government inquiry or by industrial warfare.

We are still firm in the belief that these controversies, so vitally affecting the national interests, should be settled by reason and not by brute force, by investigation rather than by inquest, and that no fair settlement can be made which does not take into account the rights and interests of the great body of the people served by these public carriers.

#### RAILROAD HEADS IN CO-OPERATION WITH GOVERNMENT—DANIEL WILLARD AS ADVISORY CHAIRMAN OF DEFENSE COMMISSION.

A conference of the heads of the country's railroad systems with the Council of National Defense was held at Washington on the 1st inst. for the purpose of approving plans to give the Government the full co-operation of the transportation interests in the event of war. The railroad presidents were present in response to the call of Daniel Willard, President of the Baltimore & Ohio, a member of the Council's advisory committee of seven captains of industry. After the conference the railroad executives left for their homes, there to work out co-operation details with commanders of the country's four military departments. The more than 20 executives present comprised a special committee on National Defense of the American Railway Association, and with them met the National Defense Committee of the American Electric Railway Association. After a call on Secretary Baker, the railroad men heard army officers on transportation problems, and then discussed the situation among themselves. Next to the number and size of guns, Secretary Baker told them, the transportation problem in war is the most important the military will face. Of the country's state of defense, he said:

We have gone on in this country for a long time in the somewhat complacent assurance that the Atlantic Ocean is 3,000 miles wide, the Pacific 15,000 or something like that, and that we are separated by nature as well as by traditions and our own desires from any sort of difficulty. But we have grown a lot wiser in the last few years on that general subject; and, while I am quite sure that you regard the state of peace as most desirable, we are, nevertheless, concerned as to the means of accomplishing its continuance.

Congress and the President have enacted legislation that creates the Council of National Defense, and its purpose is to survey and co-ordinate all of the material and personnel resources of the country so that we will not be a disorganized democracy, but an organized and effective and efficient democracy, ready to turn its strength and its forces to anything that may be needed for national defense.

Moving of guardsmen to the Mexican border, the Secretary pointed out, was a small problem compared to what the country would have to face if called upon to move a force of half a million men. He added:

Our problem there was to get 150,000 men across this country from various parts of the country and to bring them together on a front 1,800 miles long. If we were suddenly put to the problem of moving an army of 500,000 from one coast to another, or to assemble so large a body of men as that in any relatively small place, the question of capacity of the tracks, the capacity of side tracks, and terminals and the capacity of cars, and the amount of power necessary, the way in which everything would be assembled and the effect on the country of the sudden mobilization of so large a part of the rolling stock facilities of the railroads in this unaccustomed use—the jamming that would occur—are all problems of high strategy in an art of which you gentlemen are masters and of which we know only as observers or users of these facilities.

I have a feeling that in some parts of the country very much enlarged terminal facilities ought to be carried out, larger than the present commercial and industrial needs, with an eye to their future use in an emergency. It is possible that a large store of reserve material should be accumulated with a view to its being available for instant use in time of an emergency.

#### The railroad executives present were:

Representing Eastern Military Department—L. F. Loree, Delaware & Hudson; W. G. Besler, Central Railroad of New Jersey; A. W. Thompson, Baltimore & Ohio; Daniel Willard, Baltimore & Ohio; A. H. Smith, New York Central; J. H. Hustis, Boston & Maine, and W. J. Harahan, Seaboard Air Line.

Central Department—R. H. Aishton, Chicago & North Western; G. L. Peck, Pennsylvania Lines; E. E. Calvin, Union Pacific; C. H. Mackham, Illinois Central; G. T. Slade, Northern Pacific.

Southern Department.—Fairfax Harrison, Southern Railway; W. R. Scott, Southern Pacific; B. F. Bush, Missouri Pacific; C. E. Schaff, Missouri Kansas & Texas.

Western Department.—William Sproule, Southern Pacific; E. P. Ripley, Santa Fe; J. D. Farrell, Oregon-Washington; George H. Harries, representing electric railways.

Formal announcement of the appointment of Daniel Willard, President of the Baltimore & Ohio RR., as Chairman of the Advisory Commission of the Council of National Defense was made by Secretary of War Newton D. Baker on the 3rd inst. W. S. Gifford, of the American Telephone & Telegraph Co., has been made a director of the Council and Grosvenor B. Clarkson of New York has been chosen Secretary. As head of the Advisory Commission, Mr. Willard becomes the most important civilian factor in the plan of the Government for the mobilization of the industrial interests of the country, particularly the transportation interests. He becomes the right-hand man of the Administration in or-

ganizing the railroads, the munitions corporations, the steamship companies, clothing and food supplies and other agencies of that nature for the possible use of the Government in the event of war. In making the announcement, the Secretary of War said:

At a joint meeting of the Council of National Defense and its Advisory Commission, held this morning at the office of the Secretary of War, the appointment was announced of Daniel Willard, President of the Baltimore & Ohio RR., as Chairman of its Advisory Commission. Mr. Willard has been active in organizing the transportation facilities of the country for the Government's possible needs. His predecessor, Dr. Hollis Godfrey, President of the Drexel Institute, was unable longer to serve as Chairman because of the press of private affairs.

W. S. Gifford, of the American Telephone & Telegraph Co., was elected director of the Council, and Grosvenor B. Clarkson, a New York business man, was elected Secretary of the Council. Mr. Gifford was supervising director of the industrial mobilization work of the Naval Consulting Board, with which Mr. Clarkson was also closely associated.

#### IVY L. LEE SEES RAILROADS AT STANDSTILL AS RESULT OF GOVERNMENT REGULATION.

Discussing the problem of Government railroad regulation under the caption, "What Is to Become of the Railroads," Ivy L. Lee, speaking before the Westminster Forum at Kansas City on March 11 stated that unless all signs fail, the close of the year June 30 1917, the end of the first ten full years of railroading in the United States under Government regulation with teeth, promises to witness this exhibit of conditions:

1. A vastly increased railroad investment; an even greater percentage of increased service rendered; and no return earned upon the increased investment;
2. Railroad building at a very low ebb, railroad facilities congested, no adequate plans being made to provide for future requirements, and
3. Issuance of new stock for railroad construction wherein investors take their chances in the enterprise at an end.

In view of these facts, said Mr. Lee, unless the fundamental principle upon which Government regulation of railroads as now practised in the United States is changed, Government ownership is inevitable. He further said:

The fundamental weakness of the existing system is that Government authorities, in response doubtless to public opinion, have exerted themselves to prevent railroads earning more than adequate return upon existing investment.

Private and unregulated ownership of railroads broke down in the United States; not because it failed to provide adequate facilities, but because it developed incidental evils contrary to public interest.

But with all its faults—and no one will deny them—unregulated private ownership gave us a railroad system which with the lowest capitalization per mile, and paying the highest wages, yet charged the lowest freight rates of the railroads of any great country in the world.

To remove the evils incident to unrestrained private ownership, the system of regulation which was developed has been fundamentally punitive and preventive. It has devoted itself to removing evils, and but little to looking after the needs of the people for new facilities. Commissions and officials attempt to fix rates which will provide "a reasonable return on capital," but they concern themselves almost wholly with existing investment; they give but little regard to that fundamental fact so clearly stated by the Hadley Railroad Securities Commission, that "a reasonable return is one which under honest accounting and responsible management will attract the amount of investor's money needed for the development of our railroad facilities."

Commissions say the railroads are earning enough money. But money for new work must be obtained from private investors who determine for themselves whether a return upon a proposed investment seems to them adequate.

Railroad building in the United States is practically at a standstill; railroad improvements are being made on a hand-to-mouth basis. No comprehensive plans are being made to take care of the needs of the future. This is not because the railroads do not know what is needed and are not eager to go ahead. The fact is that railroad managers are "chafing at the bit"; they know what ought to be done, but they are powerless to do it. And all of that for this obvious reason: the railroads cannot get the money.

The New York Central RR. recently tried to issue \$25,000,000 of new stock at par, but did not succeed. The Southern RR. attempted to work out a comprehensive financial scheme, but also without success. These cases are symptomatic. Other companies would have attempted to issue securities but for fear of suffering just what has happened to the New York Central and the Southern. The fact is that railroad securities have ceased to be attractive to investors. The last two years marked the lowest ebb in American railroad construction since the close of the Civil War.

Since Jan. 1 1915 only \$13,340,000 of new money for railroad building in the United States has been raised by issues of stocks. All other money the railroads have been compelled to obtain by borrowing.

In 1916 the only stock issued on the New York Stock Exchange for new construction was \$351,145 65, issued by the Cleveland & Pittsburgh RR. for a small amount of work done in 1915—and even that stock was guaranteed by the Pennsylvania Railroad Co., making the stock in effect a bond.

Last year, in fact, was the first year since railroads were invented in which not a single share of new stock common was listed on the New York Stock Exchange and sold to the public wherein the public took its chances in the investment of money for new railroad building in the United States.

Real railroad regulation in this country is just about ten years old. The Hepburn Law went into effect Aug. 1 1906. Since that time regulation has had teeth. The railroads have been completely under the domination of the Federal Government and the authorities of forty-eight separate States, each acting in its own way, but always to hold down railroad rates and to increase expenses. Just what effect this process has had since regulation got under way may be seen in these facts:

During the eight years from July 1 1907 to July 1 1915 the railroads added to their property investment about \$4,800,000,000, an increase of nearly one-third over 1907. As a result of that increased investment the railroads were able in eight years to render an aggregate increased service of 186,241,000,000 traffic units (passenger miles and ton miles combined). That was a total actual addition to the service rendered in 1907 of about 70%. Having rendered that total increased service, with the facilities provided by that increased capital, the railroad treasuries on July 1 1915

were worse off by \$95,000,000, in so far as returns from operations were concerned, than they were at the end of 1907.\* In other words, nothing whatever had been added to the total railroad net earnings of eight years as a result of the vastly increased service which had been rendered.

**\*TOTAL NET EARNINGS, AFTER PAYING TAXES, OF RAILROADS OF THE UNITED STATES.**

Year Ended June 30—	Net Operating Income.	Increase (+) or Decrease (—) Over 1907.
1907.....	\$760,277,359	.....
1908.....	645,681,895	—\$114,595,000
1909.....	732,642,083	—27,635,000
1910.....	826,466,756	+66,189,000
1911.....	768,213,345	+7,936,000
1912.....	751,266,806	—9,011,000
1913.....	829,863,248	+69,586,000
1914.....	704,685,079	—55,592,000
1915.....	728,212,079	—32,065,000

Aggregate Net Loss in eight years over 1907..... \$95,187,000

It is true that 1916 was a very different year, one of exceptionally large gross and net earnings, following several years of depression in which railroads had been able to effect many economies and make favorable contracts for materials.

Increased costs of materials and other items will vastly swell all costs of railroading in 1917. Therefore the present year bids fair to absorb all the gain in net for 1916 and get back to the 1915 basis. The railroad coal bill alone for this year will probably be some \$130,000,000 more than for last year. Meanwhile the prices for which the service must be rendered remain the same. Rates cannot be raised as manufacturers and merchants raise their prices to meet advancing costs.

Mr. Leo, in concluding, reiterated the statement made by him in an address delivered in Jersey City last month, i. e., "what is needed above all else is non-political, constructive, consistent regulation." That, he said, "will avert Government ownership; it will give the people an economical railroad system."

**TERMS UPON WHICH ORGANIZED LABOR PLEDGES ITS SERVICES TO NATION IN EVENT OF WAR.**

The conditions under which organized labor is ready to offer its services to the country in the event of war, were outlined at a conference in Washington on the 12th inst. of Presidents of 110 national and international unions affiliated with the American Federation of Labor, department heads, and heads of the four railway brotherhoods. The call for the conference was issued by Samuel Gompers, President of the Federation, on March 4, its purpose being to determine and announce the part labor shall claim in the formulation of policies of preparedness and defense in the present situation confronting the nation. A meeting of the Executive Council of the Federation, extending over three days, and concluded on the 11th, preceded the conference. In all, it is stated, 3,000,000 American workers were represented at the conference, which, by unanimous vote of more than 150 delegates, nominally pledged its services to the country, but really indicated the terms demanded for such services. A statement formally adopted and issued after the conference set forth, in addition to the offer of service in case of war, various demands which were held to be fundamentals in safeguarding the rights of workers in war times, as well as in peace. Militarism was protested against; it was held that industrial service should be deemed equally meritorious as military service, that service should conform to trade union standards, and that organized labor should have representation on all agencies determining and administering policies of national defense and controlling publicity. The concluding paragraphs of the statement, pledging labor's support to the nation, follow:

We, the officers of the national and international trade unions of America in national conference assembled in the capital of our nation, hereby pledge ourselves in peace or in war, in stress or in storm, to stand unreservedly by the standards of liberty and the safety and preservation of the institutions and ideals of our republic.

In this solemn hour of our nation's life it is our earnest hope that our republic may be safeguarded in its unswerving desire for peace; that our people may be spared the horrors and the burdens of war; that they may have the opportunity to cultivate and develop the arts of peace, human brotherhood and a higher civilization.

But, despite all our endeavors and hopes, should our country be drawn into the maelstrom of the European conflict, we, with these ideals of liberty and justice herein declared, as the indispensable basis for national policies, offer our services to our country in every field of activity to defend, safeguard and preserve the Republic of the United States of America against its enemies whosoever they may be, and we call upon our fellow-workers and fellow-citizens in the holy name of labor, justice, freedom and humanity to devotedly and patriotically give like service.

The statement opens with this declaration:

We speak for millions of Americans. We are not a sect. We are not a party. We represent the organizations held together by the pressure of our common needs. We represent the part of the nation closest to the fundamentals of life. Those we represent wield the nation's tools and grapple with the forces that are brought under control in our material civilization. The power and use of industrial tools is greater than the tools of war and will in time supersede agencies of destruction.

It then goes on to say that "whether we approve it or not, we must recognize that war is a situation with which we must reckon," and points out that the United States may be

drawn into the European conflict at any moment. Attention is called to the fact that methods of modern warfare are far different from those of previous wars, and that "the nation's problems afford an opportunity for the establishment of a new freedom and wiser opportunities." Modern war, the statement says, includes contests between workshops, factories, the land, financial and transportation resources, therefore, "it is fitting that the masses of the people of the United States should take counsel and determine" the course they shall pursue. It adds:

It is timely that we frankly present experiences and conditions which in former times have prevented nations from benefiting by the voluntary, whole-hearted co-operation of wage-earners in war time, and then make suggestions how these hindrances to our national strength and vigor can be removed.

War has never put a stop to the necessity for struggle to establish and maintain industrial rights. Wage-earners in war times must, as has been said, keep one eye on the exploiters at home and the other on the enemy threatening the national government.

It is maintained to be a fundamental step in preparedness for the nation to "set its own house in order and establish at home justice in relations between men." Previous wars, for whatever purpose waged, are said to have developed new opportunities for exploiting wage-earners, labor being stripped of its means of home defense and robbed of the advantages, protections and guarantees achieved after ages of struggles. Wage-earners are declared always to have lost, regardless of the outcome of the wars. "Since the masses perform indispensable service, it follows," the statement declares, "that they should have a voice in determining the conditions upon which they give service." It then proceeds on behalf of the workers of America to make known "their beliefs, their demands and their purposes." The demands include "the right in war times to be the recognized defender of wage-earners against the same forces which in former wars have made national necessity an excuse for more ruthless methods." Conditions of work and pay in government employment and in all occupations, it is asserted, should conform to the principles of human welfare and justice, and "whether in peace or war, the Government must recognize the organized labor movement as the agency through which it must co-operate with wage-earners."

It is held that service in war time may be either military or industrial, and that both are equally essential to the national defense. "We hold," the statement says, "this to be incontrovertible, that the Government which demands that men and women give their labor power, their bodies or their lives to its service, should also demand the service, in the interest of these human beings, of all wealth and the products of human toil, property." It also is held that if workers are called upon to give more exhausting service than their welfare warrants, that such service shall be asked only when accompanied by increased guarantees and safeguards and when the profits to employers shall be limited to fixed percentages. Demand is made for clear differentiation in preparedness between military service for the nation and police duty in industrial disputes. Whenever changes in the organization of industry are necessary upon a war basis, it is insisted that they shall be made in accordance with the plans agreed upon by representatives of the Government, and those engaged in the industry. When women may be employed, equal pay for equal work is demanded without regard to sex.

In his letter to the union heads, calling the conference, Mr. Gompers said:

Every day has added to the seriousness of the situation that confronts our nation. Even though we should be able to maintain our rights without being drawn into active participation in the present world conflict, yet we shall be compelled to meet the problems of readjustment after the war and to do our part to have incorporated into international regulations what shall determine the future ideals and principles of human justice and democracy, and the establishment of institutions and relations to deal with misunderstandings, differences, and conflicting interests, so that they may be guided in such a way as to prevent future wars.

But there is an immediate, critical situation which the labor movement must meet at once. National constructive policies of preparedness and defense are now being formulated. The wage-earners of the United States will have to recognize their obligations to maintain institutions of liberty and justice if they are to have part in directing the spirit and the methods that shall be adopted for the defense of our republic.

Some plan will be adopted. Whatever the plan may be it will affect wage-earners primarily. If in this formative period the labor movement shall clearly enunciate what part it is willing to take in defense of the republic, it will be in a position to have a voice in deciding the whole plan of national preparedness for defense, but if the labor movement should hold aloof and should refuse to proclaim a constructive program, all wage-earners will be forced to accept conditions and methods determined by those who do not understand or sympathize with the aims or purposes of the labor movement.

Either duties and service in connection with national defense will be imposed upon the workers without their advice when formulating these plans, or labor must make this an opportunity for emphasizing the tremendous service that it has rendered to society, both in peace and in war, and for demanding that all plans be in harmony with the thought that human life and human welfare are the ultimate purpose in both peace and war service.

Wage earners, the great masses of the people, have the right to demand

that the interests of humans shall under all circumstances be made paramount to the interests of property.

The labor movement has repeatedly declared that representatives of wage-earners ought to be included in every agency acting for the Government of the people. In harmony with this position, President Wilson appointed me a member of the Advisory Committee to the Council of National Defense. The Executive Council approved my acceptance of the position, and I have been working with the Council and with the Advisory Commission.

General policies are now in the making and can be directed either in accord with the interests of humanity or against them. But organized labor cannot delay in expressing itself upon the present and impending critical situation. Now is the time for labor to speak. Inasmuch as the justification for labor's participation in determining national policies is based upon democratic principles, it is necessary that the same spirit should determine the principles and plans which the wage-earners among themselves shall agree upon.

It is imperative, therefore, that the responsible representatives of the labor movement shall consider this entire subject and shall agree upon the fundamental principles which labor will accept in national defense, and in which it will co-operate.

Within the last few days a critical situation developed, making it necessary for metal workers employed in Government navy yards to determine what attitude they would take toward plans for national defense. A conference held to consider that particular problem found it necessary to discuss the entire situation. In that conference representatives of the railroad department of the American Federation of Labor, who were then in Washington, conferring with representatives of railroad companies regarding wages, standards, and schedules, met with officers and representatives of the American Federation of Labor.

After the entire situation had been thoroughly presented and discussed, it was the unanimous opinion of all present that the labor movement would lose a great opportunity if it did not make a definite statement as to how far it was willing to go in the movement for preparedness.

It was the sentiment of this conference that the labor movement must co-operate in the formulation of plans, and that the President of the American Federation of Labor ought to call a special meeting of the Executive Council, and also to call a conference consisting of the officers of all national and international unions and departments.

It was the judgment of all present that whatever action the American labor movement shall take must be taken quickly in order that we may exercise a beneficent guidance rather than be forced to submit to emergency measures.

#### SENATE RESOLUTION REQUESTING INFORMATION CONCERNING REGISTRATION OF SHIPS.

A resolution calling on the Secretary of Commerce for a list of all seagoing vessels that have applied to the United States Government for registry under the American flag, between Jan. 1 1916 and March 15 1917 was adopted by the Senate on the 15th inst. The resolution was presented by Senator Stone, Chairman of the Committee on Foreign Relations, and is as follows:

*Resolved by the Senate,* That the Secretary of Commerce be and is hereby directed forthwith to prepare and furnish, or cause to be forthwith prepared and furnished, to the Senate a full list of all seagoing vessels for which application has been made for registry under the laws of the United States and also what vessels for which such application has been made have been in fact granted registration between Jan. 1 1916 and March 15 1917, and that in said list it shall be set forth

- (1) The name and character of the vessel before the application for registry was made and the name under which the registration was granted.
- (2) The name of the nation under whose registration and flag each of said vessels operated prior to the application for United States registration.
- (3) The name or names of the person or persons or association or corporation applying for United States registration in each instance.
- (4) The exact date of both the application for and the issuance of the registration in each instance.

#### ARMAMENT OF SHIPS—NAVY DEPARTMENT'S REQUEST FOR SUPPRESSION OF INFORMATION.

As we announced last week, in referring to the extra session of Congress called by President Wilson and the latter's decision to exercise his power to arm ships at once, the Navy Department made known its intention to appeal to the newspapers and cable companies to suppress publication and transmission of information regarding the movements of American vessels prepared to resist submarine attack. Secretary of the Navy Daniels, on the 9th inst., issued the following statement to the newspapers relative to this request:

You have read the statement issued from the White House, and now you know that the President has the power to arm American merchant ships making trips on the seas on lawful errands, and is free to exercise it at once. I do not think you ought to ask with what guns they will be armed or how they will be manned or exactly when the power will be exercised. The Government should be trusted fully to carry out the policy announced in the best way.

I do not think you ought to ask when the ships will be armed or print when they will sail. To-day I requested every cable company in America not to send out any news about ships sailing to or from Europe. The wireless stations are under the direction of the Navy Department, and no news of sailings will go out by radio.

I am going to request you and every newspaper and every news agency in the United States not to print any news about the arrival of ships or when any of them will sail for European ports. There is no power of censorship in our country. The President does not have any authority over the press. In this time of national emergency I feel sure that every newspaper will accede to the request not to even give a hint or speculation of the sailing of American ships. Such publication might result in the loss of life. As the reasons are so obvious for making this request, there is confidence in Administration circles that this request will be complied with by every paper in the country.

All patriotic Americans are ready to make sacrifice for their country in times of emergency. The press can render the highest patriotic service by

refraining from printing at this time what ordinarily they would freely print.

Inasmuch as it will be impossible to reach every paper and news agency directly, I will ask all papers to carry this request, which is made as an appeal to patriotism, to all journalists and disseminators of news. The best news the readers can have is that the Government will protect the rights of America to the freedom of the seas. The publication of details can serve no good purpose and might jeopardize human life. All readers will surely applaud the papers in responding to this appeal.

The President's decision that he possessed the power to arm ships is said to be based on formal opinions from Attorney General Gregory and Secretary of State Lansing. It is stated that the position is taken that the statute of 1819 (given in these columns last week) has no application in the present situation. The Attorney General, the "Times" reports, sustains Secretary Lansing in holding that the law in question had reference to piratical conditions existing at the time of its enactment, and does not serve as a bar to protecting a ship from submarine attacks. Formal announcement of the Government's intention to place an armed guard on all ships sailing for the war zone was contained in a communication, made public on the 12th inst., sent by the State Department to all embassies and legations in Washington, as follows:

In view of the announcement of the Imperial German Government of Jan. 31 1917, that all ships, those of neutrals included, met within certain zones of the high seas would be sunk without any precaution being taken for the safety of the persons on board, and without the exercise of visit and search, the Government of the United States has determined to place upon all American merchant vessels sailing through the barred areas an armed guard for the protection of the vessels and the lives of the persons on board.

According to the Philadelphia "Ledger," "the State Department holds that the presence of these men aboard will not give the vessel the status of warships. The vessel becomes a warship only when used definitely for that purpose, the Department rules. It is held that regardless of whether or not secret orders were issued to the gunners, armed merchant ships could not be classed as warships, though Germany has contended that Great Britain's secret orders made her armed ships actual war vessels." A confidential memorandum prepared by Secretary Lansing as the basis for orders which will be issued to gunners assigned to protect American merchantmen from German submarines, was handed to Secretary Daniels by Mr. Lansing on the 12th inst. Concerning this memorandum the Philadelphia "Record" said:

Mr. Lansing's memorandum outlines the policy which the Government intends to carry out and it is now up to Secretary Daniels to see that it is executed. When he presented the memorandum, Secretary Lansing disposed of the subject as far as the State Department is concerned. The memorandum has been turned over to Admiral Benson, Chief of the Bureau of Operations. To-night Admiral Benson will dictate orders to the gun crews and to-morrow they will be sent by wire and wireless to the commandants of various navy yards throughout the country and the insular possessions, who will transmit them to the men whose duty it will be to see that they are carried out.

The State Department will not publish textually the memorandum prepared by Secretary Lansing at the present time and the Navy Department does not now intend to make public the orders which will be based upon it.

The substance of Secretary Lansing's memorandum is presented herewith:

First—The German submarines are acting under orders of Jan. 30, which are absolutely illegal and they may be treated as pirates. They have no standing before the law of nations.

Second—The American ships which are to sail with armament and crews are absolutely within their rights from a legal standpoint. The only law which they need recognize is the law of cruisers, which specifies that a belligerent warship must warn a peaceful merchantman, and proceed with the practice of visiting and searching before attacking.

Third—The crews which are to be placed aboard the ships have the same status as armed guards. Their duty is to protect the vessels in their legal rights. Their position is analogous to that of a policeman who is placed aboard a street car to protect the passengers from strike violence.

Fourth—The armed guard is responsible to the Navy Department for the protection of the property entrusted to it, just as the policeman is responsible to the city authorities.

Fifth—The commanders of the crew have an absolute right to fire upon a German submarine whenever it is seen in the barred zone, providing it does not make unmistakable signs of its intentions to adhere to cruiser law.

Sixth—The fact that Germany has publicly announced that her submarines have been ordered to violate this law should be borne in mind constantly because the submarine commanders cannot respect cruiser law without violating the Admiralty's orders.

Seventh—The first duty of the gun crews is to protect the lives and property entrusted to them, and therefore it would be unwise to take any chances in the belief that cruiser law would be respected by submarine crews which have been publicly ordered to shoot at sight.

It is understood that protection will be accorded to ships carrying ammunition and other munitions of war.

On the 12th inst. Germany renewed her efforts to have the United States sign a protocol amending the Prussian-American treaty of 1798, so as to exempt all German residents in the United States from arrest or interference during any period of war and reserving to all German ships in American ports the right to safe conduct to home ports. It is the same protocol that Ambassador Gerard before his departure from Berlin refused to consider. The Swiss Minister, Dr. Paul Ritter, on the 12th, called at the State Department by

direction of the German Foreign Office, with a copy of the proposed amendment to the treaty. It is stated that the question probably will get due consideration by State Department officials, though it is realized that such an amendment, even though the Administration favored it, would not have much prospect of ratification in the Senate.

#### NO INFORMATION TO BE MADE PUBLIC CONCERNING INCOMING MANIFESTS.

Copies of orders issued by Assistant Secretary of the Treasury Andrew J. Peters, directing that no information regarding shipping be given out, except the monthly statistics on imports and exports, were received at the Custom House in this city on the 13th inst. While the Treasury Department authorities have called upon Custom House officials to refrain from making public clearances of ships, the "Journal of Commerce" reports that under the new orders manifests of incoming ships, including American coastwise, will be withheld as well as all other shipping information, with the exception of the statistics mentioned.

#### ARRANGEMENTS FOR EXPEDITING LUMBER SHIPMENTS.

Following a series of conferences between officers of the Pennsylvania RR. and the railroads of the South, held to determine the best means for effecting more prompt arrangements for the shipment of domestic lumber and forest products from Southern States to Eastern and Northern destinations, on and via the Pennsylvania RR. and its connections, a Special Lumber Conference Committee has been established at Norfolk, Va., by the following railroads:

The Atlantic Coast Line RR.; the Chesapeake & Ohio Ry.; the New York Philadelphia & Norfolk RR.; the Norfolk Southern RR.; the Norfolk & Western Ry.; the Pennsylvania RR.; the Richmond Fredericksburg & Potomac RR.; the Seaboard Air Line Ry.; the Southern Ry. and the Virginian Ry.

Much of the lumber traffic passes over the lines of these companies. The Committee will virtually act as a clearing house in handling applications for special modifications of embargoes against domestic lumber and forest product shipments which the Eastern railroads were compelled to place on Jan. 30 1917, on account of the general congestion and car shortage. The purpose of establishing the Committee is to facilitate, as far as is in the power of the carriers to do so, the granting of special permits for shipments of domestic lumber and forest products whenever transportation conditions permit. This has been felt by the railroads to be especially important at this time in view of the heavy demand for lumber occasioned by the unusually large spring building operations and the general need of manufacturers. The Committee will be composed of the following representatives:

Atlantic Coast Line RR., S. A. Stockard and H. L. King; Chesapeake & Ohio Ry., E. P. Goodwin; Norfolk Southern RR., J. F. Dalton and C. P. Dugan; Norfolk & Western Ry., H. L. Daw; Pennsylvania RR., John T. Wray, Chairman, S. J. Henderson and H. B. Arledge; Seaboard Air Line Ry., F. H. Smith; Southern Ry., H. P. Friedman; Virginian Ry., A. F. Shafhirt.

A statement issued by the Pennsylvania RR. says:

While every possible effort will be made by the railroads participating in the work of the Committee to expedite the actual movement of lumber, progress will of necessity be slow, while the heavy accumulations remain, whether at points of destination, points of origin or at intermediate locations in yards or along the lines. At the present time several thousand carloads of lumber are awaiting loading in the South for Northern and Eastern destinations on and routing via the Pennsylvania RR.

It is the desire of the participating railroads that shippers and consignees should understand that the establishment of the Special Lumber Conference Committee will not, of itself, at once increase the amount of lumber physically possible to handle. This is controlled by the condition of yards and consignees' sidings, the accumulation of loaded cars, the supply of empty cars, and general transportation conditions. The work of the Committee, however, will simplify negotiations, prevent confusion and afford opportunity for fuller co-operation between the railroads, shippers and consignees. This, it is hoped, will pave the way for material improvement of the situation with reference to lumber shipments.

#### THE GERMAN CREED—TEUTONIC ASCENDANCY, WHAT IT WOULD MEAN.

We take the following from the circular letter of Thompson & Mullen, cotton dealers at Greensboro, N. C.:

If, and when, America shall unsheath her sword, though her action be immediately in defense of the freedom of the seas, her ultimate object will be the prevention of that Teutonic hegemony over all the earth which has been the goal of Germany's ambition for full fifty years; for the basic dogma of the German creed is that mankind is made to serve the State, while the foundation stone of our national faith is that the State exists but to serve mankind.

Teutonic ascendancy could, therefore, mean nothing less than the death of the American ideal, and in striving to defend this from destruction, surely we may well afford to forget for the time even the long list of England's humiliating transgressions against the law of nations; Russia's cold and cruel record; and the damnable despotism with which Belgium's King crucified her African dependency beneath the very shadow of the cross on which she herself so soon should hang. And France—who would not

forget and forgive the whole of her offending?—she who has purified herself so perfectly—a veritable Magdalen among the nations.

All these things and more we may well forget as we prepare to fight shoulder to shoulder with these peoples and their allies to crush German militarism and its Imperial head, "That Moloch, horrid King, besmeared with blood of human sacrifice and parents' tears."

#### RETURN OF FORMER AMBASSADOR GERARD FROM GERMANY.

James W. Gerard, former Ambassador to Germany, who left Berlin on Feb. 3 following his recall with the severance by the United States of diplomatic relations with Germany, arrived in Washington on March 14. Mr. Gerard reached Havana on the Spanish steamer *Infanta Isabel* on March 11. From Havana he went to Key West, and from there journeyed to Washington by train. Upon his arrival at Washington he conferred with Secretary of State Lansing and Counselor Polk. His meeting with President Wilson was deferred for a day on account of the President's illness. After a brief conference with the President on Thursday (the 15th) he departed for New York, where he was yesterday accorded an enthusiastic welcome. His arrival was marked by a triumphal procession from the Battery up Broadway to the City Hall, where he was officially received. In response to the greetings of Mayor Mitchell and John B. Stanchfield, Chairman of the Mayor's Committee, the former Ambassador delivered a brief address on the steps of the City Hall. The "Evening Sun" quotes him as follows:

Mr. Mayor, Mr. Stanchfield, gentlemen of the committee and fellow-citizens: You must know how deeply grateful I am for this reception to-day, how grateful I am for the very kind words spoken by your Mayor and by Mr. Stanchfield; but in summing up my work in Germany I ask you to remember that I had the assistance of a very devoted band of secretaries, of a small but tactful family of one, and the backing of our efficient Department of State, and no less, at all times, the approval, the wise counsel, the skillful guidance of that man who will stand in American history beside Washington and Lincoln—our President, Woodrow Wilson.

We are standing to-day very near the brink of war, but I want to assure you that if we should be drawn into the conflict it will be only after our President has exhausted every means consistent with upholding the honor and dignity of the United States to keep us from war. I left Berlin with a clear conscience, because I felt that during all my stay there I had omitted nothing to make for friendly relations and peace between the two nations.

I am very glad to-day to see on the list of this reception committee the names of people of German descent. It is but natural that citizens of German descent in the beginning of the war should have had a sentimental feeling toward Germany; that they should have looked back through rose-colored glasses on that land which, however, they left because they did not have equality of opportunity.

We read to-day in the newspapers for the first time that there is a prospect that after the war the Germans will be given an equal share in their own Government. I believe that in our hour of trial we can rely upon the loyalty of our citizens of German descent, and if they would follow me I would not be afraid to go out with a regiment of them, and without any fear of being shot from behind.

And I want to endorse every word that your patriotic Mayor said about the necessity for preparation. When I came back to this country it was a positive shock to me to find in the two years in which the world has been on fire that we have done nothing to prepare for even a reasonable means of national defence. There is only one thing—universal military service or universal training. That nation that stands opposite to us to-day has probably not less than 12,000,000 men under arms. I have seen the Germans take prisoners in one afternoon more men than there are in the entire United States army.

Doesn't it seem to you ridiculous that the two States of New York and New Jersey should have more chauffeurs in them than there are soldiers in our army? My companions from the 12th Regiment that have honored me by coming here to-day, and more men like them throughout the country, have done what they can, but they can't do it all; there must be a public sentiment if we are to maintain ourselves as a nation. If we had a million men under arms to-day we would not be near the edge of war.

Gentlemen, I have tried in Berlin to be as the Mayor has told you, an American Ambassador, and I thank you because you, an audience of patriotic Americans, by your presence here set your seal of approval upon my conduct during the last two and a half years.

#### THE SINKING OF THE ALGONQUIN.

The American freighter *Algonquin* was sunk by a German submarine without warning in the North Sea on March 12. The captain and crew of 27, among whom 10 were Americans, reached land in safety. The sinking of the vessel was officially reported to the State Department at Washington on the 14th in the following dispatch from J. G. Stephens, American Consul at Plymouth:

Steamer *Algonquin* of New York, from New York for London, with food-stuffs, sunk by German submarine 65 miles west of Bishops (Rock) March 12 6 a. m. Captain reports vessel not warned and sunk by shell fire. Crew of 27 all saved in own boats. Submarine refused assistance. No other boats in sight.

An additional report from Consul Stephens received at Washington on the 15th said:

Captain of *Algonquin* reports ship sailed New York for London and on March 12, 6 a. m., in clear weather, calm sea, German submarine fired about twenty shells direct at ship, two shells hitting ship. No warning given. At first shot captain instantly stopped his vessel and went full speed astern. Submarine continued firing until crew were two boat lengths from ship, then ceased firing and approached ship. They placed bombs aboard and the ship sank in 15 minutes. The commander of the submarine refused assistance, saying he expected two other ships and was too busy. After 27 hours in boat crew reached Ireland safely, having water, biscuits and canned goods in boat. No vessels seen on journey from disaster to

St. Marys. No injury to crew. Ship fully marked and flying American flag when attacked and sunk. Flag removed by Germans.

Captain A. Nordberg, commander of the Algonquin, in an interview to the newspapers on the 14th described the sinking of the vessel as follows:

On Monday morning, just after daylight, I was on the bridge. It was the mate's watch. I saw two steamers, apparently colliers, steaming west, one on the starboard and the other on the port side. Two minutes later the mate called my attention to another object and at once I said, "I think that is a submarine."

The submarine was about three miles distant, as were also the steamers. Immediately I saw the flash of a gun and a shell fell short. At once I stopped the engines and then went full speed astern, indicating this by three blasts on the whistle. The submarine kept on firing, the fourth shot throwing up a column of water which drenched me and the man at the wheel. It was a close call.

The fifth shot struck the ship's side and the next went aft. The submarine was using two guns. Twenty shots were fired at us. I ordered the crew to the boats and we pulled away two ships' lengths. All this time the submarine was firing at us. Some of the shots came very close.

Once we were in the boats the Germans ceased firing and the submarine dived. Later we saw the periscope, which circled the Algonquin half a dozen times. Then, finding her abandoned, the submarine came to the surface and boarded the steamer.

The first thing done was to lower the American flag. Then I concluded they were going to sink my ship. Ten minutes afterward I heard an explosion and saw smoke. They had blown the ship up with bombs. In fifteen minutes the Algonquin had sunk.

The submarine was flying the German ensign. Her commander asked the name, nationality, destination and cargo of the ship, which had the American colors painted on her side and flew the American flag day and night. I asked him to tow us toward land, but he refused, saying: "I'm too busy. I expect a couple of other steamers."

The weather was fine and the sea smooth. After being 27 hours in the boats we reached Scilly, without seeing any vessel of any kind.

The Algonquin was built in Glasgow in 1888 and was of 1,806 gross tonnage and 245 feet long. She was for many years under the British flag. She was purchased in December 1916 by the American Star Line from the Nova Scotia Steel & Coal Co., and transferred to American registry at that time. Officers of the American Star Line said the vessel was worth approximately \$450,000, and that the cargo, consisting mostly of foodstuffs, was worth more than \$1,250,000. One-half of her cargo, it is said, was owned by Swift & Co. Although the Algonquin was owned by the American Star Line when she sailed from New York for London on Feb. 20, she was sold, it is said, the following day to Stephanidis & Benas of 24 State Street. Captain Nordberg, it is pointed out, evidently did not know of the change in ownership of the vessel, for his dispatch announcing the sinking of the vessel was sent to the offices of the American Star Line.

#### GEORGE W. GUTHRIE, U. S. AMBASSADOR TO JAPAN, DEAD.

George W. Guthrie, United States Ambassador to Japan, died suddenly of apoplexy in Tokio on Thursday, March 8. Announcement of the Ambassador's death was received by the State Department at Washington in a dispatch from Post Wheeler, Secretary of the American Embassy at Tokio. Mr. Guthrie was among the first diplomatic representatives named by President Wilson and had been at his post constantly since 1913, except for a short visit to this country in 1915. The affairs of the American Embassy at Tokio have been taken over by Mr. Wheeler, Secretary of the Embassy, who will continue in charge, pending the appointment of a new Ambassador.

The State Department at Washington on the 15th accepted the Japanese Government's offer to bring the body of the Ambassador to the United States on a Japanese warship.

#### BRITISH BOARD OF TRADE TAKES POSSESSION OF ALL COAL MINES IN UNITED KINGDOM.

The following announcement issued by the British Board of Trade concerning the assumption by the Board of control of all the coal mines in the United Kingdom during the period of the war, in addition to those in South Wales, appeared in the London Stock Exchange Weekly Official Intelligence of Feb. 17:

It has been decided that the Board of Trade should take possession of all the coal mines in the United Kingdom for the period of the war, in addition to those in South Wales, which have already been taken over under the Defence of the Realm Act.

The President of the Board of Trade has decided to set up a new department which will control the coal mines, and will also exercise the other powers and duties of the Board of Trade with regard to coal.

The Chairman and directors of the London & North Western Ry. Co. have kindly placed the services of their General Manager, Mr. Guy Calthrop at the disposal of the President of the Board of Trade to take charge of the new department.

Mr. Calthrop's official designation will be Controller of Coal Mines, and his office will be No. 8 Richmond Terrace, Whitehall, S. W.

By arrangement with the Home Secretary, Sir Richard Redmayne, K. C. B. (H. M. Chief Inspector of Mines), will assist the Controller.

The department will also be assisted by an advisory committee consisting of persons selected to represent coal owners and coal miners.

Reference to the taking over of control of the coal mines in South Wales appeared in these columns Jan. 6.

#### CANADA'S WHEAT FOR GREAT BRITAIN.

Following the announcement from Ottawa on the 9th inst. that the British Government was negotiating for the purchase of the entire 1917 wheat crop of Canada, it was made known on the 15th inst. that the Government of the Dominion had received word that the Canadian Council of Agriculture, meeting at Regina, has decided that the whole wheat crop of Canada shall be taken for the British Government. The price to be paid, it was decided, should be, for No. 1 Northern at Winnipeg, a minimum of \$1 50 and a maximum of \$1 90 a bushel. It is stated that an optional suggestion is \$1 70 flat at Fort William for grades from No. 1 Northern down, to be valued according to milling tests. The British offer was \$1 30 at Fort William. The advices from Ottawa on the 15th add:

It is understood that the Dominion Government will handle the business arrangements, buying from the farmers and insuring transportation to seaboard.

Australia's wheat crop was purchased last year by Great Britain, but the shorter voyage from Canada to England is understood to have prompted the British authorities to buy in Canada this year instead of in Australia.

#### GREAT BRITAIN FIXES MAXIMUM PRICES FOR BACON, BUTTER, CHEESE AND LARD.

Great Britain has taken control of the stocks of bacon, butter, cheese and lard throughout the Empire, and produce exchanges in all English cities have drawn up lists of maximum prices for these staples, which importers, manufacturers and curers will not be allowed to exceed in their buying and selling transactions. The price list, it is said, is to be revised fortnightly by the British Food Comptroller, Lord Devenport. The first list to be prepared is as follows:

Bacon—English, 150 shillings a hundred weight; Irish, 140 shillings a hundred weight.

Butter—Australian, 218 shillings a hundred weight; Argentine, 214 shillings a hundred weight; Danish, 214 shillings a hundred weight.

Cheese—English, 164 shillings a hundred weight; Canadian, 162 shillings a hundred weight; American, 160 shillings a hundred weight; Dutch, 140 shillings a hundred weight.

Lard—American, in palls, 141 shillings a hundred weight; boxed, 140 shillings a hundred weight.

It is said that under the sanction of the Food Comptroller the Provincial produce exchanges have drawn up a list of maximum prices for meat. These prices, it is agreed, will not be exceeded in the United Kingdom.

#### GREAT BRITAIN'S REGULATIONS FOR CONTROL OF TIMBER.

Indications that Great Britain is to take over control of the country's supply of timber is given in the announcement of the Secretary of the War Office on Feb. 20 that a new department of the War Office has been established with Sir Bampfylde Fuller in charge, to regulate the following:

1. The supply of timber for the use of the army.
2. The control of the use of timber in the United Kingdom with a view to effecting economy in its use for all purposes.
3. The regulation of the purchase of such timber as may be imported from sources outside the United Kingdom whether on Government or private account.
4. The stimulation of the felling of timber in the United Kingdom.

Sir Bampfylde will be assisted, it is said, by an advisory committee, composed of prominent timber merchants. The majority of the members of this committee will be members of the Timber Federation. The services of trade experts are being attained to take charge of timber exploitation, the packing and casing of goods, and the economical construction of buildings.

#### GREAT BRITAIN TO CONTROL FAT AND OIL.

Announcement was made in London on March 9 that the Ministry of Munitions, by arrangement with the Minister of Agriculture and the Food Comptroller, has assumed control of all fats, oils and oil seed and their products, including oil cake, soap and margarine, and for this purpose a new branch of the Ministry of Munitions has been established with Alfred Bigland, Member of Parliament, at its head. Mr. Bigland had for the past year been in charge of the work of the Ministry of Munitions, in the matter of oils and fats required to supply glycerine for use in the manufacture of explosives.

#### FOOD RESTRICTIONS IN FRANCE.

Edouard Herriot, French Minister of Provisions, on Mar. 1 announced that bread cards would be introduced throughout France in an effort to regulate the consumption of bread. Minister Herriot's announcement said:

To avoid wastage, the Minister of Provisions has decided to regulate the consumption of bread by instituting cards. Instructions will be given to the Prefects of the different departments to put the new regulation into effect.



The Minister, it is said, is studying measures to be enforced in the large centres of population in France to assure that preference shall be given the wounded, ill, children and the aged in the distribution of milk. Potatoes are also said to be scarce in France. Society women of Paris have made an appeal to all women who own parks or gardens in France to raise potatoes and other foods upon their lands, instead of flowers. Sugar cards, it is understood, were put into effect in Paris on Mar. 11. Minister Herriot has been asked by the Committee on Agriculture, it is said, to insist that the Government withdraw from armed service 250,000 farmers of the oldest military classes and send them to the fields immediately.

#### SWEDEN COMMANDEERS CEREALS AND RESTRICTS FOOD CONSUMPTION.

A Stockholm dispatch via London on Feb. 16 announced that Sweden had decided to take possession of all stocks of barley, oats and cereal products throughout the country, and had prohibited the use of potatoes for feeding animals. Long awaited food restrictions were announced by the Bundesrath on Feb. 23, whereby two meatless days a week will be enforced throughout the country, the use of whipped cream and similar dishes is forbidden and restrictions are placed upon egg consumption. The regulations regarding meat prescribe that on two days a week the use of beef, pork, goat-meat, mutton and horse meat is forbidden in hotels, restaurants and private houses. No one, it is said, is exempt from the restrictions. The regulations further specify that only one meat and one egg dish may be served to a guest and some egg preparations are listed as meat. The regulations also forbid the giving of more than 15 grams of sugar with a tea or coffee order and limit the quantity of sugar which may be used for frostings. Butter may be served only at breakfast or at meals at which no meat or egg dishes are supplied and may no longer be used with cheese. The use of eggs in making pastry is prohibited.

#### HOLLAND PROHIBITS EXPORTS OF BREAD TO BELGIUM.

According to a Roerendaal dispatch to the Exchange Telegraph Co. at London on March 6, the Dutch authorities have placed an embargo on the exportation of bread to Belgium. The embargo was made effective beginning March 10, and was said to have been found necessary because of the shortage of bread in Holland arising out of the German submarine war. The dispatch added that the Belgians would be hard hit by this restriction.

#### ESTABLISHMENT OF MINISTRY OF SUPPLIES IN GREECE.

A statement announcing the establishment in Greece of a Ministry of Supplies to meet the conditions arising from the blockade of Greek ports is reported to have been issued by the Greek Legation at Washington on the 11th inst. The New York "Times" prints the statement as follows:

A Ministry of Supplies has been established in Greece to meet the necessities arising from the Allies' blockade of Greek ports and the resulting difficulties of transportation of supplies for Greece. The Minister of Supplies has telegraphed the Greek Legation in Washington to hasten the shipment of wheat for the relief of the starving population of Greece.

There should now be about \$20,000,000 of supplies and foodstuffs, which have been completely exhausted by the 100 days of blockade of Greece, bought and paid for in the United States and either waiting shipment or which were held up en route by the Allied prohibition of any commerce between Greece and the United States. For such of these supplies as have not already been shipped in neutral vessels, retained during the blockade at Gibraltar, Malta or other Allied ports on the way, the Greek Government has already chartered vessels to carry the necessary articles to Greece as rapidly as possible.

All reports from Greece received by the Greek Legation indicate that the suffering among the Greek people is beyond description. An epidemic of intestinal inflammation among children, due to the quality of bread to which the Greeks are reduced, results in many deaths daily in the capital alone; the lack of coal has forced all factories to suspend, and the masses are suffering not only from hunger, but dire poverty due to lack of work.

The Greek Government is keenly alive to the necessity of immediate relief of the starving population, the moment the freedom of commerce between Greece and the United States has been re-established.

The "Times" adds:

The Greek Legation has received instructions from the Greek Government in Athens to deny the story widely published in the press that King Constantine receives part of his salary from France and England. It is announced that under the treaty of March 24 1864 the three Powers, England, France and Russia, originally the guarantors of Greek independence, renounced an annual payment of £4,000 to each, or a larger amount due them from the Government of Greece, this sum, £12,000, to constitute a personal dot to King George. The arrangement terminated at his death in 1913.

#### PROHIBITION AGAINST BELGIAN INDUSTRIES UNLESS APPROVED BY GERMAN AUTHORITIES.

According to a declaration by the Belgian Government at Havre, France, on March 4, the German Governor-General of Belgium has by a decree issued on Feb. 17 ordered that, beginning Mar. 1, all works and industries in Belgium, notably manufactories, will not be allowed to continue in operation except with the approval of the German authorities. The German Governor-General's decree, thus menacing certain Belgian industries with complete cessation and increasing considerably the number of deported Belgian nationals, according to the Belgian Government, said:

Beginning Mar. 1, works and industries, notably manufactories, will not be allowed to continue in operation except by approval of the chief of the German civil administration. Requests for authorization to continue the operation of a plant must indicate the estimated stock of coal, coke, iron and steel on hand, and the value and destination of the present and future output of the plants; also the quantity of raw material which will be necessary monthly, the number of freight cars required for transporting raw material, as well as the manufactured products.

Coal mines, coke ovens, gas plants and phosphate mines, factories and mills of all kinds and regional railroads and tramways are exempted from the foregoing dispositions.

#### RELEASE OF YARROWDALE PRISONERS.

With the arrival in Zurich, Switzerland, on March 11, of a party of fifty-nine American seamen who had been detained in Germany, as prisoners of war, since Dec. 31 last, the Yarrowdale issue has, it appears, been amicably adjusted. The party included all the Americans detained, with the exception of five who were sick and are now in a hospital in Germany. Besides the party which reached Zurich on the 11th, four Americans from the Yarrowdale arrived at Copenhagen on March 2. They were two ship doctors and two veterinary surgeons. The detention of the American seamen in Germany attracted much attention, and has, it is said, been one of the most irritating that has arisen between the United States and Germany, requiring on the part of the United States several demands for the prisoners' release. The fact that the German Government had been holding the American seamen as prisoners of war since Dec. 31 did not become known until Jan. 19, when Germany made known the fact that the British steamer Yarrowdale had arrived at a German port as a prize ship with 469 prisoners on board, all of whom were taken from the vessels sunk in South American waters by a German raider, reference to which was made in these columns on Jan. 27. When the Government at Washington became cognizant that several American seamen were held by Germany it immediately instructed Mr. Gerard, then Ambassador to Germany, to make formal inquiry into the matter. Mr. Gerard carried out his instructions, with the result that the Berlin Government agreed to release the Americans as noted in these columns on Feb. 10. The men, however, were not given their freedom and the United States again took action in the matter, this time making a peremptory demand upon Germany for the Americans' release. This action, as stated in our issue of Feb. 17, followed the announcement on Feb. 12 of Dr. Paul Ritter, the Swiss Minister to this country, who is looking after German interests here, that the Americans would not be released until assurances were given Berlin that Germans in this country would not be held or imprisoned. The release of the Americans was again announced by Germany in a dispatch from the Wolff Bureau at Berlin, received by the Geneva correspondent of the Havas Agency on Feb. 22 which said:

It is learned that the crews of the merchant ships, brought to Germany aboard the British steamer Yarrowdale, have been released, although it is held that by reason of the present circumstances, the American sailors might have been treated as prisoners of war. It was decided some time ago to release them as an exceptional measure, they having begun their voyages without knowing that they exposed themselves to treatment as prisoners because they shipped aboard armed enemy merchantmen.

After the rupture of relations with the United States news reached Germany that German ships had been seized and their crews interned. That news gave rise to the idea that it might be prudent not to liberate the American sailors until official information was received as to the real situation. Information has now been received officially that German ships in American ports have not been seized, and that their crews have not been interned.

The situation became more complicated when on Feb. 26 Ambassador Willard at Madrid advised the State Department at Washington of the receipt by the Spanish Foreign Office of a dispatch from the Spanish Embassy in Berlin announcing the release by Germany on Feb. 16 of the American prisoners, followed immediately by the receipt of a statement issued by the Overseas News Agency of Berlin on Feb. 27, reading thus:

The release of the Yarrowdale prisoners, although ordered some time ago, unfortunately cannot be carried out for the moment as at the place of their residence a case of an infectious malady has broken out.

This, in the interest of the neutral countries, necessitates a quarantine measure for a number of persons who were about to leave Germany. It is hoped that the quarantine will be of short duration. The American citizens are safe and well.

Secretary Lansing on Feb. 28 addressed another inquiry to Germany through the Spanish Government, as to whether an infectious disease had broken out in the detention camp, and why the men had been detained after repeated promises had been given by Germany that they would do so. On March 2, Dr. Ritter, the Swiss Minister, delivered a note to Secretary Lansing which corroborated the dispatch received from Ambassador Willard in that it announced that the release of the Americans had been "already arranged," and confirmed the statement of the Overseas News Agency that the seamen were being held up by a health quarantine. This quarantine was explained in the note delivered by Dr. Ritter, which said:

The transfer already arranged of American sailors from Yarrowdale to the frontier has not as yet been possible because one of the British sailors in camp of Brandenburg, likewise from Yarrowdale and interned with the American sailors, was found to be suffering from typhus exanthematicus. Their transfer to Swiss frontier will probably take place March 7, when quarantine comes to an end. Spanish Embassy in Berlin has been invited to have a doctor of confidence visit the Americans. This afternoon two veterinarians and two doctors from the Yarrowdale who were in officer prisoner camp at Karlsruhe arrived at Warnemunde for departure for Denmark.

A dispatch from Ambassador Willard at Madrid, under date of March 7, was received by the State Department on the 9th. It said:

According to a report received from the Spanish Ambassador at Berlin, the steamer Yarrowdale prisoners at Brandenburg were visited by the Spanish Embassy doctor on March 1, who found that the conditions were as the German authorities had reported. He gave his approval of the quarantine.

The typhus case appeared on the 20th of February, and unless new cases of the disease appear the quarantine will be ended March 7. The doctor stated that the men complained of the diet and were pleased to learn that they were soon to be released. They had no other complaint. Only five of the fifty-seven Americans were in the hospital with slight colds, and five men of other nationalities are under observation by doctors.

The release of the prisoners at the expiration of the quarantine was announced by a Reuter's dispatch via Amsterdam on March 9. It said that the Americans were sent from the detention camp at Brandenburg to Switzerland, by way of London on Wednesday afternoon, March 7. It also said that members of other neutral crews detained in Germany were sent home through various frontier towns. The American seamen arrived in Zurich on the 11th. The sailors, although emaciated from their imprisonment and serious lack of food since their arrival in Germany on Dec. 31, are said to be in fair condition and will be taken care of by the Swiss Government. A description of the German raider which terrorized commerce in South American waters, and which captured the Yarrowdale, was also given by the seamen. They state that the vessel was new and was called the Ritz of Bremen. She was of about 3,000 tons, and was capable of eighteen knots. She was equipped with two funnels, one of which was false, two masts, four torpedo tubes, seven rapid-firing guns, and a wheel house, which was hidden by the sides of the ship. The funnels, it is stated, were equipped with a device by which the stripes could be changed at will, and the ship's sides were also constructed so that parts of them could be automatically dropped and raised.

A dispatch from Zurich on the 14th said that Mr. and Mrs. Harold McCormick of Chicago, who are residing temporarily in Switzerland, requested the Swiss Government that they be allowed to provide for the American seamen while in Switzerland. The Swiss Government, it is said, accepted the offer. The action of Mr. McCormick in undertaking the expense of outfitting the seamen will leave intact, it is said, the special fund provided by the United States for the relief of American war refugees in Europe. The American Legation at Berne, it is stated, has forwarded to the French Government the names and particulars concerning the seamen and it is said that it may be possible to have the men arrive at Berne to-day, the 17th, to pass through the required formalities and thus be able to leave for Paris to-day.

#### THE IRISH SITUATION.

The predominating feature of the debate on the 7th inst. in the British House of Commons on the Irish Home Rule question was the declaration of Premier Lloyd George of the Government's policy toward self-government, namely, that any section of Ireland that desired home rule could have it, but that no coercion would be attempted to make Ulster accept self-government. The Government's stand in the matter was brought forth by the presentation by the Irish Nationalists on the 7th of a resolution calling for the im-

mediate application of the Home Rule statute in Ireland. The Nationalist resolution was introduced in the House by T. P. O'Connor, who declared, it is said, that the manner in which the Government had acted in handling the Irish rebellion had the effect of transforming a friendly people into one filled with hatred against England. He pleaded that home rule should be immediately put into operation for the sake of Ireland, and in the interests of England, the Empire and the Allies. At one point in his speech he paid tribute to the President of the United States, declaring that President Wilson in his speeches and notes had clearly shown that the United States recognized the rights of small nations and the principle of nationality. The Nationalist resolution introduced by Mr. O'Connor read:

That, with a view to strengthening the hands of the Allies in achieving recognition of equal rights for small nations and the principle of nationality against the opposite German principle of military domination and government without the consent of the governed, it is essential without further delay to confer upon Ireland the free institutions long promised to her.

Premier Lloyd George, after stating that home rule would be given to any part of Ireland that wanted it, suggested as a means of settling the differences between the Irish factions, two alternatives, one the establishment of a commission of inquiry to report to the Government and Parliament, and the other, that some outside impartial authority, such as statesmen of the dominions now in London, attending the Imperial War Conference, be invited to endeavor to bring the situation to a satisfactory close. Lloyd George, who during his remarks was continually interrupted by angry jeers from the Nationalists, who accused him of deserting home rule, in conclusion offered the following amendment to the Nationalist resolution:

This House would welcome any settlement which would produce a better understanding between Ireland and the United Kingdom, but considers it impossible to impose by force on any section of Ireland a form of government which has not their consent.

The Nationalist Party at a meeting the next day, the 8th, issued a manifesto declaring that the proposition of the Premier, if adhered to, would mean the denial of self-government to Ireland forever. It was decided to send the manifesto to President Wilson and the Premiers of the dominions as an appeal against the alleged breach of faith on the part of the Government. The text of the Nationalist manifesto is as follows:

The Premier, in his speech yesterday in the debate on Home Rule, took up a proposition which, if adhered to, would involve denial of self-government to Ireland forever. He laid down the principle that the small minority in Northeast Ulster should have the vote so long as they chose to exercise it, of self-government for United Ireland. That is a position to which the representatives of Ireland can never assent.

He asserted that he had never changed his position on the so-called coercion of Ulster. That is not true. He was a party to the drafting of the original Home Rule Bill, which applied to all Ireland. He was a party to the rejection in two successive sessions, in the face of a most vigorous protest from representatives of Northeast Ulster, of amendments to exclude Ulster, and, when under pressure of threatened rebellion, he and the Government, of which he was a member, weakly yielded to the threats of rebellion hurled at them by Sir Edward Carson, present First Lord of the Admiralty.

The Government of that day, through the present Prime Minister, appealed to us to consent to the concession of county option for a strictly limited period. We agreed on the pledge, repeatedly given by Mr. Lloyd George on his own behalf and on behalf of the Government, that if we consented to this concession we should never be asked for any further concessions and that the Government would undertake to see the settlement through at any cost. How, then, can Premier Lloyd George say that he never changed his attitude on the question of Ulster?

The manifesto sets forth that the negotiations undertaken at the request of the Government last July referred to a strictly war arrangement, with the understanding that a year after the ending of the war things would revert to the status quo ante, and that the attitude the Prime Minister took last night showed a total change on the Ulster question and generally on the question of Home Rule for Ireland, and a breach of faith to the Irish Party and nation that would tend to intensify distrust of pledges of British Ministers and have a serious effect in strengthening the power of the revolutionary movement in that country.

In view of the terrible seriousness of the situation for Ireland and the Empire created by this speech of the Prime Minister, continued the manifesto, we felt it would be idle to prolong the debate and felt bound to mark by the most emphatic methods open to us our sense of the gravity of the situation and meet immediately for consultation as to the future policy of the Irish Nationalist Party.

The action of the British Government since the formation of the coalition in May 1915, culminating in the Prime Minister's speech, has made the task of carrying on the constitutional movement in Ireland so difficult as to be almost impossible. The constitutional movement can yet be saved, but only by the active assistance of all level-headed Nationalists in Ireland and to a special degree by the millions of the Irish race in the dominions and in the United States.

To them we appeal most earnestly to come to the aid of those who have rescued Ireland from being made the cat's paw and tool of Germany and who are struggling against terrible odds to keep open the road to Irish liberty through peaceful constitutional means—a struggle in which we are hampered by the British Government, which plays into the hands of the Irish pro-German revolutionary party with stupid perversity worthy the worst reactionaries of Petrograd.

So far as Ireland is concerned, the Government is doing its utmost to aid Germany's work, and so long as this attitude is followed, we, as Irish representatives, while retaining our attitude toward the war and remaining firmly convinced of the justice of the Allies' cause, and unchanged in our resolve to do all in our power to aid in bringing it speedily to a successful issue, feel bound to oppose the Government by every means in our power.

The Australian Senate has already spoken effectively in support of Irish freedom, and in behalf of the Irish nation we tender them grateful thanks. To the men of Irish blood in the dominions and the United States we appeal. They should promptly use all means in their power to bring pressure on the British Government to act toward Ireland in accordance with the principles for which they are fighting in Europe, and we especially appeal to the American people to urge upon the British Government the duty of applying to Ireland the great principles so clearly and splendidly enunciated by President Wilson in his historical address to the United States Senate.

The assertion in the above that "the Australian Senate has already spoken effectively in support of Irish freedom," evidently refers to the adoption by that body on March 7, by a vote of 28 to 2, of a resolution calling for home rule in Ireland "without delay," substituting that phrase for the word "immediately."

Henry E. Duke, Chief Secretary for Ireland, announced in the House of Commons on Feb. 26 that twenty-eight persons had been arrested in Ireland, under the Defense of the Realm Act, which authorizes the arrest of persons who may reasonably be suspected of having acted, or being about to act, in a manner prejudicial to public safety or the defense of the realm. When the announcement was made in the House, John Dillon, Nationalist, objected to the arrests, characterizing them as inconceivably stupid, to which Mr. Duke replied that if he told all he knew he would satisfy the House what had been done was decided upon with regret, but was justified by absolute necessity. The Chief Secretary, it is said, declined to enter into details, but explained that he was not going to unfold a tale which would enable the accomplices of those arrested to know all that he knew, but he himself, the Inspector-General of the constabulary, and Lieutenant-General Sir Bryan Mahon, commander of the forces in Ireland, took the responsibility for what had been done.

#### CHINA SEVERS DIPLOMATIC RELATIONS WITH GERMANY.

The severance by China of diplomatic relations with Germany was reported in a dispatch received by the State Department at Washington on the 14th inst. from the American Minister Paul S. Reinsch at Peking. The latter made known the fact that the German Minister had been handed his passports and that China had taken possession of all German ships in Shanghai. The "Sun" quotes the dispatch as follows:

China has broken off diplomatic relations with Germany. German Minister will be handed his passports to-day. China probably will help supply the Allies from her enormous store of metals and five big munitions factories. The German vessels seized were small boats which had been interned for many months.

It is stated that the German ships which have been seized by China number about six; their crews are reported to have been placed on shore under guard, and armed guards, it is said, have been placed on the vessels.

Immediately after America's severance of diplomatic relations with Germany, China began to discuss similar action, and during the negotiations the French and Belgian legations in China invited her on behalf of the Entente to declare war on Germany in return for a remission of the Boxer indemnity and permission to increase her customs taxes. Diplomatic sources in Washington, however, said the Entente promised merely a postponement of the Boxer indemnity, not its remission. On the 4th inst. the Chinese Cabinet decided that China should join the United States in breaking off relations with Germany. The President, to whom the decision was submitted, refused to approve the Cabinet's action, asserting that such power rested entirely with him. Premier Tuan Chi-Jui immediately resigned, and left for Tien-tsin accompanied by several other members of the Cabinet. Three days later, however, the Premier resumed office after President Li Yuan-heng had agreed to give the Cabinet full power on condition that Parliament should vote on the question of a breach with Germany. On the 10th inst. Premier Tuan Chi-Jui, accompanied by the entire Cabinet, appeared before the House and the Senate and stated that the Cabinet and the President had decided that China should sever diplomatic relations with Germany. The severance of relations was approved by the House on the 10th inst. by a vote of 431 to 87, and by the Senate on the 11th inst. (Sunday) by a vote of 152 to 37. It is stated that the seizure of the German ships may be taken by Germany as an act of war as in the case of Portugal. The Associated Press dispatches add:

China's action may be followed by seizure of German property in China, which is very extensive. In addition to all the concessions held by Germany in Chinese cities, which it is presumed will be seized as quasi-public property, there are extensive private German holdings in China. Latest

figures show that there are about 3,000 German civilians scattered throughout the republic, but it is not known whether they will be interned.

China's action is expected to have far-reaching effect on Far Eastern history, as it aligns her with Japan and the other Entente Powers. German trade, which before the war had become the most dangerous competitor to British and Japanese business in China, amounted to about 20% of Japan's trade and offered a tempting prize for the latter. This phase of the commercial situation was widely discussed at the Paris economic conference when plans to drive Germany out of the Far Eastern market were adopted.

The immediate effect of China's severance of relations will probably be a greatly increased output of munitions for Russia. China is Japan's source of iron and has provided much of the raw material on which the latter's immense munition trade has been built up. China also has six large arsenals which, with her mines, will add large resources against Germany.

China has already sent 100,000 coolies to France and Russia and can increase the number almost without limit. So far the men have gone under private auspices as laborers. Apparently as yet China has not committed herself to accept the Allies' invitation to enter the war as an active participant.

Reports that the Japanese Government had sent an ultimatum to China on Feb. 19 that the latter declare war on Germany were denied by officials at the Japanese Embassy on the 8th inst. As reported in our issue of Feb. 9, the Chinese Government advised the German Government that if the new submarine measures were enforced China would sever its diplomatic relations with Germany. Announcement was also made at the time that the Chinese Cabinet had indorsed the action taken by the United States against Germany.

#### POSSIBILITIES CONCERNING CHINESE FIVE-POWER LOAN GROUP.

The possible reviving of the five-power group has been suggested by Japan, it became known at Washington on the 12th inst., through an invitation by Japanese bankers to Vice-President John J. Abbott of the Continental and Commercial Trust & Savings Bank of Chicago, to visit Japan on his way to China. Mr. Abbott is going to the Orient to investigate, it is said, the wisdom of taking up the remainder of \$25,000,000 of the \$30,000,000 loan on which China has given his bank first option. China it is understood is opposed to any diversion of this loan from American banks to an International group.

#### SUPREME COURT UPHOLDS AWARD OF STEAMER APPAM TO BRITISH OWNERS.

Under a unanimous decision of the United States Supreme Court the British steamer Appam and cargo, captured in January 1916 by the German raider Moewe, must be restored to the English owners. The Supreme Court in its opinion written by Justice Day and handed down March 6, affirms the findings last July of Judge Edmund Waddill of the United States District Court at Norfolk, and the conclusions previously reached by Secretary of State Lansing, that prizes coming into American ports unaccompanied by captor warships have the right to remain only long enough to make themselves seaworthy. The Appam was brought into Hampton Roads by a German prize crew on Feb. 1 of last year. American neutrality was violated in bringing the Appam into Hampton Roads, the Court says, and neither the ancient treaties relied upon by Lieutenant Berg, the German prize commander, The Hague Conventions nor the Declaration of London, entitles any belligerents to make American ports a place for deposit of prizes as spoils of war under such circumstances. The opinion says:

The principles of international law, leaving the treaty aside, will not permit the ports of the United States to be thus used by the belligerents. If such use were permitted it would constitute the ports of a neutral nation harbors of safety into which prizes might be safely brought and indefinitely kept.

We cannot avoid the conclusion that in thus making use of an American port there was a clear breach of neutral rights of this Government, as recognized under principles of international law governing the obligations of neutrals, and that such use of one of our ports was in no wise sanctioned by the treaty of 1799.

From the beginning of its history this country has been careful to maintain a neutral position between warring Governments, and not to allow use of its ports in violation of the obligations of neutrality, nor to permit such use beyond the necessities arising from perils of the seas or the necessities of such vessels as to seaworthiness, provisions, and supplies.

The Court held that the Appam was not brought into an American port for any consideration that might fairly be supposed to be covered in the treaty which was cited by Count von Bernstorff. Justice Day pointed out that the Appam when captured was within 130 miles of Funchal, a neutral port, but steamed 3,051 miles to Hampton Roads for the express purpose of seeking protection under the terms of the treaty of 1799 between the United States and Prussia. It was evident, said the opinion, that the long voyage was not to get fuel or food supplies, but simply for the purpose of placing the Appam in an American port until the end of the war.

Justice Day cited the fact that President Washington denied American ports to the French Government when it was asked if privateers might be fitted out here against British commerce, and this led to the enactment of the neutrality law of 1794 and later that of 1819. This policy was affirmed in the deliberations resulting in The Hague treaty of 1907. The Court interpreted the treaty of 1799 to mean that a belligerent prize might be brought into American ports under stress of necessity as any warship might come and be freely carried out again by the captors to proceed to a home port or to such places as may be named in their commissions.

Besides upholding the views of the treaties taken by the Secretary of State and deciding that the treaty applies only to prizes accompanied by a convoying warship, the Court also upheld the jurisdiction of the American courts, because, it argued, the United States courts must have the right to dispose of a prize which violates American neutrality. Justice Day added:

If the Court had decided otherwise, our ports might be filled in case of a general war, such as is in progress in European countries, with captured prizes of one or the other belligerents, in utter violation of the principles of neutral obligations which have controlled this country from the beginning.

The Court's decision, it was announced, "rests upon the authority of the courts of the United States to make restitution to private owners for violations of neutrality where offending vessels are within our jurisdiction, thus vindicating our rights and obligations as a neutral people."

The German Prize Court last year declared the Appam a lawful prize, and the gold taken from her was ordered turned over to the Reichstag. Two cases were covered in the Supreme Court decision. In both cases Lieutenant Berg was appellant. In the first case the British & African Steam Navigation Co., Ltd., owners, were appellees, and in the other Henry G. Harrison, master of the Appam before she was captured, was appellee. Under the decision of the Supreme Court the vessel must be delivered to the British owners within thirty days. It is now tied up at Norfolk in custody of the United States Marshal. Lieut. Berg and his crew were removed from the vessel on the Marshal's order on Feb. 3, the day diplomatic relations with Germany were severed, and transferred to Philadelphia and interned. It is stated that as far as known, no damage has been done to the ship. Lieut. Berg is said to have stated that he would take it to sea and blow it up rather than surrender her to the enemy. Secretary Lansing's conclusions were set out in our issue of May 27 1916, while Judge Waddill's opinion was referred to in the "Chronicle" of Aug. 5 1916.

### BANKING AND FINANCIAL NEWS.

The public sales of bank stocks this week aggregate 17 shares, of which 12 shares were sold at auction and 5 shares at the Stock Exchange. Seventy-one shares of trust company stock were also sold at auction. A sale of 10 shares of the Bank of New York stock was made at 403, an advance of 6½ points over the price paid at the last previous sale in October 1916. Two shares of Bank of America stock were sold at 570, which is 14 points higher than the price paid in November 1915, when the last previous sale was made.

Shares.	BANKS—New York.	Low.	High.	Close.	Last previous sale.
2	America, Bank of.....	570	570	570	Nov. 1915— 556
*5	Commerce, Nat. Bank of....	184	184	184	Mar. 1917— 181
10	New York, N.B.A., Bank of..	403	403	403	Oct. 1916— 396½
TRUST COMPANY—New York.					
71	Title Guarantee & Trust Co..	360	360	360	July 1916— 371

\* Sold at the Stock Exchange.

A booklet, prepared by the Guaranty Trust Company of New York, and now being distributed, undertakes to explain in chronological order the war loan operations of the United States from 1775. This little book, issued under the title, "War Loans and the United States," conveys much valuable information about the present financial status of Great Britain and France, the national wealth of these countries, their annual income, and their potential ability to face the obligations which the present war has imposed upon them. It also recounts the indispensable relationship of foreign loans to foreign trade expansion, and, in this respect, points to the great commercial supremacy achieved by France and Great Britain as a result of lending to other less favored nations. The booklet has a distinct timeliness and value because of the approval recently given by the National Foreign Trade Convention to the policy of foreign loans; and it reinforces with emphasis and relevancy the recent pronouncement of the Federal Reserve Board favoring foreign investments, in view of the plethora of gold now existing in this country, as a natural and proper means of settling balances in our favor through our large exports, and as an essential means of maintaining and protecting our foreign trade. The company points out that a significant feature of American War Loan history is that all the loans contracted by our Government and accepted by the public not only never resulted in the loss of a single dollar, but through subsequent appreciation netted large profits to investors. The experience of England and France in war loan financing, it adds, has been equally successful.

The banking house of Harvey Fisk & Sons of this city, well known authorities in Government and municipal bonds, have prepared a circular on "Authorized new issues of United States bonds" for general distribution among institutions and investors. The statement shows the various issues of United States bonds and notes which may be made under existing laws including those authorized by the laws enacted by the session of Congress which has just closed. This information supplements that

given in the third edition of the bankers "Bond Book No. 1—United States Bonds," published in January and obtainable by anyone interested upon inquiry for it. Harvey Fisk & Sons say: "evidently if large sums of money are to be required by the Government from sales of bonds, some broader and more comprehensive scheme will have to be adopted than that provided by the present authorizations."

George A. Hannigan was appointed an Assistant Treasurer of the Guaranty Trust Company of New York on the 15th inst. He has been with that company since July 1911 and is thirty years of age.

H. F. Poor, until recently Third Vice-President and Treasurer of the Lincoln Trust Co., has been elected First Vice-President and a director of the Garfield National Bank of this city, succeeding William H. Gelshenen, resigned. Mr. Poor is the son of the late Edward H. Poor, formerly President of the National Park Bank. Mr. Gelshenen continues as a director.

The initial statement of the Farmers' Loan & Trust Co. of this city, Paris, London and Berlin showing the company's increased capital stock, surplus and undivided profits, is published for the first time elsewhere in this issue. The figures cover the report as made to the State Banking Department for the last bank call, Feb. 28. The Farmers' capital for the latter date is \$5,000,000, an increase of \$1,000,000 and the surplus and undivided profits \$12,577,373, a similar addition of \$4,000,000 over the previous statement. This has been effected by the sale of \$4,000,000 par value of new stock to stockholders at \$200 per share, \$4,000,000 being added to the capital and the same amount to the surplus and undivided profits account. The deposits for Feb. 28 totaled \$174,570,708 and aggregate resources \$202,940,473. Edwin S. Marston is President of this, the oldest trust company in New York, which was chartered in 1822 and is the largest company whose expansion in business is not due to consolidation. The Vice-Presidents are Samuel Sloan, Augustus V. Heely, William B. Cardozo, Cornelius R. Agnew and J. Herbert Case.

Joseph A. Seaborg, formerly with the Bankers Trust Co. and who for the past two years has been President of New York Chapter, American Institute of Banking, has become associated with the Mercantile Bank of the Americas. Mr. Seaborg was recently nominated by New York Chapter as a candidate for the Executive Council of the American Institute of Banking.

George W. Potter, who has been in mercantile agency work for several years, has been made an outside representative of the National Bank of Commerce in New York. He began work to-day (March 15th) with headquarters in New York City.

The New York Agency of the Yokohama Specie Bank, at 55 Wall St., has received a cable from the London office, advising that at a meeting of the directors of the institution in Yokohama on the 13th a dividend at the rate of 12% per annum, was declared for the last half year; that 500,000 yen was added to the reserve, which now amounts to 21,300,000 yen. In addition 1,710,000 yen was carried forward as a balance of profit and loss.

Samuel C. Harcourt, heretofore paying teller of the Albany Trust Co., of Albany, N. Y., has been made Assistant Treasurer. Mr. Harcourt has been connected with the institution for the past fifteen years.

Moses Taylor Pyne has been elected a director of the Prudential Insurance Co. of America, to succeed the late ex-Chancellor, William J. Magie.

The First National Bank of Cobleskill, N. Y., has gotten up far the convenience of its customers and friends a "Farmers Record and Account Book," which is arranged so as to enable the farmer to keep a systematic record of his business affairs. The booklet also contains an abundance of information relating to farming and other matters of interest. Lester A. Hodge is President of the First National Bank of Cobleskill and Archie G. Kilmer is Cashier.

George C. Bowker has been elected First Vice-President of the Peoples Trust Co., of Philadelphia, Pa., to succeed the late George F. Lasher.

The Franklin Trust Company of Philadelphia, Pa., has increased its annual dividend from 5 to 6%. The directors of the institution have also added \$25,000 to the surplus account, making that item \$200,000.

A new banking institution, the Stony Island Trust & Savings Bank, recently opened for business at 6822 Stony Island Avenue, Chicago, Ill. The new institution has capital and surplus of \$225,000. It has at its President P. J. Harman, former President of the Stockmen's Trust & Savings Bank of Chicago. George M. Benedict, formerly Cashier of the Drovers Trust & Savings Bank, is Vice-President and Cashier of the new bank, and E. E. Vail is Second Vice-President. The directorate of the new institution, which is comprised of prominent business men of Chicago, is as follows: F. W. Croll, P. J. McShaur, M. D. Harding, John E. O'Hern, E. I. Bloom, George J. Bohnen, J. T. Russell, Charles Roberts, Frank Burke, P. J. Harmon and G. M. Benedict.

A certificate of incorporation has been granted by State Auditor Russell of Illinois to the Chicago Morris Plan Bank, capital \$1,000,000. The incorporators of the new institution are Joseph E. Otis, Granger Farwell and H. F. Perkins.

William E. Colt, Jr., Manager of the Bond Department of the Illinois Trust & Savings Bank, of Chicago, Ill., died on March 10. Mr. Colt was prominent in investment circles and was active in the affairs of the Investment Bankers' Association of America, being officially connected with the association as Vice-Chairman of its finance committee.

An innovation in banking circles has been adopted by the Detroit Trust Company, of Detroit, Mich. This institution, which is headed by Ralph Stone, as President, has established a "Department of Institutional Secretary and Treasurer," which will be seen to aid busy men and women who have been giving their time and energies in acting as Secretary or Treasurer of clubs, societies or other similar activities. "The new department," says the Detroit Free Press, "will supplant the individual Secretary and Treasurer, taking up all of the routine and detail work of the organization obtaining its services, and doing the work at a minimum of expense and with a maximum of efficiency."

Collection of fees, dues and receipts and the disbursement of money under an exact accounting system, with the keeping of all books and records of the organizations will be among the duties of the new department of the trust company.

Approval of plans for increasing the capital of the Security National Bank of Los Angeles, Cal., from \$300,000 to \$600,000, is announced by the Comptroller of the Currency.

H. V. Cann has severed his connection with the Federal Reserve Bank of New York to become Assistant General Manager of the head office in Ottawa of the Bank of Ottawa.

G. C. Wainwright, who served as Manager of the Bank of Ottawa in Montreal from 1914 to 1916, and of late has been attached to the General Manager's office in Ottawa, has been appointed Manager of the Montreal branch of the Bank of Ottawa, to succeed J. B. Monk, retired.

Robert F. Steyer, for several years connected with the Western Mortgage & Guaranty Co. of San Francisco, Cal., has resigned to become Manager of the Mainland Stock and Bond Department of the Bishop Trust Co. of Honolulu, Hawaii.

THE ENGLISH GOLD AND SILVER MARKETS.

We reprint the following from the weekly circular of Samuel Montagu & Co. of London, written under date of Feb. 15 1916:

GOLD.

The Bank of England gold reserve against its note issue shows an increase of £107,310, as compared with last week's return. The United States of America is at the present time supplying the gold requirements of South America.

The Transvaal gold output for January 1917 amounted to £3,324,418 as compared with £3,344,948 in January 1916 and £3,289,705 in Dec. 1916.

SILVER.

The week has been signalized by a considerable advance in the price. The quotation rose 1-16 on Friday to 37 1/2 and remained at that figure on Saturday.

The main causes of the recent abruptness of the upward movement may be attributed first to the delay in receipt of shipments from America which prevented the sale of that portion of the silver which awaits realization upon arrival.

The last three Indian currency returns received by cable give details in laacs of rupees as follows:

Table with 4 columns: Description, Jan. 22, Jan. 31, Feb. 7. Rows include Notes in circulation, Reserve in silver coin and bullion, Gold coin and bullion in India, Gold in England.

The stock in Bombay consists of 2,500 bars, as compared with 2,100 bars last week. The stock in Shanghai on Feb. 16 consisted of about 23,700,600 ounces in sycee and \$16,600,000, as compared with about 23,000,000 ounces in sycee and \$17,700,000 on Feb. 3 1917.

Table with 4 columns: Date, Price, Cash, Average. Rows for Feb. 9, 10, 12, 13, 14.

No quotation fixed for forward delivery. The quotation to-day for cash delivery is 11-16d. above that fixed a week ago.

We have also received this week the circular written under date of Feb. 22 1917:

GOLD.

The Bank of England gold reserve against its note issue shows a decrease of £141,245, as compared with last week's return.

The Chief Inspector of Mines, in his report to the Home Office, states that 5,086 tons of gold ore were mined in Merioneth. The ore was estimated to contain 926 fine ounces of gold and 255 of silver.

SILVER.

During the week there has been a certain amount of general competition; at the same time supplies have been more accessible. Two causes attributed to increased offerings. The setback of the price from the high figures recorded last week induced profit taking as well as freer sales from the some weakness, and a little selling took place from that quarter.

The last three Indian Currency returns received by cable give details in laacs of rupees as follows:

Table with 4 columns: Description, Jan. 31, Feb. 7, Feb. 15. Rows include Notes in circulation, Reserve in silver coin and bullion, Gold coin and bullion in India, Gold in England.

The stock in Shanghai on Feb. 17 1917 consisted of about 25,000,000 ounces in sycee and 17,100,000 dollars, as compared with about 23,700,000 ounces in sycee and 16,600,000 dollars on Feb. 10 1917.

Table with 4 columns: Date, Price, Cash, No. Rows for Feb. 16, 17, 19, 20, 21, 22.

The quotation to-day for cash delivery is 11-16d. below that fixed a week ago.

ENGLISH FINANCIAL MARKETS—PER CABLE.

The daily closing quotations for securities, &c., at London, as reported by cable, have been as follows the past week:

Table with 7 columns: Week ending March 16, Mar. 10, Mar. 12, Mar. 13, Mar. 14, Mar. 15, Mar. 16. Rows include Silver, Consols, British 4 1/2 per cents, French rentes, French War Loan.

The price of silver in New York on the same days has been: Silver in N. Y., per oz., etc. 75 1/4, 75, 74 3/4, 73 1/4, 73, 73.

TRADE AND TRAFFIC MOVEMENTS.

UNFILLED ORDERS OF STEEL CORPORATION.—The United States Steel Corporation on Saturday, March 10, issued its regular monthly statement, showing the unfilled, orders on the books of the subsidiary corporations at the close of February.

In the following we give the comparisons with the previous months:

Table with 6 columns: Date, Tons. Rows for Feb. 28 1917, Jan. 31 1917, Dec. 31 1916, etc.

The figures prior to July 31 1910 were issued quarterly only. These, extending back to 1901, were given in the "Chronicle" of March 13 1915, page 876.

ANTHRACITE COAL SHIPMENTS.—The shipments of anthracite coal in February, as reported to the Anthracite Bureau of Information at Wilkes-Barre, amounted to 5,178,432 tons, as compared with 5,696,306 tons in the corresponding month last year.

Table with 4 columns: Road, 1917, 1916, Feb. 28 17, Feb. 27 16. Rows include Philadelphia & Reading, Lehigh Valley, Jersey Central, etc.

\* After deducting (to avoid duplication) tonnage delivered to the Central RR. of New Jersey at Hanto by the Lehigh & New England RR., and included as part of the tonnage of the latter. This amounted to 52,966 tons in February 1917 and to 124,463 tons for the two months ending Feb. 28.

Commercial and Miscellaneous News

DIVIDENDS.

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

Table with 4 columns: Name of Company, Per Cent., When Payable, Books Closed, Days Inclusive. Rows include Railroads (Steam), Boston & Albany, Boston Revere Beach & Lynn, Buffalo & Susquehanna, etc.



Table with columns: Name of Company, Per Cent, When Payable, Books Closed, Days Inclusive. Lists various companies like Mackay Companies, Magna Copper, etc.

Table with columns: Name of Company, Per Cent, When Payable, Books Closed, Days Inclusive. Lists various companies like Underwood Typewriter, Union Carbide, etc.

a Transfer books not closed for this dividend. b Less British income tax. c Correction. d Payable in stock. e Payable in common stock. f Payable in scrip. g On account of accumulated dividends. h Declared 8% payable 2% quarterly as above and 2% July 31 to holders of record July 14; 2% Oct. 31 to holders of record Oct. 13 and 2% Jan. 31 1918 to holders of record Jan. 12. i Declared 6% payable in quar. instalms. j Declared 7% pay. in quar. instalms. k Declared 7% payable in quarterly instalments—1 1/4% as above; 1 1/4% July 2 to holders of record June 15; 1 1/4% Oct. 1 to holders of record. Sept. 15 and 1 1/4% Jan. 2 1918 to holders of record Dec. 15. l Declared 6% on 2d pref., payable in quar. instalments on same dates as 1st pref. stock—see note (o). m Declared \$1.50, payable 50c. each June 30, Sept. 30, Oct. 31, and Dec. 31, transfer books closed ten days before payment of dividend. n Payable and Dec. 30; transfer books closed ten days before payment of dividend. o Payable in New Class B com. stock. p Declared 2% in cash and 2% in stock, the cash dividend payable in quarterly instalments and the stock dividend in semi-annual instalments. q Subject to authorization by stockholders. r Transfer books close for annual meeting Feb. 5 and reopen Feb. 27. s Declared 7% payable 1 1/4% as above; 1 1/4% July 2 to holders of record June 15; 1 1/4% Oct. 1 to holders of record Sept. 15; 1 1/4% Jan. 2 1918 to holders of record Dec. 15. t Payable to holders of coupon No. 61; transfers received in order in London on or before March 13 will be in time to be passed for payment of dividend to transferees. u Declared 4% on com. stock, payable 2% as above and 2% Nov. 15 to holders of record Oct. 27. Also 7% on pref., payable 1 1/4% as above and 1 1/4% June 30 to holders of record June 9; 1 1/4% Sept. 29 to holders of record Sept. 8; and 1 1/4% Nov. 15 to holders of record Dec. 11. v Declared 60c., payable 30c. as above and 30c. Nov. 15 to holders of record Oct. 16. w Payable in Anglo-French bonds. x The proposed increase in the capital stock of the Ohio Oil Co. has been declared illegal by the Attorney-General of Ohio.

Canadian Bank Clearings.—The clearings for the week ending Mar. 8 at Canadian cities, in comparison with the same week in 1915, show an increase in the aggregate of 29.6%.

Table titled 'Clearings at—' with columns: City, 1917, 1916, Inc. or Dec., 1915, 1914. Lists cities like Montreal, Toronto, Winnipeg, Vancouver, etc.

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

Table with columns: Organization Name, Capital. Lists banks like The Farmers National Bank of Ots., Colo., The First National Bank of Lovington, N. Mex., etc.







Statement of New York City Clearing House Banks and Trust Companies.—The following detailed statement shows the condition of the New York City Clearing House members for the week ending March 10. The figures for the separate banks are the averages of the daily results. In the case of the totals, actual figures at end of the week are also given. In order to furnish a comparison, we have inserted the totals of actual condition for each of the three groups and also the grand aggregates for the three preceding weeks.

NEW YORK WEEKLY CLEARING HOUSE RETURN.

Table with columns: CLEARING HOUSE MEMBERS, Capital, Net Profits, Loans, Discounts, Incasements, etc., Gold, Legal Tenders, Silver, Nat. Bank Notes, Federal Reserve Notes, Reserves with Legal Depositaries, Additional Deposits with Legal Depositaries, Net Demand Deposits, Net Time Deposits, National Bank Circulation. Rows include various banks like Bank of New York, National Bank of Commerce, etc., and summary rows for 'Totals, actual condition' for different dates.

a Includes capital set aside for foreign branches, \$5,000,000.

STATEMENTS OF RESERVE POSITION.

Table with columns: Averages, Actual Figures. Sub-columns include Cash Reserves in Vault, Reserves in Depositories, Total Reserves, a Reserve Required, Surplus Reserves, Inc. or Dec. from Previous Week, Cash Reserves in Vault, Reserves in Depositories, Total Reserves, b Reserve Required, Surplus Reserves, Inc. or Dec. from Previous Week. Rows include Members Federal Reserve Bank, State Banks, Trust Companies, and Grand Aggregate.

\* Not members of Federal Reserve Bank. a This is the reserve required on Net Demand Deposits in the case of State Banks and Trust Companies, but in the case of Members of the Federal Reserve Bank includes also the amount of reserve required on Net Time Deposits, which was as follows: Mar. 10, \$2,589,500; Mar. 3, \$2,543,650; Feb. 24, \$2,606,650; Feb. 17, \$2,422,100. 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 the amount of reserve required on Net Time Deposits, which was as follows: Mar. 10, \$2,490,200; Mar. 3, \$2,685,000; Feb. 24, \$2,563,500; Feb. 17, \$2,407,300.

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, and these are shown in the following table:

SUMMARY OF STATE BANKS AND TRUST COMPANIES IN GREATER NEW YORK. NOT INCLUDED IN CLEARING HOUSE STATEMENT. (Figures Furnished by State Banking Department.)

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, compare as follows for a series of weeks past:

COMBINED RESULTS OF BANKS AND TRUST COMPANIES IN GREATER NEW YORK. We omit two others in all these figures.

In addition to the returns of "State banks and trust companies in New York City not in the Clearing House," furnished by the State Banking Department, the Department also presents a statement covering all the institutions of this class in the whole State. The figures are compiled so as to distinguish between the results for New York City (Greater New York) and those for the rest of the State, as per the following:

STATE BANKS AND TRUST COMPANIES. Table comparing State banks and trust companies in Greater N. Y. and outside of Greater N. Y.

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

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

Table with multiple columns: CLEARING NON-MEMBERS (Capital, Profits, Loans, etc.), Members of Fed'd Reserve Bank, State Banks, Trust Companies, Grand aggregate, Comparison, prev. wk.

Philadelphia Banks.—Summary of weekly totals of Clearing House banks and trust companies of Philadelphia: We omit two others (00) in all these figures.

Table with columns: Loans, Dis'cts & Invest'nts, Deposits, Reserve Held, Excess Reserves. Rows for March 10, Nat. bank, Trust cos., and weekly totals.

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

BOSTON CLEARING HOUSE MEMBERS. Table with columns: Mar. 10 1917, Change from previous week, March 3 1917, Feb. 24 1917.

Imports and Exports for the Week.—See third page preceding.



New York Stock Exchange—Stock Record, Daily, Weekly and Yearly 1027

For record of sales during the week of stocks usually inactive, see preceding page.

Table with columns: HIGH AND LOW SALE PRICES—PER SHARE, NOT PER CENT. (Saturday March 10, Monday March 12, Tuesday March 13, Wednesday March 14, Thursday March 15, Friday March 16); STOCKS NEW YORK STOCK EXCHANGE (Railroads, Aitch Tompks & Santa Fe., etc.); PER SHARE Range Since Jan. 1; PER SHARE Range for Preceding Year 1916.

RI and asked prices; no sales on this day. Ex-rights, Less than 100 shares. Ex-div. and rights. Ex-dividend. 1st installment paid.



New York Stock Exchange—Bond Record, Friday, Weekly and Yearly 1929

In Jan. 1909 the Exchange method of quoting bonds was changed, and prices are now all—"and interest"—except for income and defaulted bonds.

Table with columns for Bonds, Price Friday March 16, Week's Range or Last Sale, Range Since Jan. 1, and other market data. Includes sections for U.S. Government, Foreign Government, and various Corporate Bonds.

\*Notice Friday; latest this week. † Due Jan. ‡ Due April. § Due May. ¶ Due June. †† Due July. ‡‡ Due Aug. §‡ Due Oct. ¶‡ Due Nov. ††‡ Due Dec. †‡‡ Option sale.





Main table containing bond listings for 'N. Y. STOCK EXCHANGE' and 'BONDS' sections, including columns for bond names, interest rates, prices, and ranges.

\* No price Friday; latest bid and asked. # Due Jan. # Due Feb. # Due May. # Due June. # Due July. # Due Aug. # Due Oct. # Due Nov. # Due Dec. # Option sale





Outside Stock Exchanges

Boston Bond Record.—Transactions in bonds at Boston Stock Exchange Mar. 10 to Mar. 16, both inclusive:

Table with columns: Bonds, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week, Range since Jan. 1 (Low, High), and Date/Price. Includes entries like Alaska Gold Ser A 6s, Am Agric Chem 5s, etc.

Pittsburgh Stock Exchange.—Record of transactions at Pittsburgh Mar. 10 to Mar. 16, compiled from official sales list:

Table with columns: Stocks, Par, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week (Shares), Range since Jan. 1 (Low, High), and Date/Price. Includes entries like Alleghenia Fire Ins, Am Wind Glass Mach, etc.

Baltimore Stock Exchange.—Complete record of the transactions at the Baltimore Stock Exchange from Mar. 10 to Mar. 16, both inclusive, compiled from the official sales lists, is given below. Prices for stocks are all dollars per share, not per cent. For bonds the quotations are per cent of par value.

Table with columns: Stocks, Par, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week (Shares), Range since Jan. 1 (Low, High), and Date/Price. Includes entries like Arundel Sand & Gravel, Balt Electric pref, etc.

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), and Date/Price. Includes entries like Chicago Ry 1st 5s, City & Suburban 1st 5s, etc.

Chicago Stock Exchange.—Record of transactions at Chicago Mar. 10 to Mar. 16, compiled from official sales lists:

Table with columns: Stocks, Par, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week (Shares), Range since Jan. 1 (Low, High), and Date/Price. Includes entries like American Radiator, Am Shipbuilding, etc.

a Ex-div. 2%. z Ex-dividend. b Ex-50% stock div. c Ex-25% stock div.

Philadelphia Stock Exchange.—The complete record of transactions at the Philadelphia Stock Exchange from Mar. 10 to Mar. 16, both inclusive, compiled from the official sales lists, is given below. Prices for stocks are all dollars per share, not per cent. For bonds the quotations are per cent of par value.

Table with columns: Stocks, Par, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week (Shares), Range since Jan. 1 (Low, High), and Date/Price. Includes entries like American Gas of N. J., American Rys pref, etc.

Table of stock prices and sales for various companies, including Tono-Belmont Devel., Union Traction, and others. Columns include Stock Name, Par, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week (Shares), Range since Jan. 1. (Low, High), and Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week (Shares), Range since Jan. 1. (Low, High).

Volume of Business at Stock Exchanges

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

Table showing weekly transactions at the New York Stock Exchange for the week ending Mar. 16 1917. Columns include Week ending Mar. 16 1917, Stocks (Shares, Par Value), Railroad, State, Mun. & Foreign Bonds, and U. S. Bonds.

Table showing sales at the New York Stock Exchange for the week ending Mar. 16, 1917, and Jan. 1 to Mar. 16, 1917. Columns include Stocks—No. shares, Par value, Bank shares, Govt. bonds, State, mun., &c., bonds, RR. and misc. bonds, and Total bonds.

DAILY TRANSACTIONS AT THE BOSTON, PHILADELPHIA AND BALTIMORE EXCHANGES.

Table showing daily transactions at the Boston, Philadelphia, and Baltimore exchanges for the week ending Mar. 16 1917. Columns include Week ending Mar. 16 1917, Boston (Shares, Bond Sales), Philadelphia (Shares, Bond Sales), and Baltimore (Shares, Bond Sales).

New York "Curb" Market.—Below we give a record of the transactions in the outside security market from Mar. 10 to Mar. 16, both inclusive. It covers the week ending Friday afternoon:

Table showing transactions in the New York "Curb" market from Mar. 10 to Mar. 16, 1917. Columns include Week ending Mar. 16, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week (Shares), and Range since Jan. 1. (Low, High).

Table of stock prices and sales for various companies, including Jones Bros Tea, Inc., Joplin Ore & Spelter, and others. Columns include Stock Name, Par, Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week (Shares), Range since Jan. 1. (Low, High), and Friday Last Sale Price, Week's Range of Prices (Low, High), Sales for Week (Shares), Range since Jan. 1. (Low, High).

CURRENT NOTICE.

—Yard, Otis & Taylor, dealers in investment securities, 105 South La Salle St., Chicago, announce the change of firm name with no change in management, to Yard & Taylor.
—Charles P. Bullard, for many years with E. H. Rollins & Sons, of Boston and New York, has become associated with Bullard, Hetherington & Co., Chicago.
—Henri P. Pulver is in Chicago as the Western representative of Hambleton & Co., of Baltimore and New York.

Quotations for Sundry Securities

All bond prices are "and interest" except where marked "r".

Table with columns: Friday Last Sale Price, Week's Range, Sales for Week, Range since Jan. 1, and various stock names like Kewanaw, Loma Prieta Cons Mines, etc.

Table with columns: Standard Oil Stocks, RR. Equipments, Tobacco Stocks, and Short Term Notes, listing various companies and their stock prices.

\* Odd lots. † No par value. ‡ Listed as a prospect. § Listed on the Stock Exchange this week, where additional transactions will be found. ¶ New stock. † Unlisted. ‡ Ex-cash and stock dividends. § When issued. † Ex-dividend. ‡ Ex-rights. § Ex-stock dividend.

New York City Banks and Trust Companies

Table listing various banks and trust companies in New York City, including American, Manhattan, and others, with columns for assets and liabilities.

\* Banks marked with a (\*) are State banks. † Sale at auction or at Stock Exchange this week. ‡ New stock. § Ex-rights.

New York City Realty and Surety Companies

Table listing various realty and surety companies in New York City, including Alliance R by Amer Surety, Bond & M Co, etc.

Table listing various industrial and miscellaneous companies, including American Brass, American Chile, and others, with columns for assets and liabilities.

\* Per share. † Basis. ‡ Purchaser also pays accrued dividend. § New stock. ¶ Fiat price. † Nominal. ‡ Ex-dividend. § Ex-rights.

Investment and Railroad Intelligence.

RAILROAD GROSS EARNINGS.

The following table shows the gross earnings of every STEAM railroad 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 July 1 to and including the latest week or month. We add a supplementary statement to show the fiscal year totals of those roads whose fiscal year does not begin with July, but covers some other period. The returns of the electric railways are brought together separately on a subsequent page.

Table with columns: ROADS, Latest Gross Earnings (Week of Month, Current Year, Previous Year), July 1 to Latest Date (Current Year, Previous Year). Includes sub-tables for 'Various Fiscal Years' and 'AGGREGATES OF GROSS EARNINGS—Weekly and Monthly'.

AGGREGATES OF GROSS EARNINGS—Weekly and Monthly.

Summary table with columns: \* Weekly Summaries, Current Year, Previous Year, Increase or Decrease, %; \* Monthly Summaries, Current Year, Previous Year, Increase or Decrease, %.

a Includes Cleveland Lorain & Wheeling Ry. b Includes Evansville & Terre Haute. c Includes Mason City & Fort Dodge and the Wisconsin Creek District Ry. d Includes Louisville & Atlantic and the Frankfort & Cincinnati. e Does not include earnings of Colorado Springs & Cripple Creek. f Includes the St. Louis Iron Mountain & Southern. g Includes the Lake Shore & Michigan Southern Rys., Chicago Indiana & Southern RR., and Dulnick Allegheny Valley & Pittsburgh RR. h Includes the Alabama Great Southern, Cine. New Orleans & Texas Pacific, New Orleans & Northwestern and the Nor. Ala. Ala. i Includes Vandalla RR. j Includes Nor. Ohio RR. k Includes Northern Central. \* We no longer include Mexican roads in any of our totals.

Latest Gross Earnings by Weeks.—In the table which follows we sum up separately the earnings for the first week of March. The table covers 29 roads and shows 5.64% increase in the aggregate over the same week last year.

Table with columns: First week of March, 1917, 1916, Increase, Decrease. Lists various railroads and their earnings for 1917 and 1916, along with percentage changes.

Table with columns: Name of Road or Company, Week or Month, Current Year, Previous Year, Jan. 1 to latest date, Current Year, Previous Year. Lists railroads and their earnings for the current and previous years, and for the period from Jan 1 to the latest date.

Net Earnings Monthly to Latest Dates.—In our "Railway Earnings" Section or Supplement, which accompanies to-day's issue of the "Chronicle," we give the Jan. figures of earnings of all steam railroads which make it a practice to issue monthly returns or are required to do so by the Inter-State Commerce Commission. The reader is referred to that Supplement for full details regarding the Jan. results for all the separate companies.

In the following we give all statements that have come in the present week covering a later or a different period from that to which the issue of the "Railway Earnings" Section is devoted.

Table with columns: Roads, Gross Earnings, Net Earnings. Shows earnings for Chic Burl & Quincy, Chic 1 to Dec 31, and Net earnings here given are before deducting taxes.

Y Represents income from all sources. c These figures are for consolidated company. f Earnings now given in milreis. g Includes constituent companies.

Electric Railway and Other Public Utility Net Earnings.—The following table gives the returns of ELECTRIC railway and other public utility gross and net earnings with charges and surplus reported this week:

Table with columns: Companies, Gross Earnings, Net Earnings. Lists various electric and public utility companies and their earnings for the current and previous years.

ELECTRIC RAILWAY AND PUBLIC UTILITY COS.

Table with columns: Name of Road or Company, Latest Gross Earnings, Jan. 1 to latest date. Lists various electric and public utility companies and their earnings for the latest year and for the period from Jan 1 to the latest date.

Table with columns: Gross Earnings, Net, after Taxes, Fixed Charges, Balance, Surplus. Lists various electric and public utility companies and their earnings, net after taxes, fixed charges, and balance/surplus.



Table with 5 columns: Company, Gross Earnings, Net after Taxes, Fixed Charges, Balance Surplus. Includes St. Jos Ry. L. H. & P. Jan '17, Tennessee Power Co. Jan '17, etc.

x After allowing for other income received.

Table with 5 columns: Company, Gross Earnings, Net after Taxes, Fixed Charges, Balance Surplus. Includes Honolulu R T & L., Dec '16, Jan '17, etc.

ANNUAL REPORTS

Annual, &c., Reports.—An index to annual, &c., reports of steam railroads, street railways and miscellaneous companies...

Milwaukee (Wis.) Electric Railway & Light Co.

(Report for Fiscal Year ending Dec. 31 1916.)

Pres. James D. Mortimer, Milwaukee, Feb. 21, wrote:

The increase in operating revenues of the railway department over the previous year was \$700,455, or 17.91%, due in part to a substantial reduction in the number of "jitneys"...

Higher costs of materials and labor, and larger reserves for depreciation and taxes, absorbed 77% of the increase in operating revenues...

During the year there was expended for additions, extensions and betterments \$1,005,631, viz.: \$506,125 is chargeable to the railway utility...

During the year arrangements were concluded for the purchase of the electric utility operated by the Commonwealth Power Co., and the heating utility operated by the Continental Realty Co....

The electric service business has continued to grow at a satisfactory rate. The number of electric and steam-heating customers has increased from 32,652 as of Dec. 31, 1915 to 38,843 as of Dec. 31, 1916...

INCOME ACCOUNT FOR CALENDAR YEARS.

Table with 4 columns: 1915, 1916, 1917. Rows include Revenue passengers, Transfers, Electric sales, Operating revenue, etc.

BALANCE SHEET DECEMBER 31.

Table with 4 columns: 1915, 1916, 1917. Rows include Property & plant, Capital expended, Securities owned, etc.

American (Bell) Telephone & Telegraph Co.

(Report for Fiscal Year ending Dec. 31 1916.)

The report of the company, containing extended excerpts from the remarks of President Theodore N. Vail, and the income account and balance sheet, and many tables giving valuable information, will be found on subsequent pages.

COMPARATIVE INCOME ACCOUNT OF COMPANY FOR CAL. YEARS.

Table with 5 columns: 1915, 1916, 1917, 1918. Rows include Dividends, Interest & other revenue, Telephone traffic, etc.

BALANCE SHEET OF AMERICAN TELEP. & TELEG. CO. DEC. 31.

Table with 4 columns: 1915, 1916, 1917, 1918. Rows include Assets (Stocks, Bonds, etc.) and Liabilities (Capital stock, etc.).

a Includes in 1916 premiums on capital stock and excluding debt discount and expense. Note.—\$34,709,000 5% coupon notes of associated companies endorsed but not owned by this company...

Columbia Gas & Electric Co. (of W.Va.), Cincinnati, &c.

(Report for Fiscal Year ending Dec. 31 1916.)

The remarks of President A. B. Leach, together with the consolidated comparative income accounts for several years of the Columbia Gas & Electric Co. and the Union Gas & Electric Co., and the consolidated balance sheet as of Dec. 31 1916, will be found on subsequent pages of this issue...

CONSOL. INCOME ACCT. FOR CAL. YEARS (INCL. SUBSIDIARIES).

Table with 4 columns: 1915, 1916, 1917, 1918. Rows include Gross earnings, Operating expenses, Net earnings, etc.

CONSOLIDATED BALANCE SHEET DEC. 31 (INCLUDING UNION GAS & ELECTRIC CO.)

Table with 4 columns: 1915, 1916, 1917, 1918. Rows include Assets (Property, Cash, etc.) and Liabilities (Capital stock, etc.).

a Includes gasfields, plants, franchises, leases and 45,000 shares (or 51%) of stock owned of the United Fuel Gas Co.—V. 104, p. 562, 365.

Remington Typewriter Co., Union, N. Y.

(Report for Fiscal Year ending Dec. 31 1916.)

On subsequent pages will be found the remarks of President Frank N. Kondolf, in addition to the certificate of Price, Waterhouse & Co., accountants, the consolidated income and surplus accounts for the year ending Dec. 31 1916 and the consolidated balance sheet as of Dec. 31 1916.

INCOME ACCOUNT FOR CALENDAR YEARS.

Table with 4 columns: 1915, 1916, 1917, 1918. Rows include Net earnings, Interest, Depreciation of plant, etc.

\*The company deducts the dividends in 1914 from profit and loss, but shown as above for the sake of simplicity.

CONSOL. BALANCE SHEET AS OF DEC. 31 (INCL. SUB. COS.).

Table with 4 columns: 1915, 1916, 1917, 1918. Rows include Assets (Real estate, Stocks, etc.) and Liabilities (Capital stock, etc.).

x Denotes stocks and bonds of subsidiary companies not held by the Remington Typewriter Co. (par value)—V. 104, p. 689, 368.

American Smelting & Refining Company, New York.

(Report for Fiscal Year ending Dec. 31 1916.)

The report of President Daniel Guggenheim, together with the comparative tables of operating statistics, income and profit and loss accounts, and also the balance sheets for two years past, will be found on subsequent pages of this issue.—V. 104, p. 561, 363.

Nova Scotia Steel & Coal Co., New Glasgow, N. S.

(Report for Fiscal Year ending Dec. 31 1916.)

Pres. Thos. Cantley, New Glasgow, Feb. 28, says in subst.:

The output of forged shells during the year was 90% greater in number and 120% greater in weight than in 1915, while the total shipments of finished steel, forgings, &c., exceeded that of the previous year by 64%...

The report of the board of directors, the general statement of assets, liabilities and abstract of profit and loss account, appears on an advertising page in last week's issue.

On Dec. 31 1916 the total assets of the company had grown to \$28,379,672 against \$15,841,880, as of Dec. 31 1915, while the mining properties and appraised present value of real estate building, plant, machinery and equipment less depreciation written off had increased from \$13,490,553 in 1915 to \$20,036,596 in 1916.

The profit and loss surplus, Dec. 31 1916, was \$3,535,086, against \$1,510,609, Dec. 31 1915.

Table titled 'RESULTS FOR CALENDAR YEARS' with columns for 1916, 1915, 1914, and 1913. Rows include Profits for the year, Interest on bonds, Int. on debenture stock, Div. on pref. stock, Div. on common stock, Imp'ts. and betterments, Sinking fund and miscel., and Total.

\* After deducting in 1916 \$1,490,586 depreciation, business profit tax for 1916 and 1915, patriotic contributions, &c.—V. 104, p. 261.

(The) Montana Power Co., New York.

(14th Annual Report—Year ended Dec. 31 1916.)

Pres. John D. Ryan, N. Y., Feb. 21, wrote in substance:

Subsidiaries.—The report includes the operations of Great Falls Power Co., Thompson Falls Power Co., Montana Reservoir & Irrigation Co., and Great Falls Water Power & Townsite Co., which are owned entirely (with the exception of directors' shares) by your company.

Results.—The year 1916 has been the most successful year in the history of the company, the earnings having grown steadily, resulting in increases over the year 1915 of 44.37% in the gross and 51.71% in the net.

Quarterly dividends of 3/4 of 1% each were paid on the common stock on Jan. 2 and April 1 1916, same being an increase of 1/2 of 1% over the previous quarterly rate.

Relative Capacity and Output of the System for the Calendar Years.

Table showing Total rated generating capacity, Total kilowatt hours generated, and Connected load at end of year for 1916, 1915, and Increase percentages.

Construction.—About \$3,400,000 was expended during the year 1916 in new construction work, transmission lines, additions and betterments.

Construction work was started in the spring of 1916 on the new 40,000 k. w. development at Holter on the Missouri River, about 30 miles north of Helena.

It having become evident that additional power would be required early in 1917, it was decided to increase the generating capacity at the Rainbow

plant by the addition at a cost of about \$500,000 of two 5,000 k. w. units.

Capacity of Plants.—Hydro-electric: In operation, 153,500 k. w.; to be completed in 1917, 60,000 k. w.; steam reserve, 6,000 k. w.; and water powers, undeveloped, in reserve, 121,500 k. w.; total, 341,000 k. w.

Electrical Operations of Chicago Milwaukee & St. Paul Ry.—The electric installation of this railway was practically completed at the close of 1916.

Business Outlook.—The outlook continues favorable. In addition to a considerable business now assured, a substantial increase may be expected from projects now under consideration.

Sale of Bonds.—Of the \$3,558,000 available First & Ref. Mfg. sinking fund 5% gold bonds, Series A, \$40,000 were sold in purchase of a piece of property and \$1,000,000 have been sold since Dec. 31 1916 to replace in part the surplus earnings spent on the new development work.

COMBINED EARNINGS FOR FISCAL YEARS ENDING DEC. 31.

Table showing Gross earnings, Int. rec'd from banks, Divs. on investments, Total gross earnings, Oper. expenses & taxes, Net income, Interest charges, Balance over charges, Miscellaneous, Depreciation, Preferred dividends, Common divs., and Balance, surplus for 1916, 1915, 1914, and 1913.

\* Includes bond discount, \$97,356, and amount charged off to construction (credit), \$169,172.

American Steel Foundries, Chicago.

(Report for Fiscal Year ending Dec. 31 1916.)

Pres. R. P. Lamont, Chicago, Mar. 1, wrote in substance:

Results.—Although the congested railroad situation and the constant labor shortage made operations difficult, both gross business and net profits for 1916 were at least 50% greater than in any previous year.

The gross sales were \$31,361,006, against \$10,024,870 for 1915 and \$19,463,521 for 1917, the highest previous gross.

Production.—The foundries turned out 277,371 tons, of which about 200,000 tons were our regular castings—the balance ingots.

Repairs, &c.—Repairs and maintenance absorbed in the year's manufacturing cost was \$1,848,185.

Bonds.—Our 6% bonds were reduced \$373,000, leaving outstanding Dec. 31 \$1,586,500 out of the original \$3,900,000.

Dividends.—A dividend of 1 1/2% was paid during the last quarter of the year. In view of the earnings, it may seem to some that dividends could have been resumed at an earlier date.

A considerable part of the earnings for the year were derived from business outside of our regular line of work, and necessarily of a temporary character.

In the judgment of your directors, it would be a mistake to pay out these excess earnings in dividends. They should be conserved until all of our contracts for war materials are finished.

Outlook.—The prospects for 1917 are good. All plants are running to capacity, and we have already on hand orders enough to carry us well into the second half of the year.

INCOME ACCOUNT FOR YEARS ENDING DEC. 31.

Table showing Gross sales, Earnings from oper. plants (after deducting mfg., selling, adm. &c. exp.), Depreciation, Net, after deprec'n., Int. disc't., &c. received, Total, Interest on bonds, Interest on debentures, Bond sink. fd. reserve, Int. on borrowed money, Deb. retirement res., and Dividends for 1916, 1915, 1914, and 1913.

y Reserve for debenture retirement, \$344,000; less deduction, \$43,082 for gain on debentures retired.

BALANCE SHEET (INCLUDING SUBSIDIARY COS.) DEC. 31.

Table comparing Assets (Real estate, plant, equip., Other real estate, Miscel. securities, Sinking fund, Inventories, Accts & bills rec'd, Cash, Insurance prems., &c. unpaid) and Liabilities (Capital stock, Mortgage bonds, 4% debentures, Note payable, Accts payable, Payrolls, Accrued int., bonds & debts, Reserve, Approp'd surplus, Profit and loss) for 1916 and 1915.

This item is shown after deducting in 1916 depreciation reserve, \$871,573; in 1915 on the other hand, the depreciation reserve, included with other reserves appears on the liability side of the balance sheet.

American Sugar Refining Co., New York.

(Report for Fiscal Year ending Dec. 31 1915.)

Pres. Earl D. Babst, N. Y., Mar. 8, wrote in substance: General Statement.—The disappearance of the world's surplus supply of sugar, the tightening of embargoes, the control of mercantile shipping in military interest, and especially the recent centralization of buying in the Royal Commission on Sugar Supply of England, are but a few developments of the year. The purchase and distribution of sugar, both raw and refined, not only for the United Kingdom but also for the Allied Governmental Commissions of France and Italy, have been placed in the hands of the English Royal Commission, which naturally is exercising great influence through shipping control over the sugar operations of the world. About one-third of the world's production of raw sugar before the war was within the present battle lines. Consequently England, France and other foreign countries heretofore largely dependent on the Central Powers have turned to Cuba and other sources which ordinarily supply the United States. That we are on a war basis as to sugar is evident, and the cost of the refining operation is higher than ever before.

Exports of Refined Sugar.—The United States sugar refiners exported refined cane sugar in 1914 to the amount of 173,000 tons; in 1915, 400,000 tons, and in 1916 703,885 tons, as against 37,000 tons and 28,000 tons for the normal years 1912 and 1913, respectively. In this export business your company has again largely shared, our exports of refined sugar and syrup going to 51 different countries, notably Argentine Republic, Brazil, Chile, Denmark, Ecuador, England, Finland, France, Holland, Iceland, India, Italy, Japan, Norway, Peru, Portugal, Spain, Sweden, Switzerland, Syria, etc.

This export business has been a welcome addition to the domestic business, and by increasing the volume of the refiners here has been one of the elements contributing to the lower price of sugar in this country than abroad.

Excess Refining Capacity.—So large is the excess of sugar refining capacity in the United States that this country could refine annually with profit at least a million tons of sugar for export. Nevertheless, an addition will be made to this surplus capacity by the early completion by new interests of a new refinery at Savannah (V. 102, p. 359; V. 104, p. 262), and plans are talked of for a prospective refinery at Boston. The beet sugar industry is also contributing additional capacity, as 7 new plants have been slicing during the current season and at least 20 additional plants are reported.

Earnings.—The general prosperity of the country has developed a buying power which has overcome somewhat the usual tendency of high prices to check consumption. With the addition of the larger export business and the uninterrupted operation of Chalmette Refinery, the volume of our business was larger than for many years.

Notwithstanding the greatly increased cost of refining and of packing materials, the larger volume of business, materially aided by the increasing value of inventory and of by-products, resulted in a more satisfactory manufacturing profit than reported in several years. The profits from our large exports of sugar and syrup contributed substantially to the result.

Our turnover aggregated approximately to \$200,000,000, so that the manufacturing profit amounted to about 4 1/2% on each dollar of turnover, a profit far below that ordinarily obtaining in manufacturing enterprises.

Income from Investments.—The income account also shows the usual earnings from bank deposits and investments, and a net profit from the sale of investments. There has been no revaluation of the beet sugar holdings in the item "Investments, general," in spite of their appreciation in market value. During the year the company disposed of its entire holdings in the Menominee River Sugar Co. It now holds shares in six beet sugar companies, acquired some years ago, and held for investment purposes.

Reserves, Depreciation, &c.—During the year \$509,040 has been expended and capitalized as betterments. From the year's income the sum of \$2,000,000 has been set off for general depreciation. The reserve refinery at New Orleans, which has not been operated since the completion of the Chalmette Refinery in 1908, is being gradually dismantled. The reserve refinery at Philadelphia was operated early in the year on export business, and is in condition to open at any time. Substantial improvements to the Boston refinery have continued through the year.

Pension Fund.—The pension fund was increased by an appropriation of \$250,000 and now amounts to \$1,250,000.

Litigation.—The U. S. Circuit Court has sustained the present rates on sugar from California to Texas common points; a decision vital for the preservation of Louisiana's markets for the distribution of refined sugars. In three suits brought during the year in the U. S. District Court for the Northern District of Illinois, the company has secured decrees granting permanent injunctions against dealers who had substituted beet sugar for your company's trade-mark cane sugar products.

Stockholders.—These now number 18,949.

Table with 4 columns: 1916, 1915, 1914, 1913. Rows include Profit from operation, Int. on loans & deposits, Dividends (7%), Deprec. on plant & equip., Improvement of plants, Insurance fund, Trade-mark advertising, Pension fund reserve, Contingency reserve, Bal. sur. or def., Previous surplus, Total surplus.

Table with 4 columns: 1916, 1915, 1914, 1913. Rows include Assets (Real est. & plants, General investm'ts, Inv. insur. fund, Inv. pension fund, Mds. & supplies, Prepaid acc'ts, Loans, Acc'ts receivable, Accrued income, Cash), Liabilities (Preferred stock, Common stock, Fire insurance, Impt. of plants, Pension fund, Contingencies, Trade mk. adv., Acc'ts & loans pay., Divs. payable, Profit and loss).

Output.—Willett & Gray's "Sugar Trade Journal" of this city on Jan. 4 gave the following estimate:

CONSUMPTION OF REFINED SUGAR IN THE UNITED STATES.

Table with 4 columns: Calendar Year, Per Cent. Rows include American Sugar Refining Co., Independent refiners, Beet sugar factories, Hawaiian and foreign refiners, Total consumed, Average Price, Granulated sugar, Raw sugar, Difference.

Pittsburgh Coal Co. (of New Jersey).

(17th Annual Report—Year ended Dec. 31 1916.)

The remarks of Chairman M. H. Taylor will be cited another week.

CONSOL. RESULTS FOR CALENDAR YEARS (INCL. SUBSIDIARIES).

Table with 3 columns: 1916, 1915, 1914. Rows include Production (Pittsburgh district coal, Hooking district coal, Illinois district coal, Kentucky district coal), Gross receipts, Oper. charges, maint., repairs, &c., Taxes accrued, Int. on bonds &c., of subsidiary cos., Losses, insurance, &c., Total deductions, Profits, after all expenses, Sinking funds & depletion coal lands, Depreciation plant and equipment, Net profits, Interest on bonds, Preferred dividends (5%), Undivided profits, Surplus brought forward, Total surplus Dec. 31.

CONSOL. BALANCE SHEET DEC. 31 (INCL. SUBSIDIARIES).

Table with 4 columns: 1916, 1915, 1916, 1915. Rows include Assets (Properties, Treasury stock, Pref. stock, Investments in stocks & bonds, Cash with trust's, Pension fund investments, Merchandise, Accounts & bills receivable, Cash), Liabilities (Preferred stock, Common stock, Int M. bonds, Ry. & Ind. Sec., Mts. payable, Cts. of indbt., Pension fund, Bills payable, Accts. payable, Stock purch. sur., Insurance funds, Sales contr'l. fd., Undiv'd earnings), Total.

Total 103,507,403 104,953,138. Properties owned Dec. 31 1916, consisting of coal and surface lands, mine plants and equipments, railroads, railway cars, docks on Great Lakes, &c., were: Coal lands and real estate, less allowance for depletion of coal lands, \$61,226,488; plants and equipments, less depreciation, \$18,790,276.

(The American Tobacco Co., New York.)

(Report for Fiscal Year ending Dec. 31 1916.)

Treas. J. M. W. Hicks, March 14, wrote in substance: The sales for the year of this company, and those companies all of whose stock is owned, aggregated \$70,009,437 (against \$64,710,286 in 1915), and the net earnings therefrom, after deducting all charges and expenses for management, &c., were \$8,699,339, being about 12 1/2% on the sales. Adding dividends from companies, a part of whose stock is owned, \$3,210,529; interest on bonds, loans, deposits, &c., net, \$380,395, and other income \$122,360, the total net income available for int. divs. &c., was \$12,412,823. The capital stock of the company, its outstanding bonds, and the average during the year of its surplus, aggregated \$131,659,070, and the net income of the year as above was \$12,400,306, being about 9 1/2% thereon.

RESULTS FOR FISCAL YEARS ENDING DECEMBER 31.

Table with 4 columns: 1916, 1915, 1914, 1913. Rows include Sales (incl. cos. whose stk. is owned), Net earnings, after chgs., exp., &c., Divs. from partly-owned companies, Interest on bonds, loans, &c. (net), Miscellaneous income, Total net income, Prem. on bonds purch. and canceled, Interest on bonds, &c., Preferred dividends (6%), Common dividends (20%), Total deductions, Balance, surplus.

BALANCE SHEET DECEMBER 31.

Table with 4 columns: 1916, 1915, 1916, 1915. Rows include Assets (Real est., mach., fixtures, &c., Brands, tr. mks., part in & good will, &c., Leaf tobacco operat. supp. &c., Stocks & bonds, Cash, Scrip, Bills & accts. rec., Amts. due from cos. in which stock is owned), Liabilities (Preferred stock, Common stock, 6% bonds, 4% bonds, Pref. div. payable January, Advertising, com. &c., Acct'd bond int., Cur't accts. pay'ble, Acc'ts & bills pay., Amts. due to cos. in which stock is owned, Surplus).

Total 137,928,349 136,103,532. Total 137,928,340 136,103,532. A consists of 4% gold bonds and remaining 4% bonds of Consolidated Tobacco Co. not yet exchanged. As to the reduction of auth. capital stock, see V. 104, p. 766.

(R. J.) Reynolds Tobacco Co.

(Report for Fiscal Year ending Dec. 31 1916.)

Net earnings (see below) \$8,043,078 \$4,729,988 \$2,916,504 \$2,862,567. Pref. dividends (7%) 175,000 175,000. Common dividends, (23%) 2,300,000 (22) 2,200,000 (16) 1,000,000 (12) 1,200,000.

Balance, surplus \$5,568,878 \$2,354,988 \$1,316,504 \$1,562,567. Net earnings are shown after all expenses charges, taxes, deprec'n, &c.

BALANCE SHEET DEC. 31

Table with 4 columns: 1916, 1915, 1916, 1915. Rows include Assets (Real est., bldgs. &c., Leaf tob., mfg. stk. and oper. supp.), Liabilities (Common stock, Preferred stock, Bills payable, Cur't accts. pay'ble, Doubtful accounts, Provision for allowances, deprec., &c., Surplus).

Total 37,445,128 25,549,555. Total 37,445,128 25,549,555. \* Current bills in course of audit for payment. As to extra dividend see item on a subsequent page and for stock increase see V. 104, p. 957, 868.

(P.) Lorillard Company.

(Report for Fiscal Year ending Dec. 31 1916.)

Treas. Wm. B. Rhett, Jersey City, Mar. 13, says in subst.:

As required by the trust indenture, the Guaranty Trust Co., trustee, purchased and canceled 7% gold bonds of this company of the par value of \$79,050, the cost of same being \$99,918. The difference between par value and cost of the bonds so purchased has been written off as an expense.

RESULTS FOR FISCAL YEARS ENDING DECEMBER 31.

Table with 4 columns for years 1916, 1915, 1914, and 1913. Rows include Net income, Premium on 7% bonds, Bond interest, Preferred dividends (7%), Common dividends (17%), Total deductions, Balance, surplus, and Net income as shown after deducting expenses and charges.

BALANCE SHEET DECEMBER 31.

Table with 4 columns for years 1916, 1915, 1914, and 1913. Rows are categorized into Assets (Real estate, machinery, Leaf tobacco, Stock other cos., Cash, Acc'ts & bills rec.) and Liabilities (Preferred stock, Common stock, 7% gold bonds, 5% gold bonds, etc.).

Liggett & Myers Tobacco Co., New York. (Report for Fiscal Year ending Dec. 31 1916.)

Summary table for Liggett & Myers Tobacco Co. with 4 columns for years 1916, 1915, 1914, and 1913. Rows include Net profits and Dividends from sub. cos.

Summary table for Liggett & Myers Tobacco Co. with 4 columns for years 1916, 1915, 1914, and 1913. Rows include Total profits, Difference between purchase price and par of 7% bonds, Interest on bonds, Preferred dividends (7%), Common dividends (15%), Total deductions, Balance, surplus.

\* Difference between purchase price and par of 7% gold bonds (par value, \$116,750 in 1916, \$119,450 in 1915, \$121,300 in 1914 and \$121,500 in 1913) purchased and canceled during year.

BALANCE SHEET DECEMBER 31.

Table with 4 columns for years 1916, 1915, 1914, and 1913. Rows are categorized into Assets (Real estate, fixtures, Brands, trade-mks., Leaf tobacco, Stock other cos., Cash, Bills and accounts receivable) and Liabilities (Preferred stock, Common stock, 7% bonds, 5% bonds, etc.).

Jewel Tea Co., Inc., Chicago. (First Annual Report—Year ending Dec. 31 1916.)

President F. V. Skiff, Chicago, Feb. 7, says in substance:

The net sales show an increase of 57 1/2%. The net profits increased slightly, due to the very large expense in the opening of new territory and in the development of the business in the old branches; 183 new branches have been opened and 742 additional wagon routes established. The abnormal expense of this rapid extension, which will not hereafter be necessary, aggregated \$950,541, of which \$530,193, or about 54%, has been charged to current operations for the year 1916, and the balance, \$450,348, deferred as a charge to future operations, in respect to those branches which had not developed to a normal operating basis during the past year.

Your company has thus developed an established business and an effective selling organization extending over all the principal cities and towns in the United States, the revenue from which will only fully accrue during the present and future years.

A large coffee roasting and distributing plant has been acquired at New Orleans, La., which will result in more economical and prompt service to your company's rapidly growing trade in Southern and Southwestern States.

The 12-story reinforced concrete building which has been erected by the Hoboken Land & Improvement Co., on a site on the Hudson River, opposite West 23d St., N. Y. City, is practically completed, and upon the installation of the necessary equipment we should realize the benefits and economies necessarily incident to the greater facilities not only for shipments by land and water from this main distributing point but in purchasing its commodities in a better market.

INCOME ACCOUNT R CALENDAR YEAR 1916.

Table with 2 columns for 1916 and 1915. Rows include Net sales, Net profits, BALANCE SHEET DEC. 31 1916 (TAL EACH SIDE), Real estate bldgs. & mach., Horses, wagons, &c., Good-will, Cash, Accounts, &c., receivable, Inventory of mdse., &c., Investments (surety dep.), Common stock in treasury, Advanced to customers (less reserve), Deferred branch development expenses, Other deferred items.

\*After deducting organization expenses, \$38,954, and increase in reserve for uncollectible accounts acquired Jan. 1 1916, \$38,714.

Note.—Contingent liability for letters of credit issued against merchandise of contracts not received or shipped, \$133,000.—V. 104, p. 564, 260.

National Fireproofing Co., Pittsburgh. (Report for Fiscal Year ending Dec. 31 1916.)

Pres. W. D. Henry, Pittsburgh, Feb. 26, wrote in subst.:

Contract Sales.—Trade reports show a large amount of building to have been contracted for during 1916, but it consisted chiefly of factory buildings and structures of a more or less temporary nature in which our products were not required. A large percentage of the commercial buildings erected, in which Natco hollow tile was used, were contracted for prior to the abnormal advances in the price of labor and supplies that had its resultant effect on our profits and operations.

Material Sales.—Orders booked by our sales departments were satisfactory and results shown were gained under the most adverse circumstances. The car shortage was most severe during the last two or three months of the year, causing the cancellation of a number of orders and the carrying over a large amount of material, which, under normal conditions, would have been delivered and paid for during 1916.

Clay Condulits.—In the last quarter of the year orders for a heavy production of clay condulits were booked at satisfactory prices, but the material required thereon was not due for shipment until 1917.

General Orders on Hand.—Orders and contracts carried over from 1916 and booked to the date of this report have been most satisfactory, both as to volume and prices.

Oil Property.—The development of the Haydensville oil property has been continued with the following production of Pennsylvania crude oil: 1913, 590 bbls.; 1914, 1,778 bbls.; 1915, 3,969 bbls.; and 1916, 16,392 bbls. The production yielded \$53,686, or \$23.36 per bbl. The amount expended in drilling, equipping, tankage and building oil, gas and water lines, &c., was \$109,559. In addition to the 5 wells drilled in 1913-15 (2 dry), eight new wells were completed of which 7 are producers. Work on 5 additional wells is in progress. The property at Haydensville covers 3,000 acres, but development work has only progressed in sections Nos. 7 and 18.

Bond Issue.—During 1916 \$162,000 bonds were retired, \$125,000 of which matured Sept. 1 1910 and \$37,000 due Sept. 1 1932 were paid out of proceeds of property sold.

Earnings.—The considerable loss in the first quarter was made up during the latter part of the year, the net profits as shown amounting to \$100,412.

During the year \$263,815 was spent for repairs and maintenance and charged to operating expense. Extraordinary renewals and replacements amounted to \$51,059.

CONSOLIDATED RESULTS FOR CALENDAR YEARS.

Table with 4 columns for years 1916, 1915, 1914, and 1913. Rows include Net earnings, all sources; Preferred divs. (4%); Depreciation; Res'v for doubtful acct's; Agricul. exp. for 1917; Balance, sur., or def.

CONSOLIDATED BALANCE SHEET DEC. 31.

Table with 4 columns for years 1916, 1915, 1914, and 1913. Rows are categorized into Assets (Cost of prop'y & equip., Stks., bds., &c. (at cost), Notes & acct's. receivable, Inv. & adv. in other cos., Cash, Inventories, Deferred charges) and Liabilities (Preferred stock, Common stock, 1st M. 5% bonds, Prof. dividend accrued, Bond interest accrued, Notes payable, Accounts payable, Reserve for depreciation, Surplus).

x Represents in 1916 property and equipment at its cost in preferred stock plus expenditures for additions, \$9,004,057, and good-will represented by common stock outstanding, \$4,481,300. y Includes in 1916 notes receivable, \$312,305; accounts receivable (less reserve for bad and doubtful accounts), \$1,300,839, and accounts receivable from associated cos., \$95,099. z Includes in 1916 stock of National Fireproofing Co. of Canada, Ltd., \$47,900; Haydensville Oil Co., \$10,000, and Standard Bldgs., Inc., \$5,000; bonds of Nat. Fireproofing Co. of Canada, \$138,750, and notes of American Clay Products Co., \$435,000; Haydensville Oil Co., \$43,300, and Standard Bldgs., Inc., \$5,000.—V. 104, p. 956.

American Radiator Co., Chicago.

(18th Annual Report—Year ending Jan. 31 1917.)

Pres. Clarence M. Woolley, Mar. 7 1917, said in substance:

The heating industry participated in the unprecedented prosperity enjoyed by the country during the past year. Building permits issued throughout the country moderately exceeded that of the preceding year, notwithstanding the increased cost of materials and construction.

During the year the market price of pig iron and other materials entering into the fabrication of our products increased about 75%. The supply of labor was limited, and its efficiency, due to general conditions, was considerably lowered. The cost of production steadily increased throughout the year, which increased cost is a continuing feature of the situation.

Our selling prices were adjusted from time to time in order to maintain a consistent relationship with the underlying conditions affecting values and costs.

On Jan. 31 1917 all current indebtedness except that incident to the purchase of supplies and materials for January had been paid, while the cash on hand amounted to \$2,997,408 on Jan. 31 1917.

The aggregate value of the tangible assets of the company and its constituent companies, including reserves, on Jan. 31 1917 was \$28,925,449. The net profits of the entire business were, therefore, equal to 12.12% of the said tangible assets. The total cash dividends paid during the last year on the preferred and the common stock aggregated \$1,519,699, representing 5.25% of the tangible assets above specified.

The business and profits of our foreign constituent companies as a whole during the past year were greatly increased over those of 1915. No dividends have been declared by any of the foreign companies since their establishment, the entire profits having been utilized for operation and expansion. For this reason their income has not been included in the balance sheets of this company (though their net profits and surplus are shown comparatively in the table below).

NET PROFITS AND SURPLUSES OF ALL COMPANIES, INCLUDING FOREIGN CONSTITUENT COMPANIES.

Table with 3 columns: Year, Parent Co., Const. Cos., Total Accumulated Surplus—All Cos. Rows for 1916-17, 1915-16, 1914-15, 1913-14.

RESULTS FOR YEARS ENDING JAN. 31 IN UNITED STATES ONLY.

Table with 4 columns for years 1916-17, 1915-16, 1914-15, 1913-14. Rows include Trading profits, 7% div. on pref. stock, Cash common div. (16%), Balance, surplus.

\*There were also paid extra dividends of 10% each in common stock in March 1912, 1913 and 1914 (\$515,000, \$676,500 and \$744,100, respectively). In March 1915 the regular quarterly cash dividend rate was raised to 4%, or 16% yearly. Compare V. 100, p. 476.

BALANCE SHEET JANUARY 31.

Table with 4 columns for years 1917, 1916, 1917, 1916. Rows are categorized into Assets (Plants, pairs, &c., Cash, Notes receivable, Acc'ts receivable, Supplies) and Liabilities (Stock, preferred, Stock, common, Accounts and bills payable, Balance).

\*After deducting \$350,000 for depreciation in 1916.—V. 104, p. 953, 561.

United States Rubber Co., New York.

(25th Annual Report—Year ended Dec. 31 1916)

President Samuel P. Colt, Mar. 5 says in substance:

Bonds.—The most important event of the year has been the funding of the indebtedness of the company and its subsidiaries. Through the sale of \$60,000,000 First & Refunding Mfg. 5% bonds (V. 104, p. 368, 262, 251) the company is now provided with funds wherewith to pay its entire debt and the debts of its subsidiary companies, with the exception of \$9,000,000 General Rubber Co. debentures due Dec. 1 1918, and \$2,500,000 Canadian Consol. Rubber Co. bonds due Oct. 1 1946. In addition to the payment of the indebtedness, further working capital is also provided. The bonds of the Canadian Co. are not being retired at present [compare V. 104, p. 364, 259].

With the funding of our debt we will be able to simplify our organization and thereby bring about economies in administration in several ways, among which will be the liquidation of companies whose separate organization is now unnecessary. Steps to this end will be promptly taken.

Results.—The net sales of the company for the year 1916 were \$128,759,000, against \$92,861,000 the previous year, an increase of \$33,898,000, or about 36%. The net profits of the business before deducting interest charges amounted to \$14,743,000; after deducting interest charges the profits were \$11,226,000. These profits cover the dividends upon the pref. stocks and enhance the intrinsic value of the common stock.

United States Rubber Export Co., Ltd.—Our export business, now consolidated under the organization of the United States Rubber Export Co., Ltd., is being successfully pushed forward, although it is still relatively small, being only about 5 1/2% of our total business in 1916 as against 5% in 1915.

United States Tire Co.—Our new "Royal Cord" tire and the new non-skid "Usco" tire have given us the most complete line of tires manufactured by any company. There is still a wide and increasing demand for the "Nobby Tread" and "Chain Tread," non-skid tires. Our tire sales for 1916 show an increase of 57.9% over those of 1915.

Sumatra Rubber Plantations.—The development of our rubber plantations in Sumatra has steadily continued during the past year. The amount of crude rubber received therefrom in 1916 was substantial and was largely in excess of previously estimated production. The future increase in production will be rapid, as the great number of young trees are more and more coming into bearing. Our most sanguine expectations from these estates are being realized, and it is believed that they will prove to be one of our most valuable assets.

Advance in Prices and Outlook.—While the profits for 1916 were the largest in our history, the percentage of profits to sales was less than in the previous year, owing chiefly to the advance in materials and labor during the year. With the view of meeting these conditions an advance in prices of manufactured goods, varying from 10 to 20%, was made early this year. The increase in net sales of the company for the first two months of the present year over the corresponding months of last year exceeds 20%. In the last 15 years our business has increased five-fold.

New Directors.—James S. Alexander, Pres. of the National Bank of Commerce; William S. Kles, V.-P. of the American International Corp., and Charles B. Seeger, V.-P. of the Union Pacific RR., will be added to the present board.

[The comparative income account and balance sheet were published in our issue of Mar. 10, page 950.]—V. 104, p. 950, 669.

(The) Barrett Company, New Jersey.

(Report for Fiscal Year ending Dec. 31 1916.)

Pres. William Hamlin Childs, N.Y., Mar. 12, says in sub.:

In addition to the usual 7% cash dividend on the common stock paid during the year 1916, there were extra stock dividends of 7% in July (V. 102, p. 2168) and 10% in December 1916 (V. 103, p. 2157).

The reasons for the present increase in our capital stock were given to you in detail in my letter of March 3 1917 (V. 104, p. 954). In addition to our increased investments in plant, the necessity for much larger working cash capital is emphasized by the fact that the sales of this company in its commercial departments (aside from its commission business) for 1914 were \$15,883,910, while in 1916 such sales were \$27,318,797.

CONSOL. INCOME ACCOUNT FOR CAL. YEARS (INCL. SUB. COS.).

Table with 4 columns: 1916, 1915, 1914, 1913. Rows include Gross sales, Cost of goods sold, Net from sales, Other income, Gross income, Admin. gen. & exp., Net income, Bond and other interest, Preferred dividend, Common stock div., Common (stock) divs., Reserves, Prop. app. to minority int., Total deductions, Balance, surplus.

CONSOL. BALANCE SHEET DEC. 31 (INCL. SUBSIDIARY COS.).

Table with 4 columns: 1916, 1915, 1914, 1913. Rows include Assets (Plants & equip't., Furniture, Contracts & goods, Cash & cash items, Marketable accurs., Notes & accts. rec., Inventories, Invest. in oth. cos., Prepaid, &c., chgs.), Liabilities (Common stock, Preferred stock, Bonds of any cos., Notes payable, Accounts payable, Accrued pref. divs., Minority interests, Reserves, Surplus).

a Common stock cash dividend declared with rights to subscribe to equivalent amount of common stock, stock issued Jan. 25 1917. As to proposed stock increase, see V. 104, p. 951.

Gulf States Steel Co., Birmingham, Ala.

(3rd Annual Report—Fiscal Period ending Dec. 31 1916.)

Pres. James Bowron, Birmingham, wrote in substance:

New Stock.—The necessity of complying with the requirements of our customers for our standard products led on Dec. 24 1915 to an offer to the stockholders, pro rata, of \$740,000 1st pref. stock, \$887,931 2d pref. stock and \$1,715,892 common stock. This increased the capital stock outstanding to \$2,000,000 1st pref., \$4,000,000 2d pref. and \$5,000,000 common, and realized \$1,575,755 for construction purposes (V. 102, p. 71).

Additions and Improvements.—With this cash we contracted for (a) equipment for the Shaonnua ore mine, to give the mine when opened a capacity of 2,000 tons per 24 hours; (b) the enlargement of the galvanizing and barbed wire departments; (c) the construction of warehouses for the manufactured product; (d) the rebuilding of the shops at Alabama City; (e) 37 (12 1/2-ton) Koppers by-product coke ovens with daily capacity of 450 tons of coke, and storage tanks of sufficient capacity for the requirements of daily output of 3,500 gallons of tar, 12,000 lbs. of sulphate of ammonia, 1,600 gallons of benzol and 150 gallons of toluol. This program is now far advanced to completion and should shortly be reflected in net income. The coke ovens will be in operation some time in March 1917.

The output of ingots was so increased in 1916 that it became necessary to supplement our own production of pig iron by purchases in the open market. We have therefore leased for three years with privilege of cancellation a small blast furnace at Attalla, within three miles of the steel works, which will be ready for operation by April 1 1917. As this necessitated an

increased supply of ore, control of the entire output of the Clinton Mining Co. of Birmingham, 600 tons per day, has been secured, which, with other current contracts, will supply both furnaces until the opening of our own large mine at Shaonnua. During the year our ore reserves were added to by purchase of about 5,500,000 tons. The coal reserves at Altoona were also added to by about 300,000 tons by exchange.

Dividends.—On June 14 the 2d pref. stock was placed on a 6% basis, all the accrued dividends on the 7% cum. 1st pref. stock having been paid on Jan. 1 1916 and regular quarterly dividends thereafter maintained. On Sept. 14 payment of or provision for both first and second pref. dividends for the entire year having been made, the common stock was placed on an 8% dividend basis.

Conversion of Stock.—As the result of the higher dividend attaching to the common stock, holders of the 2d pref. stock have largely availed themselves of their privilege of converting the same into common stock, so that as of this date the \$4,000,000 of 2d pref. stock has been reduced to \$1,685,600, and the \$5,000,000 of common stock has been correspondingly increased to \$7,314,400. It is anticipated that before Dec. 31 1917 substantially all of the 2d pref. stock will have been converted.

TONNAGE PRODUCED.

Table with 3 columns: 1916, 1915, Alabama City (Cont.). Rows include Coal, Virginia mines, Coke, Alabama mines, Alabama City (Wire rods, Wire, plain, Wire, galvanized, Wire, barbed, galvanized, Woven wire fence, Bars, plain, Bars, twisted, Plates, Nails), Pig iron, Lignites, Billets and slabs, Bale ties, Staples, Galvanized nails.

INCOME ACCOUNT FOR CALENDAR YEARS.

Table with 3 columns: 1916, 1915, 1914. Rows include Gross profits, Deprec. & charges, 1st pref. divs., 2d pref. divs., Common divs., Balance, surplus, Previous surplus, Total surplus.

BALANCE SHEET DEC. 31.

Table with 4 columns: 1916, 1915, 1914, 1913. Rows include Assets (Works & prop. based on stock purch., Res. & pending disposition of treasury stock, Investments, Cash, Notes & accts. rec., Inventories, Receivable, Convertible, Consumable, Cash for divs., Def'd charges, &c.), Liabilities (First pref. stock, Second pref. stock, Common stock, Self-Flux Ore Co. bds., Pur. money notes, Accounts payable, Accrued items, Dividends payable, Jan. and Feb., Reserves, Surplus).

Total 14,678,627 9,371,213 14,678,627 9,371,213 \* Declared but not paid.—V. 104, p. 667, 366.

(The) Midwest Refining Co., Denver, Colo.

(3d Annual Report—Year ending Dec. 31 1916.)

Pres. H. M. Blackmer, Denver, Mar. 1, says in substance:

Our company has acquired the entire \$8,000,000 of the common stock of the Greybull Refining Co. and \$1,200,000 of the \$2,000,000 preferred stock of that company, leaving outstanding \$800,000, retrievable at the option of the company at 110. The above stock was paid for partly in cash, and partly in treasury stock of the company.

During the year the company has increased its refinery capacity at both Casper and Greybull. The oil production controlled by the company has been increased in the various fields in which we are interested. We have also secured leases and stock ownership in other producing properties in the newly developed Big Muddy oil fields, 18 miles from our refinery at Casper.

BALANCE SHEET DEC. 31.

Table with 4 columns: 1916, 1915, 1914, 1913. Rows include Assets (Property, leases & contracts, Construction, Greybull Ref. Co. stock, Other investments, Treasury stock, Cash, Accts. receivable, Notes receivable, Refined products, &c., Deferred charges), Liabilities (Preferred stock, Common stock, Accounts payable, Notes payable, Reserve for deprec., Surplus).

The total accumulated surplus, it will be noted, increased during the year 1916 \$3,577,193 after paying dividends on the stock. The amount distributed as dividends in 1916 is unofficially stated as \$1,346,880.

BALANCE SHEET GREYBULL REFINING CO. DEC. 31 1916.

Table with 4 columns: 1916, 1915, 1914, 1913. Rows include Assets (Prop'y, leases & contracts, Construction, Stocks and bonds, Cash, Notes & accts. receivable, Refined products, oil, &c., Miscellaneous), Liabilities (Preferred stock, Common stock, Accounts payable, Reserve for depreciation, Surplus).

—V. 103, p. 2434, 2243.

Midwest Oil Company.

(Report for Fiscal Year ending Dec. 31 1916.)

Pres. L. L. Aitken, Denver, Feb. 15, says in substance:

During the year 1916 the company earned a profit of \$465,864, against \$184,914 for 1915.

Beginning July 20 1916, eight monthly dividends of \$40,000 each were paid on preferred shares of the company, paying all accumulated and regular dividends on this issue to Jan. 1 1917. At a relatively small cost the company has secured interests in new fields, whose value, however, at this time is not proven.

In Jan. and Feb. 1917 our production has been largely increased, and with higher prices than prevailed in 1916.

INCOME ACCOUNT FOR YEARS ENDING DEC. 31.

Table with 4 columns: 1916, 1915, 1914. Rows include Gross earnings, Total expenses, Net earnings, Revenue from other sources, Earnings (all sources), Add—Cash paid into sk. fd. by Midw. Ref. Co. in accord with contract, Dividend on preferred stock, Net undivided profits, Add previous surplus, Total, Depreciation on stocks of other cos., Cash invest. in that part of co.'s property transf. to the Midw. Ref. Co., Total surplus as of Dec. 31.

BALANCE SHEET DEC. 31.			
Assets—		Liabilities—	
1916.	1915.	1916.	1915.
Real est. & lenses.	\$5,249,985	Common stock	\$4,000,000
Construct. & prop.	1,143,297	Preferred stock	2,000,000
Inv. in field, etc.	1,036,492	Notes payable	47,241
Cash	63,910	Accounts payable	35,010
Notes & accts. rec.	151,316	Accrued taxes	9,468
Crude oil inventory	58,779	Deprec. & o., res.	600,492
Stocks, etc., of other companies	92,045	Surplus	67,124
Total	\$8,759,333	Total	\$8,759,333

GENERAL INVESTMENT NEWS

RAILROADS, INCLUDING ELECTRIC ROADS,

Adamson (Wage) Law.—Railway Employees' Strike.—See editorial columns in this issue.—V. 104, p. 162.

Alabama Great Southern RR.—Bonds.—In connection with the offering of \$1,350,000 First Consol. 5s Pres. Fairfax Harrison wrote in substance:

This Issue.—There are \$25,000,000 bonds authorized and \$4,313,000 outstanding, of which, including these \$1,350,000 bonds, \$3,850,000 have been sold to cover the cost of extensions, additions, &c., and \$463,000 to refund \$95,300 of Gen. M. sterling bonds. Of the unissued bonds, \$5,223,500 are reserved to refund the First M. and also the General M. 6s due 1927; \$8,150,000 to complete the double-tracking of the entire main line at not exceeding \$30,000 per mile, and \$7,313,500 for general improvements at not over \$500,000 yearly. A direct mortgage upon the entire railroad property, subject to the two prior mortgages under which bonds are outstanding at less than \$17, \$30 per mile. Total mortgage debt outstanding at rate of \$32,540 per mile.

Property Mortgaged.—Includes 293 miles of road (of which 43 miles, or about 15%, double-tracked, with 18 miles of additional second track under construction). These bonds are secured by a first lien (through pledge of all the First M. bonds and all except directors' shares of the capital stock of the Wauhatchie Extension Ry. Co.) on a double-track extension, recently completed, from Wauhatchie to a connection with the Memphis-Chattanooga Ry., known as the "Lookout Mountain Line" of the Southern Ry., leading to the terminals at Chattanooga. They are also secured by the pledge of \$95,300 of the \$10,000 General Mortgage 6s.

Preliminary Approximate Income Statement for Six Mos. end. Dec. 31 '16 & '15.					
1916.		1915.			
Operating rev.	\$3,057,060	\$2,710,633	Deductions	\$1,377,351	\$1,233,581
Net (aft. tax.)	1,072,976	793,100	Int. on bonds		
Other income	311,378	157,800	& equip. obl.	191,915	169,889
Total gross	\$1,384,354	\$950,900	Bal. over int.	\$1,055,058	\$657,430

Dividends of at least 6% per annum have been paid on the pref. stock for 21 years and of at least 5% on the common for six years. Compare V. 98, p. 72; V. 103, p. 1787, 1792.

American (Electric) Railways, Philadelphia.—Report of Holding Company.—The statement for the fiscal year ending Dec. 31 1916 shows total receipts \$8,840,913 against \$5,438,247 in 1915. The results for the American Railways proper are as follows:

Calendar Years	Gross Income	Net Income	Preferred Dividends	Common Dividends	Balance, Surplus
1916	\$1,538,269	\$752,338	(7%) \$280,000	(4%) \$378,400	\$93,938
1915	1,145,625	459,386	(7%) 140,000	(4 1/2%) 302,099	17,287

V. 104, p. 951, 361.

Atlanta & Charlotte Air Line Ry.—Bonds Subscribed For.—A syndicate headed by J. P. Morgan & Co. and Brown Bros. & Co. has received subscriptions at 99 1/2 and int. for \$4,000,000 of this company's First Mtge. 5% gold bonds of 1914, the sale absorbing the entire amount remaining under the \$20,000,000 mortgage. A description of the issue will be found in V. 102, p. 1162.—V. 103, p. 664.

Baltimore & Ohio RR.—Bonds Listed.—The New York Stock Exchange has listed an additional \$2,000,000 1st Mtge. 4% bonds, making the total listed to date \$82,000,000. The proceeds will reimburse the company, in part, for capital expenditures, aggregating \$3,774,118, viz.: two main tracks Orleans Road, W. Va., to Little Caesaron, W. Va., improving alignment and reducing grades, and making a four-track open cut at Doe Gully, W. Va (Magnolia cut-off).—V. 104, p. 71.

Bay State Street Ry.—Bonds Paid.—The \$80,000 5% bonds of the Braintree & Weymouth St. Ry. were paid at maturity Mar. 1 and will be replaced by \$80,000 Old Colony St. Ry. 4s of 1904, due July 1 1954.—V. 103, p. 2237.

Boston & Maine RR.—Plan.—On March 3 committees representing the Connecticut River, the Fitchburg, the Boston & Lowell and the Concord & Montreal railroads submitted to the directors of the Boston & Maine RR. a plan of reorganization and consolidation of the system. This plan has been considered by the Boston & Maine board, and as a result certain modifications have been made in the plan as originally presented. The views and position of the board as adopted on March 14 have been communicated to the leased lines, but the plan will not be made public at this time. President Kimball of the Concord & Montreal, however, expresses the belief that the plan will prove satisfactory to the leased line stockholders. When finally approved by the various interests it will be submitted to the stockholders for formal action.—V. 104, p. 862, 763.

Buffalo Attica & Arcade RR.—Operations Discontinued.—The Supreme Court at Wyoming County, N. Y., on March 6 appointed A. Conger Goodyear receiver of the property and authorized and directed him to discontinue operation of the mortgaged property, including the line of railway from Attica to Arcade, after Mar. 10.—V. 80, p. 471.

Buffalo Rochester & Pittsburgh Ry.—Bonds Offered.—Kean, Taylor & Co. are offering by advertisement on another page, at 101 1/2 and int., yielding about 4.40%, \$1,020,000 Consol. Mtge. 4 1/2% gold bonds of 1907.

Of the bonds offered, \$907,000 are entirely free and \$113,000 are partially free from personal taxation in New York State. All the outstanding bonds are exempt from the normal Federal income tax and from the Pennsylvania State tax of 4 mills. Legal investment for savings banks and trustees in N. Y., Conn., R. I., N. J. and other states. Compare V. 99, p. 18.

The N. Y. Stock Exchange has admitted to list an additional \$1,020,000 Consol. Mtge. 4 1/2% bonds of 1907, due May 1 1957, making total listed to date \$10,732,000. The proceeds to be used for new construction, betterments, &c.—V. 104, p. 951, 948.

Carolina Clinchfield & Ohio Ry.—Refunding.—Notes Offered.—Members of the underwriting syndicate are offering at 97 1/2 and int., yielding practically 6%, a portion

of the \$6,000,000 5% Elkhorn First Mortgage gold notes, issued to refund \$5,500,000 of 5-year 5% notes, due May 1 1917 and for other purposes:

The new notes are dated Feb. 1 1917, due Jan. 1 1920; redeemable at par and int. on any interest date; denom. \$1,000. They are the direct obligation of company, and are secured by a first mortgage through direct collateral lien upon the northerly portion of the main line known as the Elkhorn extension. The railway has contracted that as long as any of these notes are outstanding it will not make any new mortgage upon its railroad or any part thereof without refunding these notes.

The earnings of the road have steadily increased so that current revenues from all sources available are, it is stated, at the annual rate of approximately \$15,185 per mile and income applicable to fixed charges, after the payment of taxes and expenses is at the annual rate of approximately \$7,840 per mile. [As to Elkhorn Extension and maturing notes see V. 95, p. 358; V. 97, p. 1061; V. 98, p. 688.]

Carstens & Earles are offering the notes at Seattle. Blair & Co., N. Y., are the railway's fiscal agents.—V. 103, p. 1588, 1980.

Central Argentine Ry., Ltd.—Convertible Notes Offered.—The bankers named below are offering at par and int., yielding 6%, this company's total authorized issue of \$15,000,000 10-year 6% convertible gold notes dated Feb. 1 1917, due Feb. 1 1927. The issue is described in detail, with map of property, on pages 22, 24 and 25 of the "Railway and Industrial Section."

The bankers making the offering are J. P. Morgan & Co., Kuhn, Loeb & Co., National City Company, Guaranty Trust Co. of N. Y., Lee, Higginson & Co. and Wm. A. Read & Co.—V. 104, p. 256.

Central Pacific Railway.—Favorable Decision.—See Southern Pacific Co. below.—V. 103, p. 1210.

Chicago Indianapolis & Louisville Ry.—Bond Offering.—Harris, Forbes & Co., N. Y., Harris, Forbes & Co., Inc., Boston, and the Harris Trust & Savings Bank, Chicago, are offering at 93 1/2 and interest, netting 5 3/4%, \$2,000,000 of this company's First & General Mtge. 5% gold bonds of 1916, of which \$3,250,000 are now outstanding, and \$1,280,000 held in the treasury. A full description of the issue will be found in V. 103, p. 1810. See also annual report, V. 103, p. 1408, 2155.

Chicago North Shore & Milwaukee RR.—Notes.—The Illinois P. U. Commission has authorized the company to issue \$400,000 promissory notes secured by participation shares on which the road's liability is limited to interest.—V. 104, p. 361.

Cleveland (Electric) Railway.—Earnings for Cal. Year.					
1916.		1915.			
Gross (incl. oth. inc.)	\$9,697,306	\$8,542,313	Interest & taxes	\$2,492,238	\$2,344,565
Net income	\$2,552,574	\$2,550,599	Balance, surplus	\$60,635	\$206,034

—V. 102, p. 807.

Cleveland Southw. & Col. (Electric) Ry.—Earnings.					
Cal. Year		1916.		1915.	
Gross earnings	\$1,337,156	\$1,242,061	Interest & charges	\$332,284	\$330,331
Net income	\$469,803	\$377,017	Balance, surplus	\$187,519	\$46,987

—V. 102, p. 807.

Colorado & Southern Ry.—Dividends Resumed on Second Preferred.—A dividend of 2% has been declared on the \$8,500,000 2d pref. stock, payable April 2 to holders of record March 20. This is the first distribution on this stock since Oct. 1 1913, when a like amount was paid.—V. 103, p. 2428.

Delaware & Hudson Co.—Additional Bonds.—This company has applied to the New York Public Service Commission for authority to issue additional \$4,000,000 4% bonds under the First & Refunding Mortgage of 1908.—V. 103, p. 2428.

Detroit United Ry.—Stock Listed.—The N. Y. Stock Exchange has authorized the listing of an additional \$2,500,000 capital stock on official notice of issuance and payment in full, making the total amount listed to date \$15,000,000. The proceeds are to be used for capital expenditures made since Nov. 29 1916, or hereafter incurred.—V. 104, p. 659, 559.

Duluth Street Ry.—Bonds Offered.—The Bankers' Trust & Savings Bank, Minneapolis, is offering at 95 1/4 and int., to net 5 1/2%, a block of this company's General Mortgage 5 1/2% sinking fund gold bonds of 1910, guaranteed, prin. & int., by the Duluth-Superior Traction Co., which owns the entire capital stock, \$2,500,000 authorized and outstanding.

The Duluth Street Ry. has authorized and outstanding \$2,500,000 First M. 5s and Gen. M. 5s \$2,500,000 authorized and \$910,000 outstanding. The bonds now offered were issued largely for expenditures made necessary by an extension to the new plant on which U. S. Steel Corp. has spent about \$25,000,000, which is in full operation and employs about 3,200 men. The company does the street railway business in Duluth, Minn., and Superior, Wis., having a present population of about 145,000. The bonds are secured by a direct mortgage upon the entire property of the Duluth-Superior Traction system, subject only to a closed mortgage of \$2,500,000. The property consists of 89 miles of railway, measured as single track, and all necessary equipment.

Earnings for the Calendar Year 1916.			
Total operating revenue	\$1,407,511	Total bond interest	\$164,763
Net after exp., taxes, &c.	440,343	Balance	275,580

Horace Lowry, Pres. of the Twin City Rapid Transit Co., is a director of the Duluth Street Ry. Co., and A. M. Robertson, Vice-Pres. of the Twin City Rapid Transit Co., is President.—V. 67, p. 73.

Duluth-Superior Traction Co.—Subsidiary Co. Bonds.—See Duluth Street Ry. above.—V. 102, p. 1244.

El Paso & Southwestern Co.—New President.—Vice-Pres. T. M. Schumacher has been elected President of this company and all its subsidiaries, to succeed James Douglas, who has been made Chairman of the Board of a number of the allied railroads.—V. 103, p. 1705.

Erie RR.—Refunding.—Two-Year Collateral Trust Notes Offered.—A syndicate headed by J. P. Morgan & Co., the National City Co., and the First National Bank, are offering by advertisement on another page, at 98 1/2 and int., to yield over 5 1/4%, this company's new issue of two-year 5% Collateral Trust gold notes, dated April 1 1917, due April 1 1919, but redeemable in whole or in part on any interest date at 101 and int. Int. A. & O. Denom. \$1,000e. Authorized and outstanding, \$15,000,000. The bankers report:

The notes are secured by deposit of the following (in par value) collateral which has a present market value of over \$18,000,000, or 20% in excess of the par value of the notes, (a) Consolidated General Lien 4s 1906, \$13,217,000; (b) General Mtge. convertible 4s 1903, \$3,372,000; and (c) Columbus & Erie RR. 5% notes, \$200,000; making a total par value of \$26,789,000.

The proceeds of the notes are to be used to retire \$13,500,000 5 1/2% notes due April 1 1917 and for improvement of the road. Since 1901 the company has expended more than \$119,000,000 in improving its physical property, of which about \$58,000,000 was from income. During the same period the net outstanding bonded debt increased only



N. H. & Hartford RR. Co. for operation as a part of its system, completes the direct rail connection via New York City between the Pennsylvania and New Haven systems, and links New England with the States lying west and south of the Hudson and East Rivers.

Additional trains over this new route are to be operated as soon as schedules can be adjusted. The Adarus Express Co. will operate two trains each way over this route. It is the intention of the managers of the Pennsylvania and the New Haven RR. to utilize the New York Connecting RR. to the fullest extent possible, both for the convenience of their patrons and for the operating benefits to be derived.

The Connecting road represents a cost of over \$27,000,000. The Hell Gate Bridge itself is the longest steel arch bridge in the world, having a span of 1,017 feet between the faces of the opposite towers, which rise to a height of 250 feet.

This six-mile, four-track railroad will eliminate the long car ferry from Port Morris, N. Y., in the Bronx, to the New Jersey coast, as freight trains will be run across the Hell Gate bridge to Bay Ridge, Long Island, making necessary but a short car ferry to Greenville. Shippers will be afforded fast, all-rail, through freight service from points as far north as Halifax to anywhere in the South or West.

Dividends.—

See Rutland RR. below.—V. 104, p. 952, 764.

Norfolk Southern RR.—New Director.—

Adrian H. Larkin has been added to the board.—V. 103, p. 1589.

Pennsylvania RR.—Debt Increase, &c.—At the annual meeting on Mar. 13 the shareholders voted:

(1) To authorize the directors to issue from time to time an additional \$75,000,000 of bonds or other obligations in such form and of such character as shall seem desirable, including therein bonds secured by the General Mortgage approved by the stockholders Mar. 10 1914. The matter will come up for a stock vote on Mar. 27.

(2) To ratify the policy of the company to settle all differences with its employees either by arbitration or some orderly proceeding, as outlined in the annual report. (V. 104, p. 960.)

(3) To approve the agreement dated Jan. 2 1917 for the purchase of the property and franchises of the Harrisburg Portsmouth Mount Joy & Lancaster RR. See N. Y. N. H. & Hartford RR. above.—V. 104, p. 948, 864.

Peoria & Eastern Ry.—No Funds for Income Interest.—

This company has filed a statement with the Central Trust Co. stating that there are no funds available for the income interest due on April 1. Compare earnings statement in V. 104, p. 864. A committee (John F. Wallace, Chairman) was formed in 1914 to enforce the payment of interest so far as earned.—V. 104, p. 864.

Pere Marquette RR.—Sale—New Company.—

This property was sold at auction on March 15 for \$10,130,000 under foreclosure of the Consolidated 4% Mtge. to representatives of reorganization committee. See Pere Marquette Ry. below.—V. 104, p. 952, 869.

Pere Marquette Ry. Co.—Successor Company.—

This company was incorporated at Lansing, Mich., March 12, as successor of the Pere Marquette RR., as per plan in V. 103, p. 1692.

The new stock per plan is as follows: Prior preferred, \$11,200,000; preferred, \$12,429,000, and common, \$45,016,000.—V. 104, p. 952, 890.

Petaluma & Santa Rosa Ry.—Skg. Fund Default—Pres't.

E. H. Rollins & Sons in a recent circular addressed to the holders of the First Mtge. bonds recommend that they waive the sinking fund (\$110,250 in default March 1), since by so doing they would in no way jeopardize the principal because of a large margin of security. Deposits of the bonds with the Mercantile Trust Co. of San Francisco are recommended under a plan which looks to the cancellation of the \$250,000 of 2d Mtge. bonds on condition that the sinking fund payments on the 1st Mtge. bonds be waived.

Thomas MacLay has been elected President, to succeed Edward T. McMurray.—V. 104, p. 765.

Rutland RR.—Preferred Dividends Resumed.—

This company, a majority of whose stock is owned by the New York New Haven & Hartford RR., has declared a dividend of 2% on the \$9,057,600 7% cumulative pref. stock, payable Apr. 16 to holders of record Mar. 29. This is the first payment since Jan. 1908, when 1 1/2% was paid. There is said to be about 228% accumulated dividends.—V. 102, p. 1807.

Southern Pacific Co.—Favorable Decision in Central Pacific Ry. Suit.—

The U. S. District Court at Salt Lake City on March 10 handed down a decision in favor of the companies in the suit of the U. S. Govt. to divorce the Central Pacific from the Southern Pacific System.

Statement by J. P. Blair, General Counsel of the Southern Pac. Co. This suit was instituted in the District Court of the U. S. for the District of Utah in Feb. 1914. The claim was made that the ownership by the Southern Pacific Co. of the Central Pacific violated the Sherman law and also violated what are known as the Pacific Railroad Acts.

Judge Hook wrote the main opinion, Judge Sanborn a concurring opinion, and Judge Carlin a dissenting opinion. The decision was not a surprise. The conditions complained of by the Government had been in existence for over 30 years and the companies who would have been injured if a violation of the Sherman law was involved had never complained and testified that they were perfectly satisfied, and the Union Pacific, which would have been aggrieved if there had been a violation of the Pacific Railroad Acts, had never complained and was perfectly satisfied.

The union of the Central Pacific with the other lines of the Southern Pacific System did not take place in 1855, but in 1870. When the Central Pacific was completed in 1870, the owners thereof began to construct the lines now composing the rest of the system. The parts of the system in the name of the Central Pacific and the parts in the name of the Southern Pacific never had a day of separate independent existence. They had a common parentage and grew up and developed as mutually dependent members of one family. Hence it was that the judges who decided the case, being the same judges before whom the suit to unmerge the Union Pacific and Southern Pacific was tried and decided, found the two cases to be in no respect analogous.

When the combination of the Union Pacific System and the Southern Pacific System took place, each of the two systems was a complete independent whole. That combination was condemned because, in the opinion of the court, it destroyed the previously existing competition between two independent and previously competing railroads. But the inclusion of the Central Pacific in the Southern Pacific System has escaped condemnation, not simply and solely because the event took place before the passage of the Federal Anti-Trust Act, but also because no destruction of competition was involved in the formation of the system and because the system was the result of a normal, natural growth by construction, the court finding that it possessed the same legal character it would have had if, instead of the use of two corporate agencies under one management, the lines of the system had been constructed and ever since owned and operated by one corporation. Compare V. 99 p. 1461.

[The Department of Justice has announced its intention to appeal the case to the U. S. Supreme Court.—V. 104, p. 953, 864.]

Southern Public Utilities Co.—Bonds Offered.—

E. H. Rollins & Sons are offering at 96 and interest an additional block of First & Ref. Mtge. 5% bonds of 1913, due July 1 1943, making \$3,953,000 bonds outstanding. Circular shows:

The company owns and operates public utilities consisting of electric light and power systems, gas and water works and electric street railway lines in sixteen cities and towns in the Piedmont section of North and South Carolina, including Charlotte, N. C., and Winston-Salem, Greenville and Anderson, S. C. Total population served over 175,000.

Table with 2 columns: Capitalization and Authorized Outstanding. Rows include Capital stock, Divisional bonds, and First & Refunding 5% bonds.

Table with 3 columns: 1915, 1916, 1916. Rows include Gross income, Net (after tax), and Surplus.

Southern Ry.—Sub. Co. Bond Offering.— See Atlanta & Charlotte Air Line Ry. above.—V. 104, p. 864, 765.

Toledo Peoria & Western Ry.—Bondholders' Committee.—

Thomas Denny, Adrian Iselin Jr., and Henry R. McHarg have formed a committee to protect the interests of the holders of the first mortgage 4 1/2% bonds due July 1 1917. Holders are requested to deposit their bonds with the Farmers' Loan & Trust Co., 22 William St., N. Y. City. The market price of these \$4,895,000 bonds (50 bid) is thought to foreshadow a possible default when their principal matures next July. See advertising department.—V. 85, p. 406.

Underground Electric Railways of London.—Decrease in Income Interest Due to Special Circumstances—Increase of £100,184 in Net Revenue of Operating Companies in 1916.—

The brief official announcement published in this column of the issue of Mar. 3 regarding the reduction of the semi-annual interest from 3% to 2% on the £6,330,050 6% non-cumulative income bonds of 1908 (due 1948), while referring to the reduction of about £27,000 in the revenue received by this parent (holding) company failed to mention the important fact that the net revenue of the operating companies increased £100,184 over 1915.

The "London Times" of Feb. 15 has the following explanation from Lord George Hamilton, the Chairman:

Generally speaking, the results shown by the different operating companies during the year were good and the total profits of these companies (excluding the Associated Equipment Co.) remaining after meeting their operating expenses and prior charges, including preference dividends, was £100,184 more than in the previous year. Before transferring these profits to the common fund, established by the new contract confirmed by the shareholders a little over a year ago, and from which ordinary share dividends are paid, the directors had, however, to fix upon reserves to be set aside for renewals and other contingencies and above all for deferred maintenance. The cost of fuel, labor, and all material has greatly increased and it has been impossible to obtain the labor and supplies necessary for as liberal maintenance of the properties as in the past. The deferred maintenance will therefore have to be paid for in future years. In these circumstances it was felt that reserves should be increased rather than dividends and the financial position of the companies made as strong as possible to meet the difficulties of the coming year.

It must further be remembered that both the income bonds and the 4 1/2% bonds of the Underground Co. are paid "free of income tax," and also that the coupons are payable in Amsterdam and New York at a fixed rate of exchange. In the present state of the foreign exchange this entails a considerable loss to the company, as a large number of the coupons are sent abroad for collection. The additional cost entailed this year by the increased income tax and exchange losses over the cost in 1915 amounts to over £56,000.

Even with this increased cost the full interest on the income bonds might have been paid had the directors of the operating companies seen their way to divide "up to the hilt," but if these companies were to set aside the additional reserves, which are really needed in the present circumstances, a reduction in the rate on the income bonds became inevitable.

The following has been compiled for the "Chronicle."

Table titled 'Subsidiary Companies Results for Calendar Year 1916.' Columns include Net aft. Int., Reserves, Div., 1st Pref., 2nd Pref., Ord., and xSurplus forward.

x Includes surplus from previous years.

Earnings of the Parent Co.—For years ending Dec. 31:

Table with 6 columns: Calendar Year, Total Receipts, Fixed Interest, Income Interest, C. L. Ry. Ass'd Stk., and Balance.

"Income interest" as above includes (1) in both years the full 6% interest on the £1,273,000 6% 1st cumulative income debenture stock, and (2) in 1915 6% on £6,330,050 6% income bonds, £379,803 and £58,928 income tax thereon, (3) in 1915 5% interest on last-named bonds, including (a) 3% paid Sept. 1916, £189,901 and £47,476 income tax thereon and (b) 2% payable March 1917, £126,601 and £42,200 income tax.—V. 104, p. 864.

Union Traction Co. of Indiana.—Earnings of System.—

Table with 3 columns: Cal. Year, 1915, 1916. Rows include Gross earnings, Net after taxes, and Other income.

United Light & Rys. Co.—New Directors.—

L. P. Hammond and C. H. McNider have been elected directors to fill vacancies.—V. 104, p. 769.

United Rys. Co. of St. Louis.—Decision.—

Judge Walker in the Missouri Supreme Court on Feb. 26 annulled the order of the Missouri P. S. Commission directing the company to procure from the city authority to make certain additions to its lines. The company challenged the authority of the city to make the order and appealed to the court, where the order was affirmed.

The decision was rendered on an order of the Commission which sought to compel the company to make track extensions and other improvements on streets in which it held no franchises. Under the decision the company does not have to make any such extensions.—V. 104, p. 766.

United Railroads of San Francisco.—Changes in Plan.—

While the modified plan has not yet been formally announced, the terms now contemplated, it is understood, provide that the holders of the \$23,854,000 United RRs. 4s, due April 1 1927, shall receive, in place of 7 1/2% in new securities (25% Market St. Ry. Consols and 46% first pref. stock), 108% in new securities, embracing 66 2-3% in 6% mortgage bonds ranking after the Market St. Ry. Consols, 8 1-3% in new 1st pref. and 33% in common stock.

Of the Market Street Ry. Consols, only \$10,098,000 would then be outstanding, against \$16,098,000 under the original plan in V. 103, p. 1303. In other respects the plan of Sept. 22 1916, it is understood, will remain practically as first proposed. With only a preliminary announcement of this new arrangement, the United RRs. 4s advanced in market value from around 37 to 40 1/2 (sale March 13), and Market Street Consol 5s have advanced from 73 1/2 to 78 1/2 (March 10).

John Henry Hammond of Brown Bros. & Co. is Chairman of the bondholders' protective committee, representing United Railroads 4s.—V. 104, p. 766, 362.



West Jersey & Seashore R.R.—Earnings.—

Table with columns: Cal., Gross, Net, after, Other, Deduct, Dividends, Balance, Surplus. Rows for 1916 and 1915.

Western Maryland Ry.—Listing, &c.—The N. Y. Stock Exchange has authorized the listing of the new stock issuable per plan in V. 103, p. 1700, viz.: \$17,760,400 First Pref. stock, \$9,999,000 2d pref. stock and \$49,429,100 common stock, prior to Jan. 1 1918 on official notice of issuance in exchange for securities of the constituent companies. See map, page 163 of "Ry. & Ind." Section.

The plan authorized the immediate issue of \$5,000,000 (not \$15,000,000) 5% bonds under a new \$150,000,000 First & Ref. Mtge. to be applied to liquidating temporary loans and as working capital, but none of these bonds have been sold as yet. The outstanding equipment obligations assumed by the new company include, in addition to \$108,000 5s of 1909, and \$404,000 5s of 1916; (a) \$597,719 6s, dated Dec. 28 1915, and maturing \$111,313 semi-ann. to March 1926; (b) \$881,740 5s, dated Feb. 25 1916, and due \$58,865 semi-ann. to Sept. 1926. There have also been issued \$4,426,075 equipment trust 5s of 1917, due about \$224,000 yearly to 1926. This is the issue originally believed to be \$6,500,000. There are also outstanding some \$57,000 automatic block-signal obligations.—V. 104, p. 864, 665.

Wheeling & Lake Erie—Equip. Trusts—Blair & Co. and Kuhn, Loeb & Co. are offering, at par and int., subject to approval of Ohio P. U. Commission, \$4,620,000 5% Equipment Trust Certificates, Series B. Guaranteed, prin. & divs., by endorsement by The Wheeling & Lake Erie Ry. Co. To be dated March 31 1917 and mature serially \$462,000 1918-1927, inclusive. Divs. A. & O. Denom. \$1,000 e. Redeemable at 103 1/4 and divs. on any div. date. Trustee, The Union Trust Co. of Pittsburgh. These certificates will represent about 80% of the cost of the following new equipment, the title to which will remain in the trustee until all these certificates have been paid: 20 Mallet locomotives, 1,000 70-ton steel gondola cars and 1,000 70-ton steel hopper cars.—V. 104, p. 864, 665.

INDUSTRIAL AND MISCELLANEOUS.

Acme Tea Co.—Sales for 4 and 32 Weeks ending March 4. 1917—4 Weeks to Mar. 4—1916. Increase. 1917—8 Mos. to Mar. 4—1916. Increase. \$1,894,744 \$1,384,381 \$510,363 \$13,513,326 \$10,923,245 \$2,590,081

Amalgamation.—It is understood that an announcement will be made within 30 days in regard to the proposed amalgamation of this company and the Robinson & Crawford, Geo. M. Dunlap, The Childs Grocery Co. and the Bell Co. chains of grocery stores.—V. 104, p. 165.

Aeolian Weber Piano & Pianola Co.—No Dividend.—The directors, at their meeting decided, to take no action on the preferred dividend due at this time. In Jan. last 2% was paid on this stock on account of accumulations.—V. 104, p. 258.

Aetna Explosives Co.—Deposits, &c.—We learn that up to Mar. 14 there had been deposited 68% common and d 62% pref. stocks, respectively. As to the extension of time, see adv. on another page and V. 104, p. 953, 954.

Alabama Company, Balto.—New President—Directors.—Edward N. Rich has been elected President to succeed J. W. Middendorf. W. T. Shackelford and J. C. Tallafiero have been elected directors, to succeed J. H. Taylor and W. B. Williams.—V. 101, p. 2146.

American Agricultural Chemical Co.—Bonds Called.—Two hundred and twenty-three (\$223,000) First Mtge. 5% Convertible gold bonds of 1908 have been called for payment at 103 and int. on Apr. 1 at Columbia Trust Co., N. Y.—V. 103, p. 1120.

American Cities Co.—New Directors.—C. K. Beckman and H. J. Pritchard have been elected directors to fill vacancies.—V. 104, p. 951.

Amer. Hide & Leather Co.—Rumor as to Plan.—Street reports as to the preparation of a new plan for the adjustment of accumulated dividends, &c., modifying in some respects the plan of Swartzout & Appenzeller (V. 103, p. 1689, 1793, 2157), are declared to be premature. It is understood, however, that conferences are being held by certain interests, among whom are E. F. Hutton & Co., with respect to a possible plan.—V. 104, p. 863.

American Manufacturing Co. (Boston)—Earnings.—The sales for the year were approximately \$16,000,000, against \$9,500,000 in 1915. There was spent for new property and additions \$691,764 and \$334,271 was charged off for plant depreciation.—V. 104, p. 453.

American Piano Co.—Balance Sheet Dec. 31.—Table with columns for 1916 and 1915. Rows for Assets (Real estate, plant, equipment, etc.) and Liabilities (Preferred stock, Common stock, Notes payable, etc.).

American Smelters Securities Co.—Stock Called.—Of the \$16,448,800 preferred stock, series "A", outstanding, \$202,400 has been drawn for payment at par on July 2 at U. S. Mtge. & Trust Co., N. Y.—V. 104, p. 766, 665.

American Steel Foundries.—Bonds Called—Report.—Of the \$1,651,500 outstanding First Mtge. 5% 10-30-Year Sinking Fund gold bonds of 1905, 104 \$1,000 bonds and 40 \$100 bonds (\$108,000) have been called for payment April 1 at par and int. at Equitable Trust Co., N. Y. The annual report is cited on a preceding page.—V. 104, p. 953, 766.

American Sumatra Tobacco.—Status.—Current business is stated to be the best in the company's history, all the old tobacco on hand having been sold at a large profit, as well as 80% of the new crop. No official confirmation can be obtained for the press report that new interests have purchased a large block of the stock and contemplate listing the shares on the N. Y. Stock Exchange; nor for the estimate that from the operations of the year ending July 31 1917 there will remain a surplus of \$884,000, equal to 13% on the \$6,800,000 common stock, after deducting interest on the \$1,250,000 5% gold notes and 7% dividends on the \$1,000,000 pref. stock.—V. 103, p. 1116.

American Tobacco Co.—Stock Reduced—Report.—The shareholders on March 14 voted to retire \$25,989,400 of treasury pref. stock, thus reducing the authorized amount from \$80,000,000 to \$54,010,600. See full particulars in V. 104, p. 766. See "Annual Reports" on a preceding page.—V. 104, p. 766.

American Typefounders Co.—Scrip Dividend.—A scrip dividend of 2% has been declared on the \$4,000,000 common stock, to be used in connection with subscriptions of common holders to \$1,000,000 of debenture bonds to be issued later and sold for the purpose of retiring bills payable. The regular quarterly dividends of 1 1/4% on the preferred and 1% on the common stock were also declared, payable April 14 to stock of record April 10.—V. 103, p. 1791.

American Vanadium Co.—New Officer.—Vice-Pres. J. Leonard Replege has been elected President to succeed James J. Flannery, who has been made Chairman.—V. 103, p. 760.

Appalachian Power Co. (N. Y. & Bluefield, W. Va.)—Earnings.—Table with columns: Cal. Year, 1916, 1915, Interest charges, 1916, 1915. Rows for Gross earnings, Net income.

Atlantic Steel Co., Atlanta, Ga.—Earnings.—Table with columns: For Feb. and 2 Mos. ending Feb. 28 1917—, February, 2 Mos. Rows for Gross earnings from operations, Reserve for interest, Balance, surplus.

(The Barrett Co., N. Y.—Stock Increased—Rights, &c.—The shareholders on Mar. 16 ratified the proposed increase in authorized pref. stock from \$5,000,000 to \$12,500,000 and the common from \$15,000,000 to \$25,000,000. See annual report on a previous page and full particulars as to stock rights, &c., in V. 104, p. 954.

Bethlehem Steel Corp.—Meeting—New Securities.—The shareholders will vote April 3 on authorizing (see adv. pages): (1) A mortgage and pledge of the property, rights, privileges and franchises of the corporation, or any part thereof, for any or all of the following purposes: (a) to secure the bonds or other obligations of said corporation; (b) to secure the bonds or obligations of subsidiary companies for which the corporation is now or may become liable; and (c) to secure its guaranty of bonds or other obligations of any such subsidiary companies. (2) The underwriting by a syndicate of the sale of the \$15,000,000 Class B common stock. (Compare V. 104, p. 364, 455, 666, 766; V. 104, p. 865.)

(E. W.) Bliss Company, N. Y.—Extra Dividend.—An extra dividend of 1 1/4% has been declared on the common stock, along with the regular quarterly 1 1/4%, both payable Apr. 2 to holders of record Mar. 23. The regular quarterly 2% on the pref. was also declared, payable the same date. In July, Oct. and Dec. 1916 extras of 100% each were paid.—V. 103, p. 2239.

Bucyrus Co., So. Milw., Wis.—Earnings.—Director—Div.—Table with columns: Calendar Years—, 1916, 1915. Rows for Net earnings, after interest, taxes, depreciation, &c., Preferred dividends paid on \$4,000,000 stock.

Balance, surplus for year—\$232,589 \$159,760 Andrew Fletcher, President of the American Locomotive Co. (not Andrew Davey as noted last week), has been elected director to succeed Gates W. McGarrah. The Bucyrus Company has declared a dividend of 1% on its preferred stock; the first disbursement by the company since April 1 1914.—V. 104, p. 954.

(Edw. G.) Budd Mfg. Co., Phila.—Bonds Offered.—Brown Brothers & Co., Philadelphia, are offering at 100 and int., to net 6%, the unsold balance of an issue of \$1,000,000 First (closed) Mtge. 6% serial gold bonds, maturing \$67,000 annually from Aug. 1 1917 to Aug. 1 1926, incl., and \$66,000 from Aug. 1 1927 to Aug. 1 1931, incl.

Data from Letter of Pres. E. G. Budd, Philadelphia, Feb. 26 1917. Incorporated in Pennsylvania; is engaged in the manufacture of all-steel automobile bodies, interior steel finishings, steel window frames and steel doors for railroad passenger coaches. The company has long time contracts with several of the largest manufacturers of automobiles in the country to supply them with all steel bodies, steel fenders and steel stampings of various parts. Capitalization consists of this issue offered and \$220,100 8% pref. stock and \$494,800 common stock, both classes receiving dividends. The company has erected a modern concrete building of fireproof construction at a cost of approximately \$500,000, immediately adjoining the Sheeh Building, which we hold under a 5-year lease, the two properties being connected by an underground tunnel 10 ft. wide. Owing to new contracts just received amounting to over \$2,000,000 it is now necessary to extend still further the new building at a cost of about \$240,000.

In addition to the amount derived from the issue of these bonds the company has net assets of \$1,833,895 as of Jan. 31 1917, against which \$1,000,000 bonds are outstanding. The mortgage covenants that the company will at all times keep its net quick assets to liabilities in ratio of two to one. The earnings for the past four years have averaged \$388,824 per year, or over three times the annual interest charge on bonds outstanding and maturing installment on account of principal. I estimate gross business for the year 1917 as \$7,000,000. [The public accountants as of March 1 add that the gross receipts for the cal. year 1916 were \$5,129,075 and that the company has on hand time contracts amounting to \$4,273,542 and additional contracts upon which work has not yet been started amounting to \$2,696,159, a total of \$6,969,701.]—V. 103, p. 495.

Burns Brothers Coal Co.—Stock Increase—Dividend.—The shareholders on Mar. 12 ratified the proposed increase in the authorized common stock from \$7,500,000 to \$12,000,000, a part of which will be held in the treasury to retire pref. stock and provide for a 25% stock dividend which the directors have referred back to the committee for further action.—V. 104, p. 666, 455.

Calumet & Hecla Mining Co.—Purchase.—See Tanamarc Mining Co. below.—V. 104, p. 364, 166.

Canada Foundries & Forgings, Ltd.—Earnings.—Table with columns: Calendar Year, Net Profits, Interest, Bond Dividends, Common Dividends, Preferred Dividends, Balance, Surplus. Rows for 1916 and 1915.

Canada Steamship Lines, Ltd.—New Directors.—W. E. Burke and F. S. Isard have been elected directors to succeed H. M. Allan, recently appointed to the London board, and Aemilius Jarvis, resigned.—V. 104, p. 865, 562.

Central Aguirre Sugar Co.—Extra Dividend.—An extra dividend of \$7.50 has been declared on the common stock in addition to the regular quarterly \$2.60, both payable March 31 to holders of record March 28.—V. 103, p. 1500.

Central & South American Telegraph Co.—Listed.—The N. Y. Stock Exchange has authorized the listing of an additional \$4,000,000 capital stock on and after April 2, on official notice of issuance as a portion of the 46% stock dividend declared on Feb. 5 (V. 104, p. 562) making the total amount listed to date \$14,000,000.—V. 104, p. 562, 166.

Certain-teed Products Corp.—Initial Dividend.—An initial dividend of \$1.19 per share, or at the rate of 7% per annum, has been declared on the 1st and 2d pref. stocks, both payable April 1 to holders of record March 20. These dividends cover the period from the organization of the company to March 31. See V. 104, p. 954.

Cerro de Pasco Mining Co.—Output.—Table with columns: In 1917—, January, February, 2 Months. Rows for Copper output (lbs.)

Chile Copper Co.—New Convertible Bonds, &c.—Eugene Meyer Jr. & Co. are forming a syndicate to underwrite \$35,000,000 new 6% convertible bonds, which, subject to the approval of the stockholders at a meeting on April 16, it is proposed to offer to the shareholders at par. The bonds are to be convertible into stock at \$35 per share. The proceeds will be used to pay off the floating debt of the company and





OPERATIONS AND FISCAL RESULTS.

Table showing financial results for 1916, 1915, and 1914. Columns include Total sales, Earnings for year, Divs. on pref., Divs. on common, and Depreciation.

Balance, surplus, \$4,381,231; Total surplus Dec. 31 1916 \$10,003,413. See V. 104, p. 868.

Porto Rican-American Tobacco Co.—Stock Listed.

The N. Y. Stock Exchange has admitted to list \$1,826,900 capital stock, with authority to add \$1,805,800 on official notice of issuance of engraved certificates, making the total amount listed \$3,632,700.—V. 104, p. 957.

Quaker Oats Co.—Stock Increase.

The shareholders on Mar. 9 ratified the proposed increase of the pref. stock from \$9,000,000 to \$15,000,000 and of the common from \$10,000,000 to \$15,000,000. The directors, it is understood, have not decided when or on what basis the new securities will be issued.—V. 104, p. 768, 669.

Roanoke Water Works Co.—Sub. Co. Bonds Offered.

See Vinton-Roanoke Water Co. below.—V. 102, p. 349.

Rogers-Brown Iron Co., Buffalo.—Consolidated Earns.

Table with columns for Cal. Net, Total Interest, Preferred Com. Divs., and Balance. Rows for 1916, 1915, and 1914.

Royal Dutch Co.—Certificates Traded In.

The New York Stock Exchange on March 1 admitted to dealings the Equitable Trust Co. temporary certificates for American shares representing the ordinary stock of the company. Data is being compiled preparatory to the formal application to list which will be made in due course.—V. 104, p. 957, 768.

Sears, Roebuck & Co.—Stock Listed.

The N. Y. Stock Exchange has authorized the listing of an additional \$15,000,000 common stock on and after April 2 on official notice of issuance as a stock dividend, making total amount listed to date \$75,000,000. See V. 104, p. 893, 458.

Sharon Steel Hoop Co.—Stock Increase—Acquisition.

This company on Mar. 9 increased its authorized capital stock from \$2,500,000 to \$10,000,000. Pres. S. P. Kerr is quoted as follows regarding the acquisition of the Youngstown Iron & Steel Co.: "The entire capital stock of the Youngstown Iron & Steel Co. has been purchased by the Sharon Steel Hoop Co. at \$200 per share. To complete this transaction an issue of bonds to the extent of \$2,000,000 has been arranged with the Farmers' Deposit Trust Co. of Pittsburgh as trustee and the remaining stock not taken by the former stockholders of the Youngstown Iron & Steel Co. is being taken pro rata by the stockholders of the Sharon Steel Hoop Co. at par. The main office of the company will be in Sharon, Pa."—V. 104, p. 868.

Sinclair Gulf Corp.—Bonds Sold.—Kissel, Kinnicutt & Co., Montgomery, Clothier & Tyler and White, Weld & Co. announce by advertisement on another page the sale at 99 1/2 and int. of this company's \$7,000,000 First Lien 10-year convertible 6% gold bonds dated Mar. 1 1917. A full description of the issue will be found in our issue of Mar. 3 last.—V. 104, p. 869, 170.

Sloss-Sheffield Steel & Iron Co.—Earnings.

Table with columns for 1916, 1915, 1914, 1913. Rows for Total income, Gen'l expenses, taxes, &c., and Interest.

Solar Refining Co.—Results for Calendar Years.

Table with columns for 1916, 1915, 1914, 1913. Rows for Profits or loss, Cash dividends, and Balance, sur. or def.

Southern California Edison Co.—City Plan.

The postponement till May or June of the city election, which was to have been held in Los Angeles Mar. 8, to vote on the issuing of \$12,000,000 bonds for the purchase of the distributing system of the Pacific Light & Power Corp. and the Southern California Edison Co., is said to mean the abandonment of the purchase plan as recently proposed, and the probable submission to the people of these questions: (a) Shall the city purchase these distributing systems? (b) Shall the city wholesale its power to the power companies? (c) Shall the city parallel existing distributing systems?—V. 104, p. 869, 769.

Southern Wisconsin Electric Co.—Bonds Offered.—The First National Bank of Milwaukee and Morris F. Fox & Co. of Milwaukee, Wis., are offering at 100 and int. a block of First Mtgs. 6% gold bonds dated Jan. 1 1916. Due Jan. 1 1936. A circular shows:

The bonds are subject to call on any interest date upon 60 days' notice at 102 1/2 and interest. Denoms. \$1,000, \$500 and \$100 c\*. Interest payable J. & J. without deduction of normal Federal income tax. Central Trust Co. of Illinois and William T. Abbott, trustees.

A Wisconsin corporation owning and operating properties which purchase all their electricity from the Wisconsin Gas & Electric Co. (V. 102, p. 1353) under long contracts at favorable rates and furnish without competition electricity for light and power in (a) Lake Geneva, Walworth, Delavan, Genoa Junction, Darien, Williams Bay, Fontana, Clinton, Sharon and farmers and summer estates in the Geneva and Delavan Lake regions; (b) wholesales current to McHenry County Lt. & Power Co., which serves Richmond and Hebron, Ill., and furnishes energy to Chicago, Harvard & Geneva Lake Ry. Co., operating 12.83 miles of interurban track running from Harvard, Ill., through Walworth to Fontana. Population served estimated at 20,000.

Total authorized issue, \$1,000,000; outstanding, \$395,500; remainder in escrow, issuable for only 75% of cost of additions and improvements when net earnings are 1 1/2 to 3 times the total bond interest. Annually beginning with year 1918 at least 5% of gross earnings must be used either for improvements or additions or redemption of bonds.

The Middle West Utilities Co., of which Samuel Insull is President owns the entire outstanding stock, \$70,000. Earnings.—Gross income for the 6 months ended Dec. 31 1916, \$49,483; net, after taxes, \$23,008; bond interest, \$10,187; balance, surplus, \$12,821. L. E. Myers of Chicago is President.

Standard Oil Cloth Co.—Extra Dividend.

An extra dividend of 1% has been declared on the common stock along with the regular 1% on the common and 1 1/2% on the "A" and "B" pref. stocks, all payable April 2 to holders of record March 15. See V. 103, p. 496.

Balance Sheet Dec. 31 (Including the Meritas Mills).

Table with columns for 1916 and 1915. Rows for Assets (Land, bldgs., &c., Expend. for new construction, &c., Furniture & fixtures, Advances to sub. cos., Cash, Cash for construction, Receivables, Inventories, Development, Deferred items, Equity, Meritas Mills) and Liabilities (Prof. "A" stock, Prof. "B" stock, Common stock, Acc'ts payable, &c., Notes payable, Deferred credits, 1st Mt. bonds (Meritas Mills), Conting. reserves, Deprecia'n reserve, Surplus).

Total 12,249,910 9,651,729. The company does not confirm the following published data: That net sales for the year 1916 amounted to \$9,236,583 with gross earnings totaling \$1,870,853. The balance after payment of all dividends, fixed charges and general expenses was \$767,012; \$547,511 transferred to reserves and \$215,500 to surplus.—V. 103, p. 946.

Standard Oil Co. of Indiana.—Purchase.

This company has purchased for \$3,500,000 a 12-story building on Michigan Ave. and Ninth St., Chicago, Ill.—V. 104, p. 958, 869.

Standard Roller Bearing Co.—Liquidation.

The property having been purchased by the Marlin Arms Co., the creditors are being paid off on a 60% basis at the Girard National Bank, Phila., and the Guaranty Trust Co., N. Y., and the assenting stockholders at \$7 per share at the Girard Trust Co., Phila., and the Bankers Trust Co., New York. See Marlin Arms Corporation above.—V. 104, p. 869, 669.

Standard Screw Co.—Extra Dividend.

An extra dividend of 50% has been declared on the common stock, payable Mar. 31 to holders of record Mar. 20.—V. 104, p. 368.

Submarine Boat Corporation.—Dividend Reduced.

A quarterly dividend of 75 cents per share has been declared on the 764,680 shares of stock (no par value) payable April 16 to holders of record March 30. This compares with \$1 50 per share quarterly since Jan. 1916.

Extracts from Statement by President Henry R. Carse. Owing to the present condition of affairs and the necessity of the Electric Boat Co. conserving its resources to be used in every way possible in the construction of vessels called for in the program of the United States Navy Department, it has been deemed wise by the directors not to make any larger payment of dividends at this time. The business of the company is very large, more work being offered than the company has facilities at present to handle, but the directors feel that it is the duty of the company to do everything in its power to assist the Government in its preparedness program, and it may be necessary to acquire or construct additional plants to assist in its work.—V. 104, p. 769, 669.

Tamarack Mining Co.—Property Sold.

The stockholders on Mar. 16 voted to sell the property to the Calumet & Hecla Mining Co. for \$3,600,000, or \$90 per share.—V. 103, p. 2244.

Temple Coal Co.—Bond Call.

One hundred twenty-eight First and Collateral Trust Mtgs. Sinking Fund gold bonds (\$128,000) of 1914 have been called for payment April 1 at 101 and int. at office of Penna. Co. for Insurances, &c., Philadelphia.—V. 103, p. 1123.

Torrington (Conn.) Company.—Extra Dividend.

An extra dividend of 1% has been declared on the common stock, along with the regular quarterly 3%, both payable Apr. 2 to holders of record Mar. 23. A like amount was paid in Jan. last.—V. 103, p. 2348.

United Drug Co.—New Directors.

The following new directors have been elected: W. M. Sederman and George W. Bence until 1920; E. L. Scholtz and C. F. Buckholtz until 1919; Adolph Spögel and Stephen Hexter until 1918.—V. 104, p. 958, 857.

United Gas Improvement Co.—Extra Dividend.

An extra dividend of 2% has been declared out of profits derived from sales of securities, along with the regular quarterly 2%, both payable April 14 to holders of record Mar. 31. The company has paid 8% p. a. (2% Q.-J.) since 1888 with 15% in convert. scrip in Jan. 1896 and 10% extra also in convert. scrip, in Mar. 1910.—V. 104, p. 958, 869.

United Profit Sharing Corporation.—Earnings.

The total sales for the year 1916 were \$1,275,361, and net earnings \$130,488. After adding \$123,215 other income, the net profit was \$253,703. The deficit in 1915 amounted to \$220,568; total surplus Dec. 31 1916, \$33,135.—V. 103, p. 2245.

United States Gypsum Co., Chicago.—Earnings.—Bonds.

Table with columns for Calendar Year, Profits, Repairs, &c., Int., Preferred Dividends, Surplus. Rows for 1916, 1915, 1914.

Preferred stock increased \$872,798 during the year. This company on Oct. 15 1916 paid off its \$1,099,000 6% bonds and then made a new issue of \$1,000,000 5-year 5% gold notes dated Sept. 1 1916, all of which are outstanding.—V. 104, p. 956.

United States Steel Corporation.—Unfilled Orders.

See "Trade and Traffic Movements" on a preceding page.—V. 104, p. 958.

United States Worsteds Co., Boston.—Report.

Table with columns for 1916, 1915, 1914. Rows for Profits after interest, Repairs and maintenance, Depreciation reserve, Interest on Saxony option, Investments, &c., written off, Miscellaneous.

Balance, surplus, \$611,231 \$447,022 \$241,219. The balance sheet as of Dec. 31 1916 shows notes payable, \$3,315,000; 1st pref. stock, \$5,000,000; 2d pref. stock, \$3,074,800; and common stock, \$725,200, and profit and loss surplus, \$1,290,933.—V. 104, p. 958.

U. S. Industrial Alcohol Co.—New Directors.

E. W. Harden, E. W. McKenna, W. S. Kies and R. P. Tinsley have been elected directors to replace F. S. Flower, Julius Kessler, J. P. McGovern and Crawford Livingston.—V. 104, p. 860.

Utah Consolidated Mining Co.—Earnings.—For cal. year:

Table with columns for Cal. Year, 1916, 1915, 1914. Rows for Total profits, Net profits, Divs., Bal., sur.

For other Investment News see pages 1065 and 1066.

## Reports and Documents.

### AMERICAN TELEPHONE AND TELEGRAPH COMPANY

ANNUAL REPORT—FOR THE YEAR ENDING DECEMBER 31 1916.

New York, March 12 1917.

#### To the Stockholders:

Herewith is respectfully submitted a general statement covering the business of the Bell System as a whole, followed by the report of the American Telephone and Telegraph Company, for the year 1916.

To understand the actual operations of the telephone service as given by the American Telephone and Telegraph Company and associated companies, as a whole, the combined revenue and expenses and balance sheet must be considered.

The associated companies are the operating units, and their statements cover the actual operations in their respective territories; while the American Telephone and Telegraph Company is the central administration, the financing, developing and supervising administration. In its statements of earnings and expenses, the gross revenue is from: dividends and interest upon capital invested in the business through the associated companies; payments of the associated companies towards the maintenance and expenses of the central administration; net revenue of the long-distance lines; and miscellaneous. Its expenses cover only the central administration of the whole system, and none of the telephone service operating expenses.

Combining the accounts and excluding all duplications and inter-company matters—including interest, dividends and other payments to the American Telephone and Telegraph Company by the associated companies—the actual operations of the service, the actual revenues and expenses, are thereby shown.

This explanation is made that there may be no excuse for mistating the costs and profits of the telephone service.

#### BELL TELEPHONE SYSTEM IN THE UNITED STATES.

##### SUBSCRIBER STATIONS.

At the end of the year the number of telephone stations which constituted our system in the United States was 9,847,192, an increase during the year of 695,971, of which increase 577,380 were owned by the Bell companies and 118,591 were Bell connected stations. Of the total number of stations in the system 6,545,490 were owned and operated by Bell companies and 3,301,702 by local, co-operative and rural independent companies or associations having sublicense or connection contracts; the so-called connecting companies.

##### THE WIRE SYSTEM.

The total mileage of wire in use for exchange and toll service was at the end of the year 19,850,315 miles, of which 1,344,770 were added during the year. Of the total mileage 17,167,405 miles were exchange wires and 2,682,910 miles were toll wires. Ninety-three per cent of the total wire mileage is copper wire. 11,468,525 miles, or 58 per cent of the mileage, including 760,160 miles of toll wires, is in underground cables, and this percentage is steadily increasing. The underground conduits represent a cost of \$101,100,000 and the cables in the conduits \$121,900,000, a total in underground plant of \$223,000,000.

Attention was called last year to the mileage of "phantom circuits." During 1916, 25,153 miles of "phantom circuits" were added, making 221,994 miles of these "phantom circuits" at the end of the year. These are additional service circuits which can be superimposed on ordinary circuits when there are at least two continuous circuits (four wires or more) for considerable distances, and represent one of the many economic as well as efficient innovations introduced in the Bell System, and only possible in a system where there must be a large number of continuous circuits between distant points.

The wire mileage owned and operated by connecting companies is not included in any of these figures. At the end of the year the approximate mileage of connecting companies' toll wires was 420,000 miles, which added to the 2,680,000 miles of toll wires operated by the Bell companies, making a total of over 3,000,000 miles of such wires bringing together in one comprehensive, inter-communicating system all the cities and towns and practically all of the rural communities throughout the United States.

##### TRAFFIC.

Including the traffic over the long-distance lines, but not including connecting companies, the daily average of toll connections was about 890,000, and of exchange connections about 28,530,000, as against corresponding figures in 1915 of 819,000 and 25,184,000; the total daily average for 1916 reaching 29,420,000, or at the rate of about 9,789,700 per year. This is an average of approximately 100 calls per year for every man, woman and child in the United States.

##### PLANT ADDITIONS.

The net amount added to plant and real estate by all the companies, excluding connecting companies, constituting our system in the United States during the year 1916 was \$66,224,728, distributed as follows:

Real Estate.....	\$4,632,272
Equipment.....	16,138,004
Exchange Lines.....	25,601,588
Toll Lines.....	10,403,936
Construction Work in Progress, &c.....	9,445,928
	\$66,224,728

##### PLANT ADDITIONS OF PREVIOUS YEARS.

The net amounts added in seventeen years have been as follows:

1900.....	\$31,619,100	1906.....	\$79,366,900	1912.....	\$75,626,900
1901.....	31,005,400	1907.....	52,921,400	1913.....	54,871,900
1902.....	37,336,500	1908.....	26,637,200	1914.....	50,045,300
1903.....	35,368,700	1909.....	28,700,100	1915.....	32,863,700
1904.....	33,436,700	1910.....	53,582,800	1916.....	66,224,700
1905.....	50,780,900	1911.....	55,660,700		

making a total for the seventeen years of \$796,048,900.

##### MAINTENANCE, DEPRECIATION AND RECONSTRUCTION.

During the year \$84,906,000 was applied out of revenue to current maintenance and depreciation, an increase of \$8,846,000 as compared with 1915. Current maintenance increased \$3,752,000, averaging 3.9 per cent on the average plant in service, which compares with 3.7 per cent in 1915.

The provision for depreciation of plant during the year was \$49,983,000, an average of 5.6 per cent of the cost of plant and an increase over 1915 of \$5,094,300.

Plant which originally cost about \$44,000,000, but which had reached its limit of serviceable life, was removed and replaced by new and improved construction, or sold, as compared with \$42,000,000 in 1915. After deducting this amount less salvage from the provision for depreciation, the balance, about \$25,000,000, increases the reserves for such depreciation and obsolescence, which must be provided for out of current expenses, but cannot be currently determined or expended. As stated in last year's report, it is the continuing policy of the Bell System to provide out of earnings each year such amounts as represent the estimated wear and tear, obsolescence and inadequacy of plant accruing during that year, so that when any plant comes to be retired sufficient reserve has been gradually acquired to meet the loss of capital due to such retirement. This is the sound and conservative policy for the protection and guaranty of the future of the plant, and it is the only way by which telephone users pay for the wear of the plant incident to, or concurrent with their use, instead of passing this cost on to the future users. Lack of recognition of this principle has caused many failures in all industries, and particularly in the telephone business. This principle is now generally accepted and the practice is firmly established by the accounting rules of the Interstate Commerce Commission and the various State commissions.

##### GROWTH AND PROSPECTS.

The general and unprecedented business activity of the country during the past year has thrown on the Bell System a heavy burden of traffic, taxing our facilities to the utmost and necessitating the rapid increase of those facilities which is indicated by the statistics.

It was stated in last year's report that during 1916 we should carry on the work of new construction on about the same scale as experience had shown was advisable during normal times. The program called for additions to plant aggregating about \$57,000,000, and an expected gain of about 400,000 subscriber stations. The actual additions cost over \$66,000,000, and the stations increased by over 577,000. This is the largest gain ever made in any year and the increase in traffic was greater than in any previous year. The toll wire mileage added also exceeded any previous year.

The continued policy of the Bell System mentioned in several previous reports is to construct in advance of actual needs, partly to provide for emergencies and partly for economical reasons to avoid frequent reconstruction. This policy has justified itself many times over during the past year. Even under the most favorable conditions the rush of new subscribers and the rapid increase in traffic would have been difficult to provide for. But in 1916 not only did the prices for raw materials average almost double their normal cost, but at times it was not possible to get them in the quantities required. In these circumstances the advance construction in cables, buildings and switchboards was of prime importance as it enabled us to meet demands, which could not otherwise have been met. Notwithstanding the great increase in cost of materials the average investment per station decreased during the year from \$149 to \$146. In consequence of this absorption into service of the surplus plant, the program of construction during 1917 must not only meet the expected growth in stations but must also provide for the restoration of the normal plant surplus in whole or in part.

Without these provisions for future growth and demands, the companies could not have provided for the traffic which was offered. As it was, the quality of the service was at times and in some places not quite up to the high standard set in recent years, yet at no time and at no place did it break down, and by the end of the year it was on substantially a normal basis.

The prospects for the current year indicate a continuing station gain and a heavy traffic. To provide for growth and restore normal surplus plant and necessary advance construction our estimates of additions to plant during the year aggregate about \$90,000,000, by far the largest program ever undertaken, but necessitated by the conditions as we now see them.

The funds for these expenditures have already been provided by the new financing explained elsewhere, and the construction work is proceeding rapidly.

#### OPERATING RESULTS.

The American Telephone and Telegraph Company and associated companies constitute one operating entity, and to understand or correctly determine the actual costs and charges of the telephone service and the ultimate distribution of the revenue, their accounts must be consolidated.

The following tables show the business for the year of the Bell Telephone System including the American Telephone and Telegraph Company and its associated holding and operating companies in the United States, but not including connecting independent or sub-licensee companies, or the Western Electric Company except as investments in and dividends from those companies are included respectively in assets and revenue. All inter-company duplications are eliminated in making up these tables so that the figures represent the business of the system as a whole in its relations to the public.

The statement of earnings and expenses is presented this year in the form called for by the Interstate Commerce Commission's accounting system. In round figures the total operating revenues of the Bell System were \$264,600,000, an increase of \$30,151,000 or 12.9 per cent. over last year. Of these revenues depreciation and maintenance consumed \$84,556,000, an increase of \$8,797,000 over 1915 or 11.6 per cent; traffic expenses consumed \$53,749,000, an increase of \$7,963,000 or 17.4 per cent; commercial expenses, \$25,699,000, an increase of \$2,116,000 or 9.0 per cent; general and miscellaneous expenses, \$11,902,000, an increase of \$853,000 or 7.7 per cent; taxes assignable to operations, \$14,916,000, an increase of \$1,915,000 or 14.7 per cent.

Including \$215,000 taxes not assignable to operations the total taxes were \$15,131,000, which is 1.70 per cent on the outstanding capital obligations. There were net non-operating revenues of \$7,080,000, made up chiefly of interest, dividends and rents received less taxes and minor expenses connected therewith. The "total gross income," using the term officially provided by the Interstate Commerce Commission, was \$79,353,000, an increase of \$9,787,000 or 14.1 per cent over 1915. Out of this \$22,114,000 was paid for interest, rents, etc., leaving \$35,160,000 for dividends and over \$22,000,000 to be carried into surplus.

As will be explained elsewhere, approximately \$6,000,000 was paid to the employees as additional compensation to cover the abnormal working and other conditions of the year. This payment was made late in the year, and should have been a charge against the expenditures of the year, as it covered construction, reconstruction, operation and all branches of the service, but it could not be allocated without restating the accounts of the whole year. The amount has therefore been charged against general surplus.

The total capitalization, including inter-company items and duplications but excluding reacquired securities of the companies of the Bell System, is \$1,497,760,616. Of this, \$608,333,979 is owned and in the treasury of the companies of the Bell System, and is represented to the public by the outstanding securities of the American Telephone and Telegraph Company and associated companies.

#### BELL TELEPHONE SYSTEM IN UNITED STATES.

COMPARISON OF REVENUE AND EXPENSES, 1915 AND 1916. (ALL DUPLICATIONS INCLUDING INTEREST, DIVIDENDS AND OTHER PAYMENTS TO AMERICAN TELEPHONE AND TELEGRAPH COMPANY BY ASSOCIATED COMPANIES ARE EXCLUDED.)

	1915.	1916.	Increase.
Exchange Revenues	\$169,155,944	\$188,888,149	\$19,732,205
Toll Revenues	62,929,980	72,971,668	10,041,688
Miscellaneous Revenues	2,338,431	2,715,463	377,032
<b>Total Operating Revenues</b>	<b>\$234,424,355</b>	<b>\$264,575,280</b>	<b>\$30,150,925</b>
Depreciation	\$44,586,841	\$49,631,966	\$5,045,125
Current Maintenance	31,171,272	34,923,549	3,752,277
Traffic Expenses	45,785,432	53,748,707	7,963,275
Commercial Expenses	23,583,274	26,698,913	2,115,639
General and Miscellaneous Expenses	11,049,191	11,902,470	853,279
<b>Total Operating Expenses</b>	<b>\$158,176,010</b>	<b>\$175,905,605</b>	<b>\$19,729,595</b>
<b>Net Operating Revenues</b>	<b>\$78,248,345</b>	<b>\$88,669,675</b>	<b>\$10,421,330</b>
Uncollectible Revenues	\$1,703,210	\$1,480,502	*\$222,708
Taxes	13,001,903	14,916,448	1,914,545
Operating Income	\$63,543,232	\$72,272,725	\$8,729,493
Net Non-Operating Revenues	6,022,932	7,080,384	1,057,452
<b>Total Gross Income</b>	<b>\$69,566,164</b>	<b>\$79,353,109</b>	<b>\$9,786,945</b>
Rent and Miscellaneous Deductions	\$3,384,407	\$3,735,470	\$351,063
Interest Deductions	18,095,643	18,378,931	283,288
<b>Total Deductions</b>	<b>\$21,480,050</b>	<b>\$22,114,401</b>	<b>\$634,351</b>
<b>Balance Net Income</b>	<b>\$48,086,114</b>	<b>\$57,238,708</b>	<b>\$9,152,594</b>
Deduct Dividends	\$2,897,065	\$5,160,119	2,263,054
<b>Surplus Earnings</b>	<b>\$15,189,049</b>	<b>\$22,078,589</b>	<b>\$6,889,540</b>

\* Decrease.

The capital stock, bonds and notes payable of the Bell System outstanding in the hands of the public at the close of the year were \$889,426,637, of which the outstanding securities of the American Telephone and Telegraph Company represent \$596,092,719, and outstanding securities of the associated companies in the hands of the public represent \$293,333,918.

If we consider the current accounts payable, \$38,280,436, against which there were liquid assets, cash and current accounts receivable, of \$146,722,409, or an excess of \$108,441,973 to the credit of the system, it leaves as the net permanent capital obligations of the whole system outstanding in the hands of the public \$780,984,664.

As stated in previous reports we are convinced that it would cost many, many millions of dollars more to duplicate the physical plants of the Bell System than the amounts at which they stand on the books. An appraisal made in 1912 by our engineers indicated that aside from all intangible assets, of tangible value, and without which neither this Company nor any company could continue as a going concern, the cost of reproduction of these plants would exceed their book cost by about \$61,000,000. This appraisal took the value of copper at only 17 cents per pound whereas it now costs about 35 cents per pound.

A number of appraisals of our properties in the various cities and states have been made by public authorities, practically all of which have agreed in finding that the fair value of the properties for rate-making purposes is greater than, and in most cases very much greater than, the amounts carried on our books.

The telephone plants stand on the books of the companies at \$946,293,248, as of December 31, 1916, a net increase during the year of \$66,224,728, after deducting all plant withdrawn from service, sold or abandoned. Stocks and bonds owned increased during the year \$9,162,830. Supplies, tools, etc., increased \$8,080,517, due to the heavy construction program in progress. Receivables increased \$22,510,955, of which \$20,000,000 represented temporary investment of surplus cash on hand. Cash balances increased \$34,976,499 to \$80,692,829, which together with the temporary cash investments of \$20,000,000, makes over \$100,000,000 cash assets.

#### BELL TELEPHONE SYSTEM IN UNITED STATES. COMBINED BALANCE SHEETS, 1915 AND 1916.

(Duplications Excluded.)

Assets—	Dec. 31 1915.	Dec. 31 1916.	Increase.
Telephone Plant	\$880,068,520	\$946,293,248	\$66,224,728
Supplies, Tools, &c.	15,951,582	24,032,099	8,080,517
Receivables	43,518,625	66,029,580	22,510,955
Cash	45,716,330	80,692,829	34,976,499
Stocks and Bonds	72,652,046	81,815,476	9,162,830
<b>Total</b>	<b>\$1,057,907,703</b>	<b>\$1,198,863,232</b>	<b>\$140,955,529</b>
Liabilities—			
Capital Stock	\$440,711,200	\$463,101,589	\$22,390,389
Funded Debts	353,236,464	422,586,617	69,350,153
Bills Payable	2,404,920	3,738,451	1,333,531
Accounts Payable	29,039,127	38,280,436	9,241,309
<b>Total Outstanding Obligations</b>	<b>\$825,391,711</b>	<b>\$927,707,073</b>	<b>\$102,315,362</b>
Employees' Benefit Fund	9,114,329	9,151,000	36,671
Surplus and Reserves	223,401,663	262,005,159	38,603,496
<b>Total</b>	<b>\$1,057,907,703</b>	<b>\$1,198,863,232</b>	<b>\$140,955,529</b>

The increase in total assets of \$140,955,529 is represented by \$102,315,362 increase in outstanding obligations of the whole system and an increase in surplus and reserves of \$38,640,167.

In accordance with our previous practice in making up the combined figures for the Bell System, all inter-company items have been eliminated, and all intangible assets have been excluded, so that the combined surplus and reserves as shown above are considerably less than the sum of surplus and reserves shown on the books of the separate companies.

The surplus and reserve, aggregating \$262,000,000, is invested in tangible productive property, the revenue from which, being free from capital charges, is subject only to operating charges, and in this way reduces the cost of the service to the public. It is also a guaranty and protection to the future of the companies of the system, in that it is a provision against abnormal depreciation or obsolescence always possible in any going, progressive business involving so many and highly technical problems in mechanics and physics, for which, at some time, large capital would be necessary to replace the depreciated or obsolete plant.

Your attention is called to a comparative statement of the Bell System for the years 1907 and 1916 made up for comparative purposes in the form heretofore followed. During that period the annual gross earnings have increased \$141,800,000 of which \$107,400,000 has been absorbed by increase in expenses, leaving an increase of \$34,400,000 in net earnings. The increase in interest was \$7,900,000 and in dividends \$17,000,000. The surplus for 1916 was over \$22,000,000.

During this period the assets of the companies have increased nearly \$586,000,000, while the capital obligations and payables outstanding have increased \$375,900,000. The surplus and reserves have increased from \$61,300,000 to \$262,000,000 or over \$200,000,000 after setting aside \$9,151,000 for the Employees' Benefit Fund.

BELL TELEPHONE SYSTEM IN UNITED STATES.

COMPARISON OF REVENUE AND EXPENSES, 1907 AND 1916. (ALL DUPLICATIONS INCLUDING INTEREST, DIVIDENDS AND OTHER PAYMENTS TO AMERICAN TELEPHONE AND TELEGRAPH COMPANY BY ASSOCIATED COMPANIES ARE EXCLUDED.)

	1907.	1916.	Increase.
Gross Revenue	\$128,579,800	\$270,400,892	\$141,821,092
Expenses:			
Operation	45,894,900	94,744,768	48,849,868
Current Maintenance	36,626,700	34,923,549	48,279,805
Depreciation		(49,982,956)	
Taxes	4,873,400	15,131,980	10,258,580
Total Expenses	\$87,395,000	\$194,783,253	\$107,388,253
Net Revenue	\$41,184,800	\$75,617,639	\$34,432,839
Deduct Interest	10,508,500	18,378,931	7,870,431
Balance Net Income	\$30,676,300	\$57,238,708	\$26,562,408
Deduct Dividends Paid	18,151,700	35,160,119	17,008,419
Balance for Surplus	\$12,524,600	\$22,078,589	\$9,553,989

COMBINED BALANCE SHEETS, 1907 AND 1916.

(Duplicate Excluded.)

	Dec. 31 1907.	Dec. 31 1916.	Increase.
<b>Assets—</b>			
Contracts and Licenses	\$9,078,000	\$9,078,000	\$89,078,000
Telephone Plant	502,987,900	\$946,293,248	443,305,348
Supplies, Tools, &c.	17,165,200	24,032,099	6,866,899
Receivables	29,584,500	66,029,580	36,445,080
Cash	24,869,600	80,092,829	55,223,229
Stocks and Bonds	29,448,300	81,815,476	52,367,176
Total	\$613,133,500	\$1,198,863,232	\$585,729,732
<b>Liabilities—</b>			
Capital Stock	\$291,095,400	\$463,101,569	\$172,006,169
Funded Debts	196,113,700	422,586,817	226,473,117
Bills Payable	45,175,700	3,738,451	\$41,437,249
Accounts Payable	19,436,600	38,280,436	18,843,836
Total Outstanding Obligations	\$551,821,400	\$927,707,673	\$375,886,273
Employees' Benefit Fund		9,151,000	9,151,000
Surplus and Reserves	61,312,100	262,005,159	200,693,059
Total	\$613,133,500	\$1,198,863,232	\$585,729,732

\* Decrease.

AVERAGE OPERATING UNITS OF ASSOCIATED OPERATING COMPANIES.

The table below shows average operating revenue and expenses per station, operating ratios, unit plant cost, etc., of the associated operating companies (not including the American Telephone and Telegraph Company's long-distance lines), for the years 1895, 1900, 1910, 1915 and 1916.

Although there are objections to the use of the subscriber's station as a unit or standard, especially in comparisons of one part of the country with another, yet it is the best unit available and for general comparisons of the whole system from one year to another it gives some idea of the trend of the business.

It will be observed that both average earnings and average expenses per station which now vary slightly from year to year are very much less than in earlier years. The average expenses per station have been kept down, in spite of improved wages and increased taxes, by improved methods and greater efficiency in every branch of the service.

The decrease—from \$69.75 in 1895 to \$30.57 in 1916—in the average rate of earnings per station made possible, as stated in last year's report, by the improvements in apparatus and methods, is largely the result of "measured service," which places the use of the system within the reach of the many who can afford to pay for actual use of the service by them, or its value to them, but would not, possibly could not, pay, and in any case should not be called on to pay, for more than their own service, or to pay any rate based on average use. Average use is very greatly increased because of the very large use made by some. The best and most complete answer to the demands for flat rates is that 75 per cent of the total subscribers of the Bell System pay less than the average rate for their telephone service. Any method of charge which does not call upon the large users for their proportion of the cost caused by their use is unjust to the great mass of subscribers and would prevent many from availing themselves of the service.

AVERAGE OPERATING UNITS OF ASSOCIATED OPERATING COMPANIES, 1895 TO 1916.

(THIS TABLE COVERS THE COMPANIES OWNING ALL THE EXCHANGES AND TOLL LINES OF THE BELL TELEPHONE SYSTEM EXCEPT THE LONG-DISTANCE LINES OF AMERICAN TELEPHONE & TELEGRAPH CO.)

	1895.	1900.	1910.	1915.	1916.
<b>Earnings—</b>					
Exchange Service	\$69.75	\$44.68	\$31.28	\$29.80	\$30.57
Toll Service	11.35	12.60	9.47	8.65	9.05
Total	\$81.10	\$57.28	\$40.75	\$38.45	\$39.62
<b>Expenses—</b>					
Operation	\$29.15	\$21.63	\$15.14	\$15.61	\$15.97
Taxes	2.33	2.37	2.00	2.02	2.16
Total	\$31.38	\$24.00	\$17.14	\$17.63	\$18.13
Balance	\$49.72	\$33.28	\$23.61	\$20.82	\$21.49
Maintenance and Depreciation	\$26.20	\$17.68	\$13.46	\$12.38	\$12.62
Net Earnings	\$23.52	\$15.60	\$10.15	\$8.44	\$8.87
Per Cent Operation Expense to Telephone Earnings	35.9	37.8	37.2	40.6	40.3
Per Cent Telephone Expense to Telephone Earnings	71.0	72.8	75.1	78.1	77.6
Per Cent Maintenance and Depreciation to Average Plant, Supplies, &c.	9.1	8.4	9.5	8.8	9.2
Per Cent Increase Exchange Stations*	15.7	26.5	11.8	6.9	9.7
Per Cent Increase Miles Exchange Wire*	15.9	33.2	12.0	6.8	6.9
Per Cent Increase Miles Toll Wire* (excluding Long-Distance Lines)	21.3	25.2	11.5	.9†	8.0
Average Plant Cost Per Exchange Station (Exchange and Toll Construction, excluding Long-Distance Lines)	\$260.00	\$199.00	\$142.00	\$138.00	\$135.00

	1895.	1900.	1910.	1915.	1916
Average Cost Per Mile of Toll Wire (including Poles and Conduits, excluding Long-Distance Lines)	\$81.00	\$71.00	\$66.00	\$70.00	\$67.00
Per Cent Gross Telephone Earnings to Average Plant	29.7	28.4	28.8	27.7	29.4
Per Cent Total Net Earnings to Average Capital Obligations	9.76	8.85	7.52	7.20	7.88
Per Cent Total Net Earnings to Plant and Other Assets	9.36	7.96	6.65	5.84	6.17
Per Cent Paid Out on Average Capital Obligations	5.13	6.10	6.01	5.88	5.88
Per Cent Paid Out on Plant and Other Assets	5.09	5.57	5.31	4.76	4.58

\* Increase during year shown, over previous year.

† Small increase mainly due to increase in radius covered by exchange rates.

Particular attention is again directed to the percentage of net earnings and of dividend and interest disbursements of the associated operating companies to their total plant and other assets; also of taxes paid to the public:

Percentage of net earnings to plant and other assets	6.17
Percentage of charges paid on capital to plant and other assets	4.58
Percentage of taxes paid to public to plant and other assets	1.41

These percentages of earnings and charges compare with 5.84 per cent and 4.76 per cent in 1915. The increased percentage of net earnings for 1916 is not normal, being as it is due to the sudden increase in demands for service without a corresponding increase of plant, a condition under which service could not be satisfactorily given, and which could not be allowed to continue any longer than impossible to avoid. The decreased percentage of dividends and interest to investment reflects a lesser increase in average capital obligations than in plant due to the utilizing of surplus and unexpended reserves for additions to plant and other assets.

The amount distributed for interest and dividends on the outstanding obligations of the associated companies, out of their earnings, constitutes but a small per cent on their plant and other assets, and if the taxes paid are considered the percentage is less than that of any well-secured bond.

WESTERN ELECTRIC.

The relations with the Western Electric Company have been attacked from various quarters, and always from the questionable standpoint of self-interest. This relation, which we have described in previous reports, particularly in the report for 1914, is substantially that of a "manufacturing department" of the business, indispensable to every enterprise which requires the manufacture for its own use of such a variety and magnitude of apparatus and equipment of "special," highly technical and continually changing character, which cannot be procured or provided for in the open market. That this manufacturing should be closely associated with the business as a part or a division, is particularly necessary, the development is continuous, the ideas and suggestions for improvements very largely originate in the operation, in the investigation of the operation, in the course of experimentation or in the course of manufacture.

While it is a positive fact that it is impossible to procure from others the same character of manufacture or goods at less cost than from the Western Electric Company, or many of them even at any price, yet first cost cannot be made the deciding factor in the purchase of equipment so delicate and perishable as the telephone equipment. Depreciation and high maintenance will soon offset a very considerable saving in original expenditure. High-class service and low-class equipment do not co-ordinate.

These relations are considered by impartial and well-qualified experts to be the most effective for their purpose, which is the production of apparatus of high efficiency, reasonable first cost, and low cost of maintenance. This can be accomplished only by the close co-operation between the operating companies, the technical departments, and the manufacturing company. Every requirement of the service, every possible improvement in apparatus from the operating point of view, is as a consequence of this co-operation, embodied in the output of the manufacturing company. The result is that the apparatus is just as near what is wanted as it can be made. It is obvious that this must be so, this production requires a complete knowledge of the present requirements of the service, an exhaustive study of the future requirements. No manufacturing company not holding this relation could possibly afford this close co-operation with the operating company, nor could any operating company afford to allow any other manufacturing company such an intimate hold on the development of its equipment.

Our associated companies are not under any obligation or coercion to buy of the Western Electric Company, but they do buy practically all of their requirements from that company, because they know that its product is made under the above-described conditions. As other companies connect with our system or otherwise become acquainted with these conditions, they are inclined to the same course, but they are neither obliged nor coerced to. For the same reason that the Western Electric Company's product is what our companies want, it is what others want.

It is contended that this creates a condition which is unfair, in that other manufacturers are unable to sell to the Bell Companies. What is there unfair about any enterprise requiring the expenditure of large amounts of money for highly specialized machinery and equipment vital to its operation maintaining its own manufacture? Why should not the ideas and suggestions originating within the system be worked out within the system itself?

EMPLOYEES' BENEFIT FUNDS.

The Plan for Employees' Pensions, Disability Benefits and Death Benefits described in previous reports has been in complete and successful operation throughout the Bell System for four years. The working out of the Plan has met the necessities of the situation described in the report for 1912, and the beneficial effects then hoped for have been entirely realized. The trend of public opinion and the adoption of similar plans in other industries have since made it plain that the Bell System was one of the leaders in understanding and adequately providing for the needs of the workers in the exigencies of life for which not all are able to provide. And the response of employees to the care of their interests by the Bell System, evidenced by this Benefit Plan and by other provisions for their welfare, has been all that was expected. Their loyal interest in the Bell service, their readiness to take responsibility and to cooperate with each other cheerfully and intelligently have been exemplified very many times during the strain of heavy traffic and extraordinary construction work of the past year.

In the four years 1913-1916 inclusive, the expenditures from the Benefit Funds of the Bell Companies have aggregated \$5,611,016. At December 31 1916 the reserves for these Benefit Funds aggregated \$9,151,000.

EMPLOYEES' MILITARY SERVICE AT THE MEXICAN BORDER.

Employees of the Bell System who on June 18, 1916, were members of the National Guard or Naval Militia, and were called into service by orders issued in accordance with the proclamation of the President of the United States of that date, and employees who enlisted subsequently, were allowed full pay during the first three months of their absence and thereafter full pay less the amounts they received from the Government. The total allowances made under this arrangement aggregated \$284,194 up to December 31, 1916. The periods of absence naturally varied as the Government's needs required. In June 695 employees were on leave of absence for military service, this number increasing to 834 in August and then gradually decreasing to 407 in December.

REPORT OF THE AMERICAN TELEPHONE AND TELEGRAPH COMPANY.

In any consideration of a statement of the earnings of the American Telephone and Telegraph Company, it is necessary to a proper understanding to know that it does not represent the actual operations of the telephone service of the Bell System. The statement of the expenses of the American Telephone and Telegraph Company represents only the cost of the maintenance of the central administration of the whole system, as explained elsewhere. The disbursements of dividend and interest represent the charges on the securities issued by the Company to finance the associated companies and the long-distance lines.

The statement of earnings of the American Telephone and Telegraph Company represents, in addition to the net receipts of the long-distance lines, only that part of the earnings of the Bell System which is received by the American Telephone and Telegraph Company, out of the divisible surplus of the associated companies from operation, as interest or dividends on money advanced by the Company to finance the associated companies, or as payments by the associated companies to maintain the central administration.

EARNINGS.

The net earnings of the American Telephone and Telegraph Company for the year were \$44,743,376 45, which is \$3,625,889 17 more than for the previous year. The interest charges were \$6,730,098 86 and the dividends at the regular rate of 8 per cent per annum were \$31,122,187 46. Of the resulting balance there was carried to Reserves \$2,500,000 and to Surplus \$4,391,090 13.

BALANCE SHEET.

The balance sheet of the American Telephone and Telegraph Company is given as usual at the end of this report. By comparison with the previous year's balance sheet it will be noticed that the investment in stocks, bonds and notes of associated companies increased \$21,845,830 60 and in permanent plant, \$5,041,396 54, a total of \$26,887,227 14.

The account "Trustees-Employees' Stock Purchase Plan," \$9,153,950 43, represents the balance on advances made to the Trustees to acquire stock which they sold to employees on the plan of easy payments explained in previous reports, less the payments on that account received from employees. The increase is due to the additional stock sold employees in March, 1916.

An increase in current assets of \$37,185,134 56 and in cash of \$35,367,105 52 reflects the new financing in December, 1916.

On the other side, under liabilities, the increase in capital stock outstanding of \$15,126,500 represents chiefly stock issued in exchange for convertible bonds. Capital Stock Installments of \$32,019 represent advance payments for shares to be issued in 1917 under the offer of new stock referred to elsewhere. The total indebtedness increased \$77,821,332 90, the noteworthy item under this head being the \$80,000,000 bonds issued December 1, 1916, hereinafter described.

For the total increase in assets of \$99,797,450 06 there is a net increase in capitalization and indebtedness of \$85,190, showing a net improvement in the Company's financial position of \$6,817,598 16 which is represented by an increase of that amount in surplus and reserves.

CAPITAL STOCK AND BONDS.

During the year \$14,173,600 of the 4½% convertible bonds were converted into stock at the ratio of \$100 in bonds, or \$100 in bonds and \$20 in cash, for one share of stock. Nearly all the conversions were on the latter plan. Of the \$67,000,000 bonds issued in 1913 there were outstanding at the end of the year only \$13,890,100.

Of the 4% convertible bonds \$1,002,000 were converted during the year, leaving outstanding \$3,127,000. The \$15,126,500 capital stock issued during the year, \$728,700 was issued in exchange for convertible bonds, \$397,800 was treasury stock sold for cash.

As of February 1, 1916, the Company sold \$40,000,000 of its two-year 4½% coupon notes and \$10,000,000 of notes of associated companies bearing the endorsement of this Company. It was arranged that up to April 1 there might be substituted for any part of the American Telephone and Telegraph Company's notes an equal amount of associated companies' notes endorsed by this Company and substitutions to the amount of \$18,390,000 were made, so that there were finally outstanding \$21,610,000 of this Company's notes and \$28,390,000 of associated companies' notes endorsed by this Company. The Company has since reacquired and canceled \$6,155,000 of its notes of this issue, so that at December 31 1916 there were outstanding as shown by its balance sheet \$15,455,000 of its own notes. The Company has also acquired and canceled \$5,941,000 of these associated companies' notes due February 1, 1918, leaving outstanding \$22,449,000 of the issue which bear its indorsement. There are also outstanding \$1,610,000 of notes endorsed by this Company \$1,610,000 associated companies' notes due February 1 1918 and \$10,650,000 notes of the Broadway Corporation due July 1 1920, which corporation owns the real estate in New York City where the Company's offices are now located.

To meet the financing by this Company of the associated operating companies and for other purposes, the Company sold, as of December 1 1916 \$80,000,000 of 30-Year 5% Collateral Trust Gold Bonds. Capital stock of the following companies of the par values shown has been deposited with the Old Colony Trust Company, Trustee, as collateral security for this issue of bonds:

New England Tel. & Tel. Co., par value	\$10,000,000
New York Telephone Co., par value	34,412,000
Southern Bell Tel. & Tel. Co., par value	12,298,700
Southwestern Tel. & Tel. Co., par value	23,977,000
Pacific Tel. & Tel. Co. (preferred shares), par value	13,000,000

The estimated value of these shares exceeds \$107,000,000. Provisions are made for the redemption of all or any part of the bonds at 105 per cent of their par value at the Company's option on sixty days' notice, and for a sinking fund of one per cent per annum.

The total outstanding capital stock and bonds of the American Telephone and Telegraph Company at December 31 1916 were as follows:

Capital Stock	\$395,603,600
4% Collateral Trust Bonds, 1929	78,000,000
4% Convertible Bonds, 1936	3,127,000
4½% Convertible Bonds, 1933	13,890,100
5% Western Tel. & Tel. Bonds, 1932	9,985,000
5% Collateral Trust Bonds, 1916	80,000,000
Total	\$580,605,700

For the \$395,603,600 capital stock \$430,377,852 74 has been paid into the treasury of the Company; the \$34,774,252 74 in excess of par value representing premiums on stock which are included as part of the Company's surplus.

All discounts on bond and note issues are deducted in determining the net surplus as shown in the balance sheet.

The number of shareholders, not including employees purchasing stock under the plan of easy payments, was 70,555 on December 31 1916, and shows an increase of 5,043 during the year. That the distribution of stock to be more general appears from the following:

- 62,090 held less than 100 shares each;
  - 8,064 held from 100 to 1,000 shares each;
  - 367 held from 1,000 to 5,000 shares each;
  - 20 held 5,000 shares or more each (omitting brokers and holders in investment trusts, etc.).
- Of the holders of less than 100 shares each,
- 15,003 held 5 shares or less each;
  - 46,845 held 25 shares or less each.

The average number of shares held was 56, or deducted the stock held by Trustees under the Employees' Stock Purchase Plan, the average was 54 shares.

A majority of the Company's shareholders are women. Less than 5 per cent of the stock was at December 31 in the names of brokers and less than 2 per cent of all stock is held in Europe.

To the 70,555 stockholders of record shown above there should be added some 43,000 employees of the Bell System in all parts of the country who are paying for stock out of their wages at the rate of \$2 per share per month. Counting these and also those persons whose stock is held for them in investment trusts and the like, there are probably at least 120,000 actual owners of stock in this Company.



FINANCING FOR 1917.

In addition to the issue of \$80,000,000 30-Year 5% Colonial Trust Bonds in December 1916 it seemed wise to Directors to offer to shareholders the right to subscribe for shares of new stock in the proportion of one share for ten shares outstanding as of December 11 1916. The rights to subscribe expired on January 22 1917 and practically all the stock offered, \$39,550,600, was subscribed. The particulars and conditions of this stock subscription are set forth fully in the circulars which were sent to all shareholders.

195 BROADWAY.

During the year the building which was commenced last year since by this Company and The Western Union Telephone Company was completed and is now occupied by the Company. The purpose of the building was to supply headquarters for the wire service, not only of sufficient capacity, but which would correspond to the importance of the service, and reflect in a way its importance in the telephone world. The building, as completed, certainly may be regarded with satisfaction. Although it is a demonstration that the American Telephone and Telegraph Company shall become sole owner of the building, it is still owned jointly with the Western Union. Arrangements, however, are being made for the Western Union to use their general office in the building, retaining for themselves several floors.

ENGINEERING.

During the year, notwithstanding the delays and difficulties which have been experienced in all industries in conducting engineering and construction work, important progress has been made in applying improvements in construction and equipment to the telephone plant of the Bell System. These improvements have made intra-continental and trans-continental telephonic transmission of speech a commercial actuality, and have also shown that inter-continental speech transmission is a probability within the limitations of the natural physical conditions. These improvements in lines and equipment have increased the range of telephonic speech transmission many fold, and already the cities in the United States of over 50,000 inhabitants, with most of their adjacent and connected towns and territory, have been placed in speaking communication with each other, and brought into the range of extra long-distance service.

These improvements which have been in trunk-line construction and in the intermediate and auxiliary apparatus were so adapted to that existing, that there have been necessary only slight material changes in the line, switch-board or substation equipment of the Bell System with its millions of subscribers and hundreds of millions of plant.

The economic value of this in saving and in results to the public and to the Bell System is impossible to compute, but is enormous.

The value of these improvements not only to the commercial interests of the country, but in the problem of national defense, was demonstrated during a mobilization of communication forces conducted by the staff of the Company at the request of the Secretary of the Navy and in cooperation with naval officers under the command of Admiral W. S. Benson, Chief of Naval Operations. For three days, during which war conditions were simulated as far as possible, the Navy abandoned all other forms of communication between the Navy Department at Washington and the navy-yards and naval stations in the continental United States, and utilized the Bell System for telephone and telegraph communications by wire with all of the naval forces in that territory. The service of the Bell System is continuous, that is, it covers the full 24 hours. During the period of mobilization, naval officers and the telephone officials assigned to the work were on duty day and night, and at all times could obtain instantaneous telegraph or telephone communication with any point involved in the mobilization. The Secretary of the Navy himself conferred with a number of the principal naval stations, and the Admiral in command personally talked to the commanding officer at all of the naval stations on the Pacific Coast from San Francisco, to San Diego, California, and to navy-yards and naval stations on the Gulf and Atlantic coasts and on the Great Lakes.

While the mobilization was intended primarily to test the efficiency of the wire system in time of war, an interesting test of wireless telephony was made. The transmission was by wire to the wireless stations, where it was automatically transferred to wireless, or vice versa.

The Secretary of the Navy, seated at his desk in the Department at Washington, talked with Captain Chandler aboard the battle-ship *New Hampshire* at Hampton Roads. Under orders given to him by the Secretary of the Navy Admiral Benson, the Captain of the *New Hampshire* proceeded out to sea as far as the Southern Drill Grounds returned, reporting his position by telephone every hour to the Department at Washington.

The atmospheric electrical conditions being very favorable, the talking to and from the ship was so loud and distinct that Captain Bennett, in command at the Mare Island Navy Yard on the Pacific, conversed with Captain Chandler aboard the *New Hampshire*, which was at that time in a storm on the Atlantic. This conversation was transmitted over the transcontinental telephone wire circuit from Mare Island, California, to the radio station at Arlington, Virginia, and

there transferred automatically to the wireless from Arlington to the ship at sea, the return conversation taking the opposite course.

The results of this mobilization were most satisfactory to the Secretary of the Navy, the naval officers, and the telephone officials, as it demonstrated on the part of the plant and organization of the Bell System complete readiness to respond to the requirements of the national defense should an emergency arise.

During the year important work has been done in cooperation with the officers of the Signal Corps of the Army, in planning for the best way of making use of the plant and organization of the Bell System in case of military necessity.

Enough has already been done to make certain that the co-operation and assistance which can be given by the Bell System to the Army whenever necessary will be even more varied and more extensive than that required by the Navy.

A plant so elaborate and extensive as is the telephone plant composing the Bell System requires the greatest care and most effective methods to maintain it constantly at its highest efficiency. This is emphasized in all classes of toll-line connections where there may be hundreds of separate prices of apparatus in a circuit, a defect in any one of which may destroy a connection; and in the extra long circuits, like the transcontinental line, the highest degree of maintenance is necessary in order to give commercial service at all.

A break in the tracks of a transcontinental railroad immediately affects only the running of trains in a short section near by and may have no effect whatever upon the schedule of trains a thousand miles away. In the case of the transcontinental telephone circuit, however, a break, whether at New York or at San Francisco or at any intermediate point, would disable the entire line from end to end for all through business.

LEGAL.

The year 1916 has marked substantial progress in the important work of the Legal Department arising out of commission regulation. Telephone companies are subject to regulation by the Interstate Commerce Commission; all but four of the States have created local commissions which exercise jurisdiction more or less complete over them. The subjects to which the jurisdictions of the commissions extend embrace rates, service, accounting, financing and capitalization. While commission regulation has not yet progressed beyond the development stage and this will probably be true of it for a number of years, it has gone far enough to warrant the statement that substantial progress has been made toward sound results. The persistent policy of the Company has been to co-operate with the various commissions, and so far as practicable to aid them in solving the problems that are presented, along the sound and just economic lines which must form the basis of any permanent success in the regulation of public utilities. To this end it has been the constant purpose of the Legal Department to ascertain and establish the fundamental legal and economic propositions which must underlie sound regulation, and to present these principles clearly and forcibly to the various commissions.

GENERAL.

BELL SYSTEM.

It is not inappropriate to restate clearly the attitude of the Bell System towards the public. Repetition of facts prevents misunderstanding, as misunderstanding is based on either misleading, mistaken or meager information.

There is no utility or public service upon which the public is more dependent; no utility whose quality of service is of more importance. It has become one of the dependencies of modern life and may be correctly termed, as it has often been, the nervous system of social and economic organization. The character of these relations, their intimacy, are apt to give rise to criticism and cause agitation for national, State or municipal operation or for competition.

This relation involves many delicate conditions and obligations, some incumbent upon the public, some upon the operating associated companies comprising the system, as an organization, some upon the employees as part of the organization, and as individuals so far as they can be considered independently of the organization.

The prerequisite of a telephone service is that it should be a continuous, immediate service; free as possible from any interruptions, and it must be possible for any one in any one place to get into personal conversational communication with any one in any other place; any other service would be a limited service.

The first essential to an understanding is to realize the peculiarities of the telephone service. There is no other utility or public service in any way analogous. Electric light, gas, water, are from a common supply; your service is obtained by turning a key. Personal transportation is conveyance in a vehicle in common with others running on a schedule between definite points. Transportation of commodities or transmission of messages is the forwarding or transmission of the package or message from point to point by the employees of the utility. Each package or message can be forwarded singly or in quantity, and at the convenience of the utility.

The telephone service consists in placing a telephone circuit at the use for personal conversation of parties personally present at distantly separated terminals. To

get this service the parties must each be connected with the same system, either through a toll or subscriber's line. It is further unique in that it has no alternate, nothing can take its place. Each circuit is put to the exclusive use of the parties talking, and cannot be used for any other telephonic purpose, and the time at which it is used is determined by the convenience of the parties.

The speaking circuit must be a continuous one. The telephone current is a delicate one, a disturbance at any one point putting the whole circuit out of commission, and as only a small part of the connections is between those connected with the same central office and there are relatively few places between which there is sufficient business to maintain special circuits, these circuits must be made up by connecting circuits and parts of circuits passing through the various exchange districts, which necessitates uniformity in the operating methods and the equipment, principal and auxiliary. All employees engaged at terminal or junction points in making up the circuit must work in perfect harmony and co-operation and take their directions from one source; in fact, there must be that absolute co-ordination of plant, apparatus, employees and methods that can come only from common interest and common direction.

The telephone system to give perfect service must be one in which all parts recognize a common interest and a common subordination to the interests of all, in fact it must be "One System," "universal," "independent," "intracomunicative," and operated in a common interest.

Such is the Bell System.

The Bell System has no monopoly. One system, universal service, do not mean monopoly of ownership—organized co-operation does not mean monopolistic control.

There are about 11,300,000 telephone stations in the United States, 6,500,000 Bell owned and 4,800,000 owned by independent companies or associations.

There are nearly 10,000,000 stations connected with the Bell System, 6,500,000 Bell owned, and over 3,300,000 owned by independent companies.

About two-thirds of the independently owned stations are connected with and form an important part of the Bell System.

The Bell System does not make undue profit. Allowing for taxes paid by the system and by the holders of its outstanding securities, the net annual cost to the public for the use of the property of the Bell System is about the same percentage on a fair valuation of that property as the interest return on high-grade railroad or industrial bonds, and is far less than the legal rate of interest in any State. At the same time investors in the Bell System realize a fair return because the outstanding capital obligations are many millions of dollars less than the value of the property.

The Bell System's charge for service is not exorbitant. The average revenue per station to the Bell System has been reduced 55 per cent in the last 20 years and is less than the average charge of any other exchange system that gives continuous and immediate service anywhere in the world and less than that of most of those that give any service. Seventy-five per cent of the subscribers to the Bell System get their service for less than the average charge. The service of the Bell System is within reach of the small user; the large user pays for his service according to his use.

The Bell System cost of construction is not extravagant. The average cost per station is less than that of other systems of a similar nature in this country or elsewhere. The cost per station, including toll lines but not long-distance lines, is \$135. The average annual gross revenue per exchange station including toll service is \$39.62; the operating expenses, including taxes and depreciation, are \$30.75; leaving the net revenue \$8.87 on an investment of \$135. Out of each dollar of revenue 48.3 cents are paid to labor; 20.3 cents for expenses and supplies; 5.6 cents for taxes; 19.8 cents for dividend and interest; leaving for surplus against the future 6.0 cents.

Two notable epochs mark the progress of the telephone service.

At the Exposition of 1876, Bell of few friends and little encouragement, alone, waiting in the hall of the Centennial. The body of examiners, all notable men, tired at the end of a busy summer day, picked up the crude instrument in a perfunctory way, and the exclamation, "My God! It talks!" electrified the commission and announced the coming of an instrument which revolutionized social and commercial intercommunication. At that time, with those instruments, it was with difficulty that conversation could be carried on between two adjacent rooms.

The other epoch when the spoken voice was transmitted through the very same instruments from shore to shore and back again across the great continent, soon to be followed by the transmission of the spoken voice from the wireless towers of the United States, through space, to Hawaii on one side and Paris on the other.

From epoch to epoch, note the improvement. What made it possible for the same instruments to do at one time, the impossible at the other? It was the creation of instrumentalities and auxiliaries, the removal of obstacles, the building up of a system for transmission over and by which that delicate current, so delicate that it would have to be multiplied 5,000,000 times to light an incandescence lamp,

could be either transmitted or when it became attenuated could be picked up and given new life for another distance until its destination was reached.

#### GOVERNMENT OWNERSHIP.

There are, in various quarters, movements to nationalize or municipalize the telephone service. In favor of these movements, the advocates are using the same arguments and promises, the same statements of possible cheaper service, lower cost of construction, cheaper capital because of low interest on good securities, the same cry of monopoly and extortion, that have been used in the past in favor of public ownership, all of which have over and over again been proved to be fallacious and impossible.

There is no reason why any individual or public official—national, State or city—should be misled by any statement in respect to the telephone business. There is hardly a district in the United States in which there has not been an opposition company promoted on substantially these same promises and statements. Yet, even where the plant has been of the cheapest and most flimsy construction and of the most primitive character, and the service far from being dependable, not one of these opposition companies has made good, on the basis of the promises made. There is hardly one of these now in operation whose average book cost is not higher than that of the Bell System, whose rates are not higher than originally promised, and which has not frankly conceded that business cannot be maintained on the terms and conditions of its prospectuses.

To ascertain the real facts, and expose the utter fallacy of the statements and promises, there would be necessary only a very little examination, a very little reflection and a very little common sense, unbiased and unprejudiced.

With a cheaply constructed, cheaply operated rural plant, a fairly satisfactory rural local service can be given at a low cost. There are tens of thousands of such plants now in operation, independent of the Bell System, or connected with it and giving local or limited service.

With urban systems, or systems intended to be used in connection with urban and toll line systems, the construction must be of the highest order, the wires mostly underground, the service must be maintained at the highest standard, such as will afford good conversation, not only locally but to the extreme limits of the system with which it is connected. For long-distance service or for connection over the whole of the Bell System, a cheap, poorly constructed plant would be impossible.

It does seem very singular that the experience of the Northwestern Canadian provinces in government ownership and operation is so entirely ignored by all those who advocate it. The facts are well known; they are not disputed; it is easy to get them. Influenced by the same arguments and the same promises that have been made by all advocates of public ownership and by all the promoters of so-called competing home or local companies, the provincial governments in Western Canada purchased the local plants. Farmers' lines were to be constructed all over the country, rates were to be cut, etc., etc. No one single promise has been kept or carried out; there has been less extension than with the private company; rates have been raised and rural service neglected, if not ignored. This is history, public and open to all who desire information.

It is believed that the carrying charges on government obligations that would be required to pay for the Bell System property at a fair valuation would in the long run cost the public more than the present carrying charges of the Bell System, allowing for the enormous and increasing taxes paid under private ownership that would be lost to the public under government ownership.

#### REDUCED RATES.

Special reduced rates are always fixed on the theory of making a more uniform load for plant, or rather for the purpose of creating a new class of business for the plant during the otherwise idle periods.

The current charges—overhead costs of maintenance, depreciation, obsolescence, taxes, in addition to the interest and dividend charges on invested capital on a fixed amount of plant—do not vary much with the amount of business. The normal business must bear the charges.

In all kinds of public service, the demand fluctuates according to the hours of the day and the peculiarities of the service. The crowded facilities at certain hours must pay for the operation during slack hours, in other words, the average load must bear the costs of operation.

If in any utility some plan can be devised which will create, for the spare hours, a *new traffic* and thus increase the average by utilizing facilities otherwise idle, for such service large reductions could be made; but such traffic must not occupy the plant during the busy hours, only during the otherwise idle hours. It must be a new character of traffic, not requiring any addition to either facilities or operating force.

Compare the telegraph and the telephone service. The telegraph business is a very fluctuating one; the equipment and plant must be sufficient to take care of the maximum load.

Telegrams are written communications handed in for transmission by the employees of the company over its

lines, and ordinarily require immediate transmission, but with that transmission the sender has no part. For anything not requiring immediate transmission, or which will not bear the expense, the mails and other facilities are open, unless special inducements are offered. Although the operating force is adjusted as far as possible to the fluctuating load, the facilities cannot be, and there are, therefore many hours of idle facilities and some of idle force. There are in correspondence all sorts of communication, the imperatively urgent, the urgent, and that in which a few hours make little difference. Deferred and night messages, day and night letters, at special rates create a new business, which can be deferred and dispatched at the convenience of the company at a time when immediate business does not demand the facilities.

A telephone connection is for a personal communication between two people personally present at the terminals of the talking circuits. The service, as given by the Bell System, is as nearly immediate as is physically possible. It is a service which must meet the convenience of those wanting the service, not the convenience of the Company. The calls for service are made during the active hours of the day and come in the most varying, fluctuating frequency during those hours.

If by some way not yet devised, there could be a telephone business developed which would be a waiting business to utilize these otherwise idle intervals, a much higher efficiency could be got from force and facilities and a lower price for that business might be made, but people do not want to attend at hours unseasonable to their personal convenience or comfort, nor could the parties wanted be found, for the unseasonable hours are the hours of recreation, rest, and sleep, and unfortunately the unseasonable hours for the public are the idle hours of the telephone system. If a deferred service could be spread over these idle hours a lower price would be possible. Such a business would have to be waiting business and, although the conversation might stand the waiting, the parties necessary to the conversation would not.

#### BUSINESS AND BONUS.

General business which from 1909 had followed normal lines rather closely, began to decline in 1913 and fell very rapidly, causing great uneasiness and much disturbance and suffering among those dependent upon their work from day to day. The latter part of 1914 improvement set in in certain lines, prices of our export commodities commenced to rise, business soon rose well above normal lines and still continues so. The telephone business, which fluctuates less sharply and more deliberately than general business, followed in a degree the course of general business.

In the construction policy of the Bell System it is the aim to have surplus facilities to meet emergencies; in addition to this surplus there are in the layout of construction some parts which have to be determined and begun many years ahead, and for some parts it is economy to anticipate the growth of the future to avoid frequent and costly reconstruction. There is therefore at all times a large amount of advance facilities wholly or partially completed. In this way the Bell System is provided for all ordinary emergencies caused by rush of business, and can, at short notice, provide for abnormal increase within limits.

Following the course of business for the past few years, the additions to plant were \$26,600,000 in 1908, \$28,700,000 in 1909, \$53,600,000 in 1910, \$55,700,000 in 1911, \$75,600,000 in 1912, \$54,900,000 in 1913, \$50,000,000 in 1914, \$32,900,000 in 1915, and \$66,200,000 in 1916. The figures show generally the trend of business and the policy respecting the surplus plant.

About the end of 1915, responding to general business, from about normal, the telephone business began to increase very rapidly, and soon the surplus facilities were drawn into service. Every effort was made to increase facilities by the rapid completion of construction under course and by new construction, yet before the middle of the year there was in many places more or less congestion and it was often impossible to give the usual immediate service; the sporadic character and fluctuation of these demands increased the difficulties. Although all demands were met with an average delay which would seem inconsiderable in any other system in the world, it was not immediate service. During the late summer and early fall the congestion was still more aggravated and complicated by the "epidemic" which caused so much domestic uneasiness and anxiety. Had it not been for the surplus and advance construction of the companies the results would have been disastrous; as it was they were almost if not quite negligible. Had it been possible to obtain deliveries of material ordered, even that ordered some time before the congestion set in, there would have been in all probability no appreciable delay in our service, if any.

This is not an excuse, because everything was done that human foresight and past experience indicated should be done. It is a statement of the reasons; reasons which should be understood and appreciated because of the costly effect of the disastrous failures in every line of business, particularly that of transportation, to meet the current demands or even positive undertakings. The failures on the part of the industrials were caused by a lack of plant and equip-

ment, and on the part of the transportation lines resulted from their not having a sufficiency of equipment, terminals, and other facilities, even that sufficient for their normal growth. These failures have been costly and disturbing, and unless soon corrected will be disastrous; their cost to business generally has more than equalled what it would have cost to provide against them.

In ordinary industrials and in transportation, there is great elasticity; increased output or capacity can be obtained by overtime, 24 hour days, or by crowding the facilities. As is well known, there is no elasticity to a telephone circuit. The demands for service come at certain hours which are fixed by the social and business habits of the public; by the times when the individual can be personally present and can reasonably expect to locate the distant party desired. Each circuit is, while being used, exclusive to the user, and can be used for no other telephone service. If there are parties waiting to take the circuit immediately following its release, the maximum service of the line can be obtained. If there are no parties waiting, then the interval between the demands is lost. The demand fluctuates hourly from a high peak of load during a few of the busy hours of the day to the very small demand during the recreation hours, and hardly any demand during the sleeping hours. This makes the service load of any telephone system a very low average. This average load will always be greatly increased when there is enough congestion to make the service a slightly deferred service; deferred sufficiently to fill partially some of the non-busy intervals, but not enough to discourage traffic. This is what did happen during the abnormal season.

The additional plant in use including these large surplus facilities, provided without corresponding capital charges, and there being no increased distribution of earnings to the security holders, the net earnings show a large relative increase, notwithstanding very considerable increases in compensations and other expenses.

It should be remembered that a normally non-earning surplus plant is a necessity, that in 1916 this plant was by force of circumstances created an earning factor and to that extent the surplus earnings of the system were abnormal.

In addition to the strain on our facilities, there was a corresponding strain on all the personnel of the system—on the supervising, construction, operating staff. To educate competent operating force, as well as to construct facilities, takes time. The congestion therefore was taken care of by the efficiency, attention, interest and additional effort of the ordinary staff, increased as much as it was possible. The manner in which the entire staff met these demands and aided in maintaining the "Bell System" service, sustained and emphasized its superior character.

Having due appreciation of this extra exertion, faithfulness, loyalty and prompt response to the demands of the service, on the part of our employees, as well as the extra demands upon their earnings in these abnormal times, it was deemed not only proper but advisable to share with them this surplus. Accordingly a distribution throughout the system of a very considerable part of it was made as a bonus, a recognition and an appreciation. It was hoped that it would help them to a little merrier Christmas, and a little happier New Year, from the thought that while some trains were late, no embargo was declared and no deliveries were refused.

There are three principal factors in giving a satisfactory telephone service; a willing, efficient, contented and attentive staff in operating and construction; ample plant and equipment of the latest type and highest perfection, maintained as such by the continued evolution and progress of the service and facilities for giving the service; an expert staff of observers, investigators and experimenters, all brought into operation, harmonious co-operation and that co-ordination that can be had only by an efficient, attentive and appreciative administration.

No division, department, branch or group can be either ignored or favored at the expense of the others without unbalancing the whole and creating immediate confusion and ultimate depreciation of service.

For the support of this, the revenue for the service from the public must be sufficient. The public, to pay this willingly, must be satisfied and receive at least what they deem to be an equivalent. The attitude of the public is determined by the quality of the service and by the attitude of those giving the service and coming in direct contact with the public; upon them depends in a great measure the ability of the Company to recognize services. When this is fully understood there should be no trouble.

While we have never doubted what the response of our employees will be, for we know what they have been, yet we want to express to every employee our great appreciation. We are all of us proud to feel that the traditions of the Bell System have been maintained and our promises to the public fulfilled.

For the Directors,

THEODORE N. VAIL,

President.



## AMERICAN SMELTING &amp; REFINING COMPANY

EIGHTEENTH ANNUAL REPORT—FOR THE CALENDAR YEAR ENDED DECEMBER 31, 1916.

*To the Stockholders:*

The Board of Directors submits herewith a statement of the Combined Income Account of the American Smelting and Refining Company, and its subsidiary companies, for the year ended December 31, 1916, together with the Consolidated Assets and Liabilities of the Company at the close of the year.

## PROFIT AND LOSS.

The earnings of the Company, and its subsidiaries, for the year, after deducting general expenses, fixed charges and corporate taxes, aggregated.....	\$25,242,297 11
This is an increase over the results of the preceding year of.....	\$8,999,877 03
And an increase over the year 1914 of.....	14,430,382 02
From the earnings as above given, there has been deducted the annual charge for Depreciation and Depletion of Ore Reserves.....	\$1,990,047 52
Appropriation for Employees' Bonuses.....	575,000 00
Appropriation for Pension Fund.....	275,000 00
Appropriation for Welfare Work.....	150,000 00
Miscellaneous Profit and Loss Charges.....	100,000 00
	3,090,047 52
Leaving total earnings applicable to dividends of.....	\$22,152,249 59
Preferred Stock dividends for the year amounted to.....	5,993,258 00
Leaving applicable to dividends on the Common Stock.....	\$16,158,991 59
This is in excess of 32% on the amount of Common Stock upon which dividends were paid during the year, or nearly 30% on the amount of Common Stock outstanding December 31 1916. Regular quarterly dividends at the rate of 6% per annum were declared on the Common Stock.....	\$3,140,576 10
The balance was carried to Profit and Loss Account.....	\$13,018,415 49
The Directors believed it wise to make special appropriations from Surplus Account as follows:	
To credit of Property Account and Miscellaneous Items.....	\$3,136,558 81
Reserve for Enlargement and Extension.....	6,000,000 00
<b>Total.....</b>	<b>\$9,136,558 81</b>

## INCOME

A comparison of the accounts herewith submitted with the Semi-Annual Report made as of June 30 1916, will show gross earnings for the first half of the year.....	\$13,229,058 63
And for the last half.....	14,888,772 67
On the other hand, the net earnings reported for the first half of the year were.....	11,145,693 89
And for the last half.....	11,006,555 70

From the gross income for the last half of the year were deducted the increased Income Tax on the earnings of the entire year, and the special appropriations for Employees' Bonuses, Pension Fund, and Welfare Work.

The high prices for metals recorded in the last Semi-Annual Report, which were therein mentioned as being the cause of a largely increased production of ore and bullion for Smelting and Refining, have continued, with a few exceptions, and have even exceeded the prices of the earlier part of the year. The smelting and refining operations of the Company have correspondingly increased. Wages and the cost of fuel and material have continued to advance. The scarcity of all materials needed for construction and operation, together with unequalled congestion on the railroads of the country, have united to make the continued working of your smelting and refining plants most difficult.

The Board of Directors is pleased to report, however, that, at the close of the year under review, the tonnage being handled and the refined metals produced were never equalled in the life of the Company.

While constantly increasing costs have made some lines of operation comparatively unprofitable, yet there are compensating advantages which are more than an offset. The policy of the Company continues to favor enlargement and extension of its operations, and a diversified production. By these means, a proper expenditure of the present abnormally high earnings, it is believed, will insure a continuation of earnings which could not otherwise be expected.

While none of the Mexican smelting plants of the Company were operated during the year 1916, some few of the mines were worked, entirely under Mexican supervision. At the time of the writing of this report, steps are being taken to open up both the Monterey and Matchuala plants. Movement of materials in Mexico will largely be effected through the use of locomotives and cars belonging to the Company. Favorable arrangements have been made with both the National and State Governments, and it is evidently the earnest desire of the Mexican people, both in official and private life, that accustomed business shall be resumed. Until, however, the destructive effect of the past few years has been largely overcome, all business in Mexico must expect to be greatly hampered by high costs, especially in taxation and freight.

## PROPERTY

The Board of Directors, after due examination and deliberation, extending over the past two years, has decided to enter into the mining and smelting business in the Republic of Chile. The Company has purchased, during the

past year, the Caldera Smelter, together with a highly mineralized zone, including many mines, which are but imperfectly developed. There has been purchased, also, the stock of the Carrizal Smelting Company.

An important and favorably developed mining property in Mexico, adjoining and extending the mines of the Company at Parral, was secured at a value which was believed warranted, even if operations may be considerably delayed.

The Tin Plant, mentioned in the last Annual Report, did not produce to its full capacity until the latter part of the past year. The production is now about six hundred tons monthly, and the results are satisfactory, and an addition to the plant is therefore now under construction, which, it is hoped, will result in a production of 18,000 tons of pig tin per annum, after about July 1st 1917.

The continued and still increasing price at which electrolytic copper is being sold has brought about, quite naturally, a constantly increasing production of ore and bullion for smelting and refining plants. This has necessitated additions to all of our copper smelting and refining plants, requiring the expenditure, during the year, of over \$5,000,000, most of which was contemplated at the beginning of the year. In the last Annual Report, it was stated that this construction would bring the smelting and refining capacity of the Company up to one thousand million pounds of electrolytic copper yearly. With the completion of construction now covered by appropriation, and which should be in operation soon after the middle of the year 1917, the Company will have a capacity for producing thirteen hundred million pounds of electrolytic copper per annum.

Due to the falling off in the lead ore coming to the Company from the Coeur d'Alene Mines, attention has been given to increasing the supply of lead from other sources. About three-quarters of a million dollars have been expended in enlarging the milling and smelting works, and extending the development of mines of the Company in Missouri. While the production, from this source, at the beginning of 1916, was approximately 42,000 tons of pig lead per annum, this has now been increased to 66,000 tons. Constant attention is being given to the increasing of the supply of lead ore at the disposal of the Company.

During the year the Company has completed the construction of a Sulphuric Acid Plant, at Salt Lake City, with a capacity of over 50,000 tons per annum, and plans are being made to duplicate this plant, as soon as a market can be found for the increased product. To this end, appropriations have been made to cover experimental construction, looking to the production of various chemical products, using sulphuric acid as a base. It is believed that these plants, when fully completed, will not only be large consumers of acid, but also commensurate producers of profit.

The saving of the major metals, heretofore lost through unscientific methods, and the production, as by-products, of the minor metals and chemical substances, are being given increased attention by the metallurgical staff of the Company, and to this end large expenditures are expected to be made during the coming year, which eventually will, we hope, prove very profitable.

In addition to more than \$2,000,000 spent during the past year in ordinary repairs and renewals, there has been expended, as above outlined, and charged to Property Account, \$8,285,226 02, covering the various enlargements and extensions, and for new property. There has been credited to Property Account as appropriated, to cover expected—

Extension and Enlargement (1915).....	\$3,900,000 00
For Depreciation and Ore Depletion.....	1,990,047 52
For Special Appropriation to Credit Property Account.....	2,563,010 10
For Sale various items Real Estate.....	109,482 90
	\$8,562,540 52
This leaves the Property Account of the Company.....	\$141,165,684 47
Having been reduced during the year.....	\$277,314 50

## METAL STOCKS

At no point in the accounts submitted is the enormous increase in business being done at the ending of the year, as compared with the beginning of the year, so vividly portrayed as in the inventory value of Metal Stocks. The book value of ore, bullion and factory products on hand and in transit on December 31st 1916, less treatment charges accrued but not earned, was.....

\$105,254,064 81	As compared with the value of the same stock at the end of the preceding year.....	58,582,142 69
	Or an increase of.....	46,671,922 12

This increase is very largely in the weight of metal carried in the normal business of the Company, as the average inventory price at which metals are carried has not been increased during the year. Of this enormous increase, however, \$42,813,133 96 is for account of Mining Companies.

The increase in inventory value of metals held at the risk of this Company during the year is \$3,858,788 16, which is only the normal increase made necessary by the total increase of material delivered to the smelting and refining works, together with the added carry, on account of delays in transit from smelters to refineries, due to the congestion of traffic, with which the whole country is acquainted. The inventory value of copper in stock remains at 12 cents per pound, lead \$3.88 per 100 pounds, spelter 5½ cents per pound, and silver 50 cents per ounce.

The increase in value of Materials and Supplies, of \$1,266,422 82, was due to increased stocks required for the enlarged operations, and to the increased cost of material.

#### CURRENT ASSETS

The increase in Cash, of \$2,300,000, was made, notwithstanding an increase of \$5,000,000 in value of metal stocks and materials carried. The increase in Accounts and Bills Receivable, of \$8,489,837 29, is only the necessary increase caused by the larger business done and at advanced values.

#### BONDS OF THE SECURITIES COMPANY

The par value of bonds held by Trustees in Sinking Fund, December 31 1916 was	\$4,110,000 00
Par value held in the Treasury of the Company for which Smelting Company's Common Stock was issued in exchange	4,191,000 00
Leaving Bonds outstanding	6,699,000 00
Or a decrease for the year of	5,913,500 00

The Securities Company called the entire outstanding issue of Bonds for redemption, as of February 1 1917, and the exchanges which were made for Common Stock have resulted in a total Common Stock issue, as of February 1 1917 of \$60,998,000.

#### SMELTING COMPANY BONDS

The Smelting Company owns all the Common Stock of the American Smelters Securities Company. The Bonds of the latter Company have been redeemed. The 5% Cumulative Preferred Stock, Series B, of the Securities Company is guaranteed by the Smelting Company, both as to interest and principal, and is, therefore, an obligation of the Smelting Company, prior to its Preferred Stock.

After mature deliberation, your Directors decided that it would be to the interest of the Smelting Company to acquire the Series B Preferred Stock of the Securities Company, by offering its First Mortgage Five Per Cent Bonds in exchange for the Series B Five Per Cent Preferred Stock of the Securities Company, par for par.

Accordingly, the Smelting Company has made such an offer to the holders of the Preferred Stock, Series B, of the Securities Company; the plan to be declared operative in case an amount of the Series B Preferred Stock, in the judgment of the Smelting Company, sufficient to justify it in making the exchange, shall be deposited. This offer will remain open until March 14th, 1917.

#### WORKING CAPITAL

During the year there has been added to the cash working capital of the Company the sum of \$4,731,610 79, derived as follows:

From Net Earnings (before deducting depreciation to property) less fixed charges and dividends	\$15,008,463 01
Less amount expended on the property of the Company, for Investments, and for Stocks and Bonds purchased for retirement	10,276,852 22
Net increase in Working Capital	\$4,731,610 79
Less amount expended for increase in Metal Stocks	3,858,788 16
Add increase in Net Current Liabilities and Miscellaneous Items	426,202 63
Cash and Loans with Stock Exchange Collateral on hand at beginning of year	18,642,460 41
So that, at the end of the year, the cash on hand and in bank, subject to check, together with loans secured by Stock Exchange collateral, aggregated	\$19,941,491 96

#### VOLUME OF BUSINESS

The Cash Receipts of the Company for the year, and its source, together with the following classified disbursements, will give to the Stockholders a comprehensive picture of the Company's operations.

#### STATEMENT OF CASH RECEIPTS AND PAYMENTS FOR THE YEAR

Balance January 1 1916:		
Cash on Hand and in Bank subject to check	\$14,642,460 41	
Loans, with Stock Exchange collateral	4,000,000 00	\$18,642,460 41
Receipts—		
From Sales of Metals*—		
Gold	\$54,656,119 59	
Silver	41,179,791 04	
Lead	37,421,880 38	
Copper	185,919,397 10	
Zinc	7,558,556 36	
Tin	1,730,810 78	
Other Metals	1,831,397 12	
Total	\$330,297,952 37	
From Mining Properties	\$5,661,198 05	
From Manufactured Products	16,304,913 62	
From Miscellaneous Income, Rents, Interest, Commissions, &c	2,818,082 28	
Total from Sales and Miscellaneous Income	\$355,082,146 32	
From Loans, with Stock Exchange Collateral	1,000,000 00	
From Special Funds	327,388 54	
From Increase of Net Current Liabilities	1,708,301 50	
Total Cash Receipts	\$358,117,836 36	
Total Cash to be accounted for	\$376,760,296 77	

Payments—		
For Ore and Bullion purchased, Expenses and Taxes	\$335,851,618 68	
For Expenditure on Property	\$8,285,226 02	
Less Proceeds Property	109,482 90	\$8,175,743 12
For Investments	\$268,864 10	
Less Proceeds Investments	201,095 00	67,769 10
For Advances to Affiliated Companies	455,189 83	
For Bankers Acceptances	518,727 48	
For American Smelters Securities Company Preferred "A" Stock purchased	191,000 00	
For American Smelters Securities Company, Debenture Bonds Purchased	\$5,913,500 00	
Less paid for by American Smelting & Refining Co. Common Stock	4,191,000 00	1,722,500 00
For Interest on Bonds	702,422 50	
For Dividends to Stockholders	9,133,834 10	
		\$356,818,804 81

Balance December 31 1916:		
Cash on Hand and in Bank subject to check	\$16,941,491 96	
Loans, with Stock Exchange Collateral	3,000,000 00	\$19,941,491 96

\* Does not include value of metals treated and delivered in kind aggregating \$25,502,188 53.

The total receipts from the sale of Metals and Manufactured Products, of \$346,602,865 99, compares with the receipts from the same sources in 1915, of \$219,603,469 94, and in 1914, of \$183,146,076 81. The Directors are especially pleased with the increased receipts from manufactured products, from \$4,103,228 33 in 1915 to \$16,304,913 62 in 1916. While this unusual increase is largely due to increases in values, yet the volume and variety of products has been no inconsiderable item, and a permanent increase in this direction is expected.

#### OPERATING STATISTICS

	1915.	1916.
Number of Men employed, excluding Mexico	15,556	21,073
Total Wages and Salaries, excluding Mexico	\$11,392,503	\$17,017,944
Average Wages per 8-hour day	\$2 44	\$2 70
Tons Charge Smelted	4,153,092	4,789,474
Tons Bullion Refined	379,050	677,460
Tons Coal Used	604,204	724,595
Tons Coke Used	401,511	454,468
Barrels Fuel Oil Used	829,304	1,107,285
Cubic Feet Gas Used	1,071,593,000	2,130,460,328
Tons Ore Mined	1,578,611	1,638,566
Tons Coal Mined	255,222	224,807
Tons Coke Produced	120,660	140,961

#### METAL PRODUCTS

	1915.	1916.
Ounces Gold Produced	2,672,702	2,662,011
Ounces Silver Produced	76,117,453	71,868,151
Ounces Platinum and Palladium Produced	693	868
Tons Lead Produced	296,986	279,144
Pounds Copper Produced	551,798,000	789,438,000
Pounds Spelter Produced	36,154,000	47,807,547
Pounds Nickel Produced	1,120,556	1,224,328
Pounds Tin Produced	34,124,000	3,262,000
Pounds Sulphuric Acid Produced	7,269,000	25,842,000
Pounds Arsenic Produced	8,366,000	9,090,000
Pounds Copper Sulphate Produced	2,229,887	13,046,000
Pounds By-Product Metals	8,763,480	5,671,827
Pounds Copper and Brass Manufactured Products	355,229	31,597,489
Pounds Test Lead and Licharge Sold	12,808,000	417,898
Number Loaded Cartridges Sold	9,638,205	15,338,000
Pounds Sheet Lead, Pipe, &c., Sold	2,566,255	2,713,331
Pounds Mixed Metals Sold		2,831,617

#### WELFARE WORK

During the past year our efforts in behalf of the Welfare, Health and Safety of our employees have been vigorously continued. We have spent, or appropriated, under this head, approximately \$504,000, which was divided up as follows: \$130,000 for building and improving Company houses; \$210,000 for what may be termed Welfare, Recreation and Health; \$85,000 for Safety; \$48,000 for Pension, and \$31,000 for Life Insurance. To which should be added, the addition of \$275,000 to the Pension Fund.

This Company has, for some time past, realized that proper bathing, washing and change facilities, as well as clean and well ventilated lunch rooms, were of real importance in conserving the health and energy of its employees, and, in accordance with this policy, provisions are gradually being made for the plants not yet equipped. We have also, during the past year, employed visiting nurses at four of our plants. These nurses visit the homes of the employees and help their families, showing the wives how to best care for the health and up-bringing of their children, giving them the results of the best and most up-to-date studies in the matter of health in the home, and, at the same time, help in combating the high cost of living by informing them as to matters pertaining to home economics.

In accordance with the policy outlined in past annual reports, we are continuing and enlarging our efforts toward helping our employees and their families to receive opportunities for healthful recreation. At two of our plants, buildings are being erected to be run by our employees under the auspices of the Industrial Y. M. C. A. A number of the Plants have Club Houses, where dances, concerts, moving picture shows, picnics and other entertainments are enjoyed. Bands, baseball and bowling teams have been organized at many of the plants. In all of this work, we try to keep away from the attitude of paternalism, lending a helping hand when needed, both in organizing and financing the work, but with the aim of making it self-controlled, and, ultimately, largely self-supporting. In the

very serious and important matter of disseminating American ideals more thoroughly in the minds of our foreign born labor, we are trying various methods of inducing the men to learn to read and speak English. With the intention of inculcating the ideals of democracy, the Company has allowed the men to elect their own representatives to decide on the disbursements from the Benefit Funds, which are made up largely of their contributions, and which are intended to provide for hospital and medical attention, as well as half pay for disabilities arising out of accidents not covered by the Workmen's Compensation Laws.

## SAFETY

The Company's efforts for the prevention of accidents during the year 1916 have yielded very satisfactory results, particularly in view of the fact that the number of men employed was increased 33%, which means that there was a very large number of green men, who were not so well versed in the dangers of the work, nor the means of guarding against them, as the older employees.

Based on the number of men per thousand, there was a reduction of 13% in fatal accidents; 34% in permanently injured and 9% in ordinary temporary accidents in 1916, as compared with 1915. At the same time, the average number of days disability per temporary accident was reduced 1.01 days.

The above means that the actual results in 1916, as compared with the hypothetical results based on the 1915 record, show a saving of one life, nine permanent injuries and 200 temporary injuries, and this, in connection with the number of days disability, means that there was a saving in days lost because of injury of more than 6,000 days.

These figures, in conjunction with the improvement for the year 1915, as compared with 1914, shown in the last annual report, are very gratifying, as the success of the accident prevention work is dependent on steady effort and improvement. In this connection, without placing too great emphasis on the achievements of any one plant, as a number of them showed admirable work, the really remarkable record of the Omaha Plant must be mentioned. This Plant, employing daily more than 1,200 men, went one hundred and seventeen consecutive days without a single disabling accident, showing that, in spite of the recognized hazard of the Smelting and Refining industry, by careful and painstaking efforts, when united with proper co-operation of the employees, the above most satisfactory results can be achieved.

## LIFE INSURANCE

During the year 1916, about \$31,000 was paid in premiums for Group Life Insurance, which covered the lives of our day laborers who have worked for the Company for one year or more at eight of our plants.

More than 3,100 men were covered by this insurance. It is hoped to greatly extend this portion of our welfare work during the coming year.

## PENSIONS

Additions to the Pension Fund during the past year were as follows:

Appropriations	\$275,000 00
Interest and other Sources	61,210 37
	\$336,210 37
Pensions paid amounted to	\$48,144 55

There were 37 pensions granted during the year, and, at the end of the year, there were 152 employees receiving the benefits of the fund.

Since the organization of the fund, there have been pensions granted as follows:

To Dependent Women	8
To Office Employees	16
To Mechanics and Foremen	73
To Laborers	101

Total	198
The Fund now amounts to	\$905,953 25

## BONUSES

Daily wage earners have received as their reward in connection with the prosperity of the Company an average increase in wages of nearly 20%, in addition to the participation in the benefits accruing from all lines of welfare work outlined above.

There was granted, at the end of the year, to the technical and executive staff of the Company, as well as all other salaried employees, a yearly bonus aggregating \$575,000. To the employees receiving the lower salaries was paid 50% additional bonus over that paid for the preceding year, but the main reason for the total increase in bonus, from \$445,000, for the year 1915, to \$575,000 for 1916, was an increase in the number of participants. This bonus was granted as a grateful recognition of the efficient and loyal services, in many cases given for a lifetime, to the Company, and without which the prosperity of the past year would have been impossible.

DANIEL GUGGENHEIM,  
President.

AMERICAN SMELTING & REFINING COMPANY  
AND  
AMERICAN SMELTERS SECURITIES COMPANY  
SUMMARY OF CONSOLIDATED INCOME AND PROFIT AND LOSS.

	Year Ended Dec. 31 1916.	Year Ended Dec. 31 1915.	Comparison.
Net Earnings of Smelting and Refining Plants and Industries Immediately Dependent Thereon	\$22,574,526 71	\$14,472,611 89	Inc. \$8,101,914 82
Net Earnings from Mining Properties	2,725,222 31	1,984,977 37	Inc. 740,244 94
Total Net Earnings of Operating Properties	\$25,299,749 02	\$16,457,589 26	Inc. \$8,842,159 76
Other Income—Net:			
Interest, Rents, Dividends Received, Commissions, &c	2,818,082 28	1,788,142 12	Inc. 1,029,940 16
Gross Income	\$28,117,831 30	\$18,245,731 38	Inc. \$9,872,099 92
Charges Against Gross Income—			
Administrative Expenses	923,120 60	831,032 59	Inc. 92,088 01
Research and Examination Expenses	239,265 80	71,263 37	Inc. 168,002 43
Corporate Taxes (Including Accrued Income Tax)	985,965 29	280,644 66	Inc. 705,320 63
Interest on Debenture Bonds Outstanding with Public	677,182 50	770,370 68	Dec. 93,188 18
Depreciation and Depletion of Ore Reserves	1,990,047 52	1,839,686 80	Inc. 150,360 72
Amortization of Discount on Bonds	50,000 00	50,000 00	
Appropriation for Employees' Bonuses, Pension Reserve and Safety and Welfare Reserve	1,000,000 00	795,000 00	Inc. 205,000 00
Miscellaneous Profit and Loss Charges	100,000 00	554,428 68	Dec. 454,428 68
Total Charges	\$5,965,581 71	\$5,192,426 78	Inc. \$773,154 93
Net Income for Year	\$22,152,249 59	\$13,053,304 60	Inc. \$9,098,944 99
Less Dividends—			
On Preferred Stocks:			
American Smelting & Refining Company	\$3,500,000 00	\$3,500,000 00	
American Smelters Securities Company, Preferred "A"	993,258 00	1,001,844 00	Dec. 8,586 00
American Smelters Securities Company, Preferred "B"	1,500,000 00	1,500,000 00	
Total Preferred Stock	\$5,993,258 00	\$6,001,844 00	Dec. \$8,586 00
On American Smelting & Refining Company, Common Stock	3,140,576 10	2,001,080 00	Inc. 1,139,496 10
Total Dividends	9,133,834 10	8,002,924 00	Inc. 1,130,910 10
Income Balance Transferred to Profit and Loss Surplus	\$13,018,415 49	\$5,050,380 60	Inc. \$7,968,034 89
Profit and Loss Surplus at beginning of Year	19,560,438 37	19,510,057 77	Inc. 50,380 60
Total	\$32,578,853 86	\$24,560,438 37	Inc. \$8,018,415 49
Less Special Appropriations for:			
Property Account and Miscellaneous Items	\$3,136,558 81	\$1,100,000 00	Inc. \$2,036,558 81
Reserve for Enlargement and Extension	6,000,000 00	3,900,000 00	Inc. 2,100,000 00
Total	9,136,558 81	5,000,000 00	Inc. 4,136,558 81
Profit and Loss Surplus at End of Year	\$23,442,295 05	\$19,560,438 37	Inc. \$3,881,856 68

AMERICAN SMELTING & REFINING COMPANY  
AND  
AMERICAN SMELTERS SECURITIES COMPANY  
CONSOLIDATED GENERAL BALANCE SHEET DECEMBER 31 1916.  
ASSETS.

	Amount.		Comparison with Dec. 31 1915.
<i>Property Account—</i>			
Cost of Plants, Properties of Subsidiary Companies and Additions and Improvements Less Depreciation and Additions and Improvements Written Off to Profit and Loss.....	\$143,728,694 57		
Less Special Appropriation from Surplus Account.....	2,563,010 10		
<i>Investments in Securities of Other Companies.....</i>		\$141,165,684 47	Dec. \$277,314 50
		827,276 73	Inc. 187,609 10
<i>Metal Stocks—</i>			
Ore Bullion and Factory Product on Hand and in Transit.....	114,147,547 19		Inc. 49,034,502 67
Less:			
Approximate Value of Metals Purchased and on Hand, Payment of which is to be made in Refined Metals and not in Cash.....	77,776,414 66		Inc. 42,813,133 96
Unearned Treatment Charges.....	8,893,482 38		Inc. 2,362,580 55
<b>Total.....</b>	<b>86,669,897 04</b>		
Remainder.....		27,477,650 15	Inc. 3,858,788 16
<i>Working Assets—</i>			
Materials and Supplies.....	4,263,210 43		Inc. 1,266,422 82
Prepaid Taxes and Insurance and Suspended Debtor Accounts.....	338,101 23		Inc. 22,012 65
<b>Total Working Assets.....</b>		<b>4,601,311 66</b>	
<i>Current Assets—</i>			
Cash on Hand and in Transit.....	16,941,491 96		Inc. 2,299,031 55
Loans Secured by Stock Exchange Collateral and Bankers Acceptances.....	3,518,727 48		Dec. 481,272 52
Loans Secured by Copper in Process of Refining.....	600,685 00		Inc. 520,032 61
Accounts and Notes Receivable.....	20,593,603 15		Inc. 8,489,837 29
Advances to Affiliated Companies.....	775,699 32		Inc. 455,189 83
<b>Total Current Assets.....</b>		<b>42,430,206 91</b>	
<i>Cash, Securities and Accrued Interest in Funds:</i>			
Sinking Fund, American Smelters Securities Company—6% 15-Year Debenture Bonds:			
Cash with Trustees.....	96,934 64		Dec. 444,969 79
Accrued Interest.....	102,750 00		Inc. 48,837 50
Pension Fund.....	623,318 59		Inc. 68,743 75
<b>Total in Funds.....</b>		<b>823,030 23</b>	
<i>Unextinguished Discount on Bonds.....</i>			Dec. 504,166 66
<b>Grand Total.....</b>		<b>\$217,325,133 15</b>	Inc. \$15,508,781 79

LIABILITIES.

	Amount.		Comparison with Dec. 31 1915.
<i>Preferred Capital Stock Outstanding—</i>			
American Smelting & Refining Company.....	\$50,000,000 00		
American Smelters Securities Company, Series "A".....	\$17,000,000 00		
Less Amount Deposited with Trustees for Redemption under Stock Retirement Agreement.....	541,200 00		Dec. \$191,000 00
Series "B".....		30,000,000 00	
<b>Total Preferred Capital Stock Outstanding.....</b>		<b>96,458,800 00</b>	
<i>Common Capital Stock Outstanding—</i>			
American Smelting & Refining Company.....		54,299,000 00	Inc. 4,191,000 00
<i>Debenture Bonds Outstanding</i>			
American Smelters Securities Company, Issue Maturing February 1 1926.....	15,000,000 00		
Less:			
Par Value of Bonds, or Cash to Redeem those Drawn but not yet Presented for Redemption, Held by Trustee.....	4,110,000 00		
Par Value Held in Treasury.....	4,191,000 00		
<b>Total.....</b>	<b>8,301,000 00</b>		
Remainder.....		6,699,000 00	Dec. 5,913,500 00
<i>Current Liabilities—</i>			
Accounts, Drafts and Wages Payable.....	23,319,925 54		Inc. 9,407,036 58
Deferred Payments on Mining Properties.....			Dec. 44,250 00
Accrued Taxes Not Due.....	1,282,343 20		Inc. 798,145 38
Interest on Debenture Bonds:			
Unclaimed.....	23,805 00		Inc. 13,335 00
Accrued Not Due.....	375,000 00		
Dividends:			
Unclaimed.....	192,046 80		Inc. 129,976 21
Payable After December 31st.....	2,275,167 73		Inc. 413,928 23
<b>Total Current Liabilities.....</b>		<b>27,468,288 27</b>	
<i>Reserve and Suspended Creditor Accounts—</i>			
Employees' Benefit Pension Reserve.....	905,953 23		Inc. 288,065 82
Fire Insurance Reserve.....	404,239 21		Inc. 19,249 49
Safety and Welfare.....	328,856 32		Inc. 80,510 44
Reserve for Enlargement and Extension.....	6,000,000 00		Inc. 2,100,000 00
Miscellaneous.....	1,318,701 07		Inc. 334,427 96
<b>Total Reserve and Suspended Creditor Accounts.....</b>		<b>8,957,749 83</b>	
<i>Profit and Loss.....</i>	32,578,853 86		Inc. 8,018,415 49
Less: Special Appropriation Property Account and Miscellaneous Items.....	3,136,558 81		Inc. 2,036,558 81
Reserve for Enlargement and Extension.....	6,000,000 00		Inc. 2,100,000 00
<b>Total.....</b>	<b>9,136,558 81</b>		
<i>Balance, Surplus.....</i>		23,442,295 05	Inc. 3,881,856 68
<b>Grand Total.....</b>		<b>\$217,325,133 15</b>	Inc. \$15,508,781 79

HASKINS & SELLS  
Certified Public Accountants  
30 Broad Street, New York

CERTIFICATE

We have audited the general books and accounts of the American Smelting & Refining Company and the American Smelters Securities Company for the years ended December 31, 1916 and 1915, against the related records of original entry and supporting documents, including monthly reports received from their various plants and mines, and

WE HEREBY CERTIFY that, in our opinion, the accompanying General Balance Sheet and Summary of Income and Profit and Loss correctly exhibit the consolidated financial condition of the Companies and their consolidated income results for the two years.

(Signed) HASKINS & SELLS,  
Certified Public Accountants.

New York, February 19, 1917.



**COLUMBIA GAS AND ELECTRIC COMPANY  
AND ITS SUBSIDIARY COMPANIES.**

ANNUAL REPORT—1916.

*To the Stockholders of Columbia Gas & Electric Company:*

Your Directors herewith present the Annual Report covering operations of the Company in 1916. The year has been a gratifying one, substantial progress being recorded in all departments.

**EARNINGS.**

Gross Earnings were.....	\$9,058,251 61, an increase of 12.6%
Total Gross Income was.....	5,263,803 30, an increase of 19.2%
After deducting Prior Fixed Charges of.....	3,411,044 26
There was available a Net Income of.....	1,852,759 04
For Columbia Interest Charges re- quiring only.....	695,283 33
Surplus for the year was.....	1,157,475 71, an increase of 204.1%

Gross Income includes so much of the earnings of the United Fuel Gas Company as was actually received as dividends, viz.: \$780,300.

**FINANCIAL CONDITION.**

The year's earnings have had a marked effect on the Company's finances. Notes payable as of December 31st 1915, amounting to \$1,690,447 37, have all been paid and there is no floating debt now outstanding. Cash on hand December 31st 1916 amounted to \$1,291,774 95, only \$648,000 less than total current liabilities. Current and working assets exceeded current liabilities by \$761,559 75, and, compared with December 31st 1915 there was an increase in current and working assets after deducting current liabilities of \$2,296,719 06.

During the year \$367,500 of your Company's First Mortgage 5% Bonds were issued for construction purposes and sold, while \$877,000 of the same issue were redeemed and canceled, through the Sinking Fund, principally with cash received from the sale of the East Ohio Gas Company securities, making a net reduction in amount of bonds outstanding of \$509,500.

In accordance with the Cincinnati Gas Transportation Company lease, \$197,000 of the First Mortgage Bonds of that Company were redeemed and canceled through payments made by your Company, leaving \$3,608,000 bonds outstanding on December 31st 1916.

**PROPERTY DEVELOPMENTS.**

Gas sales of the Columbia Gas & Electric Company during the year were 15,841,991,000 cubic feet, an increase of 12%; of this amount 7,913,016,000 cubic feet were purchased from the United Fuel Gas Company.

A gasoline extraction plant was completed during the latter part of the year, from which the output to December 31st was 1,100,583 gallons, with gross sales of \$217,722.

The total gas and oil acreage under lease and owned in fee as of December 31 1916 was 269,825 acres. There were then 202 gas wells in operation.

**UNITED FUEL GAS COMPANY.**

As shown by the condensed earning statement following, this company has had an extraordinary development during 1916.

Gas sales were 4,557,178,000 cubic feet domestic, an increase of 4%; 10,690,301,000 cubic feet industrial, an increase of 33%; and 24,042,967,000 cubic feet wholesale, an increase of 39%; total sales were 39,290,446,000 cubic feet, an increase of 32%.

During the year several large tracts of proven gas and oil territory were acquired, and the development since made has amply justified their purchase and the Company's resources in this respect have thereby been materially strengthened. A considerable number of small unproductive leases have been abandoned, with corresponding reduction in rental cost.

During the year two contracts were made for the supply of a large quantity of wholesale gas, for a period of ten years. The necessary pipe line to serve this business was completed in December and is now in satisfactory operation. These contracts will yield immediate additional gross revenue of \$1,500,000 annually.

This Company has now completed seven gasoline production plants, the last one having been placed in operation since January 1 1917. After a great deal of preliminary work these plants are now reaching a maximum of production efficiency, with a daily output as high as 42,000 gallons. The actual output for 1916 from partial operation for only

part of the year was 1,397,885 gallons, with gross revenue of \$370,900.

The production of oil for the year was 111,435 barrels, obtained from 114 wells. In November 1916 a fine oil well was drilled on a 6,000 acre tract under lease in the Cabin Creek District. In the early part of February 1917 a second well drilled on this tract proved as good as the first. Additional wells are being drilled.

The total gas and oil acreage under lease and owned in fee as of December 31st 1916 was 822,383 acres. There were then 556 gas wells and 114 oil wells in operation.

The earnings of the Company in the year ended December 31st 1916, compared with 1915, were as follows:

	1916	1915
Gross Earnings.....	\$4,752,588	\$3,235,814
Net income.....	2,955,807	1,337,814
Surplus (after deducting all interest charges, &c.).....	2,481,239	916,986

**THE UNION GAS & ELECTRIC COMPANY.**

The modified lease made with the Cincinnati Gas & Electric Company became effective April 1 1916, and in accordance therewith the Cincinnati Gas & Electric Company has created an authorized issue of \$15,000,000 of First and Refunding 5% Gold Bonds; \$4,100,000 of such bonds have been issued and sold to provide funds for the construction of the new electrical power house, and \$400,000 of bonds have been sold, and the proceeds paid to the Union Gas & Electric Company to reimburse it for expenditures for betterments and extensions to the property of the Cincinnati Gas & Electric Company.

The Union Gas & Electric Company has disposed of the 11,913 shares of the Cincinnati Gas & Electric Company stock, which have been received from the Cincinnati Gas & Electric Company from time to time in payment for betterments and extensions; the proceeds of this sale have served to liquidate the floating debt of the Company.

In accordance with the provisions of the modified lease, the Union Gas & Electric Company has deposited an additional \$1,000,000 cash in the Guaranty Fund, in exchange for \$1,450,000 of Columbia Gas & Electric Company First Mortgage 5% Bonds previously held in the Fund, and which were in turn sold to reimburse the Company for the money so deposited. Of the cash in the Fund, \$1,399,496 86 has been invested in State of Ohio non-taxable municipal securities, chiefly those of the City of Cincinnati.

The construction of the new power house has made excellent progress, all contracts have been let and the foundation work is practically completed. A photograph of the architect's drawing of the new plant appears at the beginning of the pamphlet report.

The question of the Company's rates for electric service has been definitely settled by agreement between the City of Cincinnati and the Company, approved by the Public Utilities Commission of Ohio. Under this agreement the full rates collected by the Company up to November 1 1916 were confirmed, and from that date the lower rates provided in the ordinance passed in July 1915 were made effective; such rates to continue until August 12 1925, subject, however, to revision in August 1920, if called for by either the City or the Company upon prescribed notice. In this manner the Company is assured of immunity from interference as to electric rates until 1920 at least. The new maximum rate of 8½¢. per kilowatt hour involves a reduction of 1c. from the former maximum net rate of 9½¢. Your officers believe that the loss in revenue resulting from this reduction will be more than offset by increased business, and it is proposed to pursue a most aggressive campaign for all classes of electric business, and in particular for large power business, which the Company will be in position to handle in a most satisfactory manner upon the completion of the new power house previously referred to.

In October 1916 the City of Cincinnati, after an exhaustive investigation, passed a five-year ordinance providing for a 35-cent net rate for gas, in place of the 30-cent rate previously in effect, also providing for a minimum monthly charge of 35 cents net. This ordinance was accepted by the Company, but was suspended by referendum petition and will be voted upon at an election to be held in August next. In

the meantime, as provided by law, the Company filed with the Public Utilities Commission of Ohio schedules covering the new rate, which is now being charged in the City of Cincinnati and other Ohio communities served, excepting a few small communities in which the old 30-cent rate ordinances have not yet expired.

#### KENTUCKY PROPERTIES.

All requirements of your Company's agreement with the Cincinnati Newport & Covington Light & Traction Company have been complied with, and all departments of these properties have been adequately maintained, and efficient service rendered.

In order to improve present traffic conditions and provide for increasing service, an order has been placed for twenty-five new double truck cars, which will be placed in operation at an early date.

Tentative arrangements have been made by which the cars of the Covington division will terminate in Cincinnati in what is to be known as the Dixie Terminal. This building when completed will provide a modern interurban railway terminal with every facility for the comfortable and efficient handling of passengers.

The franchises covering certain railway lines operated in the City of Newport, Kentucky, expired in September 1915. An agreement was reached with the City of Newport, by which a new franchise was passed and awarded to our Company, but this was defeated by referendum, and a regulative franchise was initiated and passed at the same election. This franchise was seriously objectionable to the Company, and upon its motion was temporarily enjoined by the Federal Court, and trial of this action is now pending. No interference with the regular operation of cars on any of the routes is proposed or anticipated.

New gas franchises were secured from the towns of Clifton and Bromley, Kentucky, and a new electric franchise from the town of Clifton. These franchises provide for a 35-cent net gas rate for the first five years, and 40 cents net thereafter, with a 25-cent minimum charge; the electric rates are standard with those now charged in the other Kentucky communities.

#### GENERAL.

With respect to operations in the ensuing year your Directors feel most optimistic, as in addition to the normal growth in the Company's business which is to be expected, there is every assurance that the full benefits of the several important developments of the year 1916 will be found in the earnings reported for 1917.

During the year the capital stock of your Company was listed on the New York Stock Exchange, and since the close of the year the First Mortgage 5% Bonds have also been listed on that Exchange.

It is with sincere sorrow that your Directors announce the sudden death on February 8th 1917 of Mr. F. B. Enslow, one of the Vice-Presidents and General Counsel of your Company. Mr. Enslow was one of the founders of the Company, an experienced gas operator, and an able lawyer. His services to the Company have been of unique value, and the loss of his advice and friendship is deeply regretted.

By order of the Board of Directors,  
A. B. LEACH, *President.*  
Huntington, W. Va., March 1st 1917.

#### OPERATING STATISTICS (YEARS ENDED DECEMBER 31ST).

Utilities Operating in Cincinnati District—			
Gas Department:	1916	1915	1914
Total number of gas customers	139,624	132,084	126,659
Total number of meters in use	145,511	135,927	132,610
Total gas sold (thousand cu. ft.)	18,251,852	16,614,119	16,241,302
Electric Department:			
Total number of electric customers	34,448	30,884	28,342
Total number of meters in use	35,026	31,520	29,051
Capacity of motors (H. P.)	47,867	40,039	33,356
Capacity of transformers (K. W.)	27,275	22,170	19,246
Number of incandescent lamps (K. W. eq.)	45,796	43,061	40,320
Total connected load (K. W.)	87,988	78,103	70,356
Street Railway Department:			
Total revenue passengers carried	29,814,937	28,089,231	28,944,392
Total car miles	4,583,596	4,563,844	4,714,845
Water Department:			
Total number of water consumers	3,804	3,721	3,582
Natural Gas and Oil Properties—			
United Fuel Gas Company:			
Gas sold (thousand cu. ft.)	39,290,448	29,594,673	29,283,145
Oil produced (barrels)	111,435	78,177	89,000
Gas Wells owned	556	511	452
Oil Wells owned	114	78	79
Gas Mains owned (miles)	1,345	1,200	1,158
Columbia Gas & Electric Company:			
Gas sold (thousand cu. ft.)	15,841,991	14,000,105	13,875,778
Gas Wells owned	202	183	152
Gas Mains owned (miles)	263	253	239

#### CONSOLIDATED INCOME STATEMENT—YEAR ENDED DECEMBER 31ST 1916 (WITH COMPARATIVE FIGURES FOR 1915).

Income—	1916	1915
Gross Earnings	\$9,058,251 61	\$8,044,532 17
Operating Expenses and Taxes	4,623,776 05	4,143,064 58
Net earnings	\$4,434,475 56	\$3,901,467 59
Other Income	\$29,327 74*	514,178 65
Total Gross Income	\$5,263,803 30	\$4,415,646 24
Deductions:		
Accrued Rentals to Cincinnati Gas & Electric Co.	\$1,865,037 21	\$1,788,546 99
Accrued Rentals to Cincinnati Gas Trans Co. (including Sinking Fund requirement of \$250,000)	692,747 34	688,389 67
Accrued rentals to C. N. & C. L. & T. Co.	801,095 85	795,693 79
Accrued Interest of the Union Gas & Electric Co.	51,263 86	79,494 52
Surplus Earnings of the Union Gas & Electric Co. apportionable to its outstanding stock		973 34
Total Deductions	\$3,411,044 26	\$3,353,098 31
Net Income	\$1,852,759 04	\$1,062,547 93
Fixed Charges, Columbia Gas & Electric Co.—		
Accrued Interest on 1st Mtge. 5% Gold Bonds of Col. G. & E. Co.	540,136 31	517,008 54
Accrued Interest on 5% Gold Debentures of Col. G. & E. Co.	130,825 00	126,554 16
Other Accrued Interest of Col. G. & E. Co.	24,322 02	38,346 10
Total Fixed Charges	\$695,283 33	\$681,908 80
Surplus	\$1,157,475 71*	\$380,639 13

\* Included in "Other Income" are the dividends on the Company's holdings of United Fuel Gas Company Stock, but this Company's proportion of the undistributed earnings of the United Fuel Gas Company, amounting for the year to \$485,131, are not so included.

#### —COLUMBIA GAS & ELECTRIC COMPANY, THE UNION GAS & ELECTRIC COMPANY—CONSOLIDATED BALANCE SHEET, DECEMBER 30TH 1916.

ASSETS.		LIABILITIES.	
Property Account, Comprising Gas Fields, Plants, Franchises, Leases, and Stock owned of United Fuel Gas Co. (45,900 shares—51%)	\$63,338,495 74	Capital Stock, Col. G. & E. Co.	\$50,000,000 00
Guarantee Funds Deposited with Trustees:		First Mortgage 5% Gold Bonds, Col. G. & E. Co.	13,488,500 00
Cash	\$251,303 14	5% Gold Debentures, Col. G. & E. Co.	2,850,000 00
Bonds, Col. G. & E. Co. 1st Mtge. 5% Gold		Outstanding Union G. & E. Co. Common Stock at par	5,000 00
Bonds (at par)	2,303,000 00	Current and Accrued Liabilities:	
State of Ohio non-taxable municipal securities—Cost	1,399,496 86	Accounts Payable	\$459,367 66
	3,953,800 00	Accrued Taxes	359,376 08
Other Securities Owned:		Accrued Rentals	776,199 68
Cincinnati Newport & Covington Lt. & Tr. Co. 4 3/4%		Accrued Interest on 1st Mortgage Bonds	279,637 50
Preferred Stock (850 shares)	85,000 00	Accrued Interest on Debentures	65,412 50
5% Gold Debentures in Treasury, at Par	232,831 67		1,939,993 42
Current and Working Assets:		Deferred Liabilities:	
Cash	\$1,291,774 95	Customers' Deposits	172,011 40
Accounts Receivable	902,900 31	Reserves:	
Material and Supplies	339,995 74	For Electric Rate Adjustment and Accrued Accts	\$141,467 37
Interest and Dividends accrued on Securities Owned	166,882 17	To Amortize Kentucky Betterments	108,333 37
	2,701,553 17	For Net Current Assets leased Sept. 1 1906.	336,731 43
Deferred Assets:			586,532 17
Prepaid Accounts	\$86,444 62	Surplus	1,374,446 50
Cincinnati Newport & Covington Lt. & Tr. Co. account betterments	18,358 29		
	104,802 91		
	\$70,416,483 49		\$70,416,483 49

We hereby certify that we have audited the books of account and record of the Columbia Gas & Electric Company, Huntington, W. Va., and the Union Gas & Electric Company, Cincinnati, Ohio, covering a period of four years ended December 31st 1916, and that, in our opinion, the foregoing Consolidated Balance Sheet correctly reflects the financial condition of the combined Companies, at December 31st 1916, and the accompanying Consolidated Income Statement is correct.

Cincinnati, February 26th 1917.

(Signed) ERNST & ERNST,  
Certified Public Accountants.

## REMINGTON TYPEWRITER COMPANY

ANNUAL REPORT FOR THE YEAR ENDING DECEMBER 31 1916.

## President's Report.

New York, March 9 1917.

To the Stockholders of the Remington Typewriter Company:

Your Board of Directors has approved for submission to you the accompanying consolidated Balance Sheet, statements of Income Account and Surplus Account of the Company and its subsidiaries for the year ending December 31 1916, certified to by Price, Waterhouse & Company, whose certificate is attached.

The Company did a larger and more profitable business during the year, resulting in increased net earnings, as will be seen by the report.

In preparing the annual statement, your Directors, Officers and Auditors have been very conservative in providing for depreciation of plants, inventories, &c., and in setting up adequate reserves for all doubtful accounts and contingencies.

The financial plan mentioned in our last annual report aided very materially in placing the Company in its present sound financial condition.

The business so far this year has been excellent, and, except for the present embargo affecting some of our foreign business, the outlook is very favorable.

By Order of the Board of Directors,

FRANK N. KONDOLF, *President.*

## Remington Typewriter Company and Its Subsidiary Companies.

CONSOLIDATED BALANCE SHEET, DEC. 31 1916.

ASSETS.		LIABILITIES.	
<i>Property Account—</i>		<i>Capital Stock—</i>	
Real Estate, Buildings, Machinery, Tools, Furniture, Fixtures, &c.	\$5,151,591 89	First Preferred	\$4,000,000 00
Less Reserve for Depreciation	1,509,608 04	Second Preferred	6,000,000 00
	\$3,641,983 85	Common	10,000,000 00
Good-will, Patents, &c.	13,177,048 26		\$20,000,000 00
Insurance Fund Investments	118,778 70	<i>Less, Held in Treasury:</i>	
<i>Current Assets—</i>		First Preferred	\$2,000 00
Inventories of Machines, Materials, Supplies, &c., at or below cost	\$5,423,153 05	Second Preferred	1,006,000 00
Accounts Receivable, Less Reserve for Bad and Doubtful Accounts	3,928,727 48	Common	4,000 00
Stocks and Bonds of Other Corporations	59,899 12		1,012,000 00
Cash on hand and in Banks in United States, Canada and in Foreign Countries at current rates of exchange	2,683,980 26		\$18,988,000 00
	12,095,759 91	<i>Stocks and Bonds of Subsidiary Companies</i>	
Charges Paid in Advance	92,607 32	not held by Remington Typewriter Co. (par value)	
	\$29,126,178 04	First Mortgage 6% Gold Bonds	\$5,500,000 00
		Less, Held in Treasury	361,000 00
			5,139,000 00
		<i>Current Liabilities—</i>	
		Accounts Payable	\$853,473 24
		Accrued Charges	165,000 00
			1,018,473 24
		<i>Sundry Reserves</i>	715,010 87
		<i>Surplus, as per annexed statement</i>	3,206,290 63
			\$29,126,178 04

## INCOME ACCOUNT FOR THE YEAR ENDING DEC. 31 1916.

Net Earnings	\$2,015,945 89
Deduct, Depreciation of Plants	278,100 00
	\$1,737,845 89
Deduct, Interest on Bonds	322,386 50
Net Income for Year Carried to Surplus	\$1,415,459 39

## SURPLUS ACCOUNT.

Balance as per Balance Sheet Dec. 31 1915	\$1,790,831 24
Add, Net Income for Year 1916	1,415,459 39
Surplus as per Balance Sheet	\$3,206,290 63

New York, March 9 1917.

To the President and Board of Directors, Remington Typewriter Company, 374 Broadway, New York City.

We have examined the books and accounts of the Remington Typewriter Company and its domestic and principal

foreign subsidiary companies, and we find that the annexed consolidated Balance Sheet, Income and Surplus Accounts are in accord therewith.

We have satisfied ourselves that the property accounts are correctly stated, and that proper provision has been made for depreciation of plants.

The inventories of finished machines, raw materials, supplies and parts have been valued at or below cost. All second-hand machines are carried at conservative valuations.

Due provision has been made for bad and doubtful accounts receivable and for all ascertainable liabilities.

We have verified the investments by actual inspection or by certificates from the depositaries.

The assets, liabilities and operations of the foreign companies have been incorporated in the Balance Sheet and relative Income Account at current rates of exchange. We certify that in our opinion the annexed Balance Sheet and Income and Surplus Accounts correctly state the financial condition of the Remington Typewriter Company and its subsidiary companies at December 31 1916 and the results of their operations for the year ending at that date.

PRICE, WATERHOUSE &amp; CO.

**Vinton-Roanoke (Va.) Water Co.—Bonds Offered.**—Geo. S. Fox & Sons, Phila., are offering at 100 and int. this company's First M. 6% gold bonds, dated Dec. 1 1916, due Dec. 1 1936, guaranteed unconditionally prin. and int. by endorsement on each bond by the Roanoke Water Works Co. Authorized, \$750,000; issued, \$300,000. A circular shows:

Interest is payable J. & D. Denom. \$1,000 and \$500 ea. Callable at 102 and int. on any int. date on 40 days' notice. Trustee, Commercial Trust Co., Phila. Penna. tax refunded. The company has indicated its present intention of paying the normal Federal income tax.

**The Company.**—Has been recently acquired and is now controlled by the Roanoke Water Works Co., whose properties are valued at about \$1,500,000, thus eliminating all competition in Roanoke and its suburbs. Population of Roanoke is about 55,000.

**Security.**—A first mortgage on the entire property appraised at \$750,000, including Falling Creek reservoir, capacity of 125,000,000 gallons, watershed, tunnels, &c., located about 8 miles east of Roanoke; transmission and distributing system extending to Roanoke as well as Vinton; controls the Bear Creek water-shed (all is covered by this mortgage), where the construction of a new reservoir will shortly be started. Additional bonds may be issued for extensions, &c., at not to exceed 80% of cost provided net earnings are 1½ times the interest due, including bonds to be issued.

**Earnings.**—Combined earnings of the two companies for the year ending Oct. 31 1916 were as follows: Gross earnings, \$156,774; operating expenses, taxes, including interest charges of the Roanoke Water Co., \$108,605; balance available for interest on \$300,000 Vinton-Roanoke Water Co. 6%, \$48,168; int. on this issue of bonds, \$18,000; surplus, \$30,168. Net earnings for 1917 are estimated at \$57,000.

**Franchises.**—Franchises of both companies are perpetual.

**Virginia Coal & Iron Co.—Guaranty.**—

See Interstate RR. under "Railroads" above.—V. 91, p. 1636.

**Wayagamack Pulp & Paper Co.—New President.**—

Vice-President C. R. Whitehead has been elected President to succeed J. N. Greenshields, resigned.—V. 104, p. 566, 459.

**Welsbach Co.—Earnings.**—For calendar years:

Cal. Year—	1916.	1915.	1916.	1915.
Gross profits	3952,544	\$779,371	Prof. dividend (7%)	\$87,500
Depreciation	123,075	61,683	Com. dividend (2%)	70,000
Bond interest	340,303	340,000	Work. capital res'v.	150,000
Sinking fund	105,360	105,360	Balance, surplus	78,054

The trustees under the mortgage have purchased since the last report for account of the sinking fund, including purchase March 1 1917, 292,400 of the collateral trust 5% bonds, making a total purchase of the bonds to date of \$3,068,400.—V. 102, p. 1065.

**Western Union Telegraph Co.—Dividend Increased.**—A quarterly dividend of 1½% has been declared on the \$99,786,727 stock, payable April 16 to holders of record Mar. 20. In Jan. last paid 1¼% and 1% extra.—V. 104, p. 170.

**Westinghouse Air Brake Co.—Stock Purc.—Div. Red'd.**—

The shareholders voted Mar. 15 to increase the capital stock from \$20,000,000 to \$30,000,000 and also ratified the agreement of Dec. 8 1916 covering the proposed exchange of shares of company stock for shares of the Union Switch & Signal Co. stock, as follows: (a) Three \$50 shares of the latter [\$8,162,758] common stock for two \$50 shares of Westinghouse

[In all \$4,108,506; (b) five \$50 shares of pref. (\$500,000) for four \$50 shares of Westinghouse (\$400,000). See plan V. 103, p. 2245. The directors declared a 20% stock dividend immediately following the approval of the increase in the stock.

A quarterly dividend of 3½% has been declared on the stock, payable April 21 to holders of record Mar. 31. This compares with 4% quarterly since Oct. 1913.

**Digest of Circular Dated Mar. 6, Signed by Chmn. H. H. Westinghouse.**

The destruction of the main machine shop of the Union Switch & Signal Co. at Swissvale, Pa., by fire, occurred Feb. 10 1917, but it is the judgment of the board that with the ample insurance carried by the Switch Co., including "use and occupancy" insurance of \$1,000 per day, and in view of the future advantages which are anticipated from modern shop construction, improved plant conditions and more efficient equipment, the ultimate prospective change in relative value of the stocks in question is not sufficient to justify our stockholders in declining to approve an agreement made in good faith and which contains no provision to cover contingencies of this character. Therefore the proposed exchange of shares if ratified will be carried out as set forth in circular of Jan. 17 1917.—V. 104, p. 958, 670, 263.

**Wolverine Copper Mining Co.—Dividend Increased.**

A semi-annual dividend of \$7 per share has been declared on the stock payable April 2 to holders of record March 7. This compares with \$6 per share in Oct. last.—V. 103, p. 584.

**Youngstown Iron & Steel Co.—Sold.**

See Sharon Steel Hoop Co. above.—V. 104, p. 870.

**CURRENT NOTICE.**

—The firm of Byrne & McDonnell, 60 Broadway, N. Y., was dissolved by mutual consent on March 15, the partnership having terminated. Two new firms, J. M. Byrne & Co. and McDonnell & Co., were organized to carry on a general investment business in stocks, bonds, grain and other commodities. The firm of J. M. Byrne & Co. consists of Joseph M. Byrne, Michael J. Donovan, Joseph M. Byrne Jr., John E. Kelley, Edward J. Wade, Howard Throckmorton, Martin Judge Jr., and Edward C. Lawson. It will have membership in the principal exchanges and will retain the offices of the dissolved firm at 60 Broadway and the Paterson and Newark, N. J., branches. The firm will open branches in San Francisco under the management of Howard Throckmorton and Martin Judge Jr., resident partners. Direct private wire service will be used with their branches.

The members of McDonnell & Co. are James F. McDonnell, Robert E. McDonnell, Hubert McDonnell, Harold Mack, William P. O'Connor and John Gallois. The firm holds membership in the N. Y. Stock Exchange, N. Y. Cotton Exchange, N. Y. Produce Exchange, Chicago Board of Trade, and the San Francisco Bond & Stock Exchange. It will have temporary offices on the 15th floor at 60 Broadway until about May 1, pending the completion of their new offices on the 2nd floor front of the Equitable Building, where they will have private elevator service at the Broadway entrance. McDonnell & Co. will have branch offices in the Produce Exch. Bldg., 42nd St. Bldg., N. Y. City; Asbury Park, N. J., and at 242 Montgomery St., and the Palace Hotel, San Francisco. The two last named offices will be in charge of Harold Mack and John Gallois, resident partners. The San Francisco offices will be connected with the main New York office by private wire.

—The firm of White & Co., Inc., of this city, of which Archibald S. White was head, has been succeeded by a new corporation having the name of Ussing, Poole & Simmons, Inc., at 5 Nassau St. this city, with a paid in capital in excess of \$2,500,000. The new concern will deal in municipal, government, railroad, public utility and industrial securities, as well as in listed and unlisted bonds and stocks. Besides acquiring the business of White & Co., Inc., of this city, the new concern has also secured the business of White, Poole, Howard, Simmons & Co. of Chicago; White, Fellner & Co. of London, Eng., and White, Fellner & Elliott of Liverpool, Eng. The officers and directors of the new organization will be: Olaf Ussing, President, New York; R. M. Simmons, Vice-President, Chicago; Clark L. Poole, Vice-President, Chicago; Robert J. Fellner, Vice-Pres. & Treas., New York; A. W. Howard, Vice-Pres. & Sec., Chicago; H. N. Hosick, Vice-President, Chicago, and Horace S. Poole, Assistant Treasurer, Chicago. The main offices will be located at 5 Nassau St., New York, and the Westminster Building, Chicago. Branch offices will be operated at Cleveland, Philadelphia and Detroit. Mr. White, who retires from business, figured in the recent "leak" inquiry.

—Henry C. Swords, President of the Fulton Trust Co. of this city, says in the quarterly bank circular issued by his institution:

"Judging from the prevailing sentiment, investors propose to take part in absorbing a United States Government loan if an issue is made, and every one with money on hand will want to show his patriotism by taking United States Government bonds. Just now patriotism comes before business; 'America First.' My country, may she always be right, but right or wrong, my country. Every one, rich or poor should uphold the Government without regard to party."

A copy of this circular suggesting prime investments will be mailed by the trust company on request.

—At 101½ and interest, yielding 4.40%, Kean, Taylor & Co., New York and Chicago, are advertising \$1,020,000 Buffalo Rochester & Pittsburgh Ry. Co. consolidated mortgage 4½% bonds, due May 1 1937. Legal investment for savings banks and trustees in New York, Connecticut, Rhode Island, New Jersey and other States.

—As a matter of record, Kissel, Kinnicutt & Co., White, Weld & Co., and Montgomery, Clothier & Tyler, are jointly advertising \$7,000,000 Sinclair Gulf Corporation first lien 10-year convertible 6% bonds, due March 1 1927. The bonds were offered at 99½ and accrued interest and have all been sold.

—The Hebrew Sheltering & Immigrant Aid Society of America has issued its eighth annual report. Jacob H. Schiff and Isaac N. Seligman are on the advisory board. N. Y. office, 229 East Broadway. Branches, Philadelphia, Baltimore, Boston, San Francisco, Seattle and Washington, D. C.

—William C. Orton, 25 Broad St., has issued a circular on the New Mexico & Arizona Land Co., the \$1,000,000 company formed in connection with the reorganization of the St. Louis & San Francisco RR. to take title to some 1,213,365 acres of land in New Mexico and Arizona.

—A booklet entitled "War Loans and the United States" has been issued and will be sent to all inquirers upon request by the Guaranty Trust Co. of this city. This booklet describes the story of war financing and its bearing on national growth.

—E. F. Dunham, formerly with Slattery & Co., has announced the opening of offices on the 9th floor of 43 Exchange Place, N. Y., where he will conduct a general business as a dealer in stocks and bonds under the name of Dunham & Co.

—The Electric Bond & Share Co., 71 Broadway, announces that G. J. Anderson has severed his connection with the company. The business of the commission department will be temporarily in charge of C. M. Hamilton.

—John Nickerson, Jr., New York, St. Louis and Boston, are offering an attractive first mortgage 6% serial bond, maturing in from one to fifteen years. Full description on application. See to-day's advertisement.

## The Commercial Times.

### COMMERCIAL EPITOME

Friday Night, March 16 1917.

It is one of the striking signs of these remarkable times that in spite of all obstacles, trade is still active. Predictions of a vast railroad strike in this country, continued car shortage, even though slightly mitigated, the sinking of the American steamship Algonquin by a German submarine, which may be the prelude to a declaration of war against Germany when Congress meets on April 16th, all seem powerless to arrest the gigantic sweep of trade, which takes in all commodities, all industries, and all sorts and conditions of men. High prices, the burdensome cost of living, the high cost of labor, nothing seems to stop the activity which so distinctly runs counter to what economists might expect. Nobody knows but the country's business may soon be held as in a vise by the grip of a vast strike on the railroads of the United States. Yet there is no evidence of undue excitement. It is simply assumed that a catastrophe so grave will either not be allowed to take place, or if it occurs, will be speedily ended under the pressure of public opinion, which will certainly not brook anything of that kind with famine in its train. The dry goods trade is very large. The cotton mills are especially busy in these times when woolen goods are so costly. In case of war with Germany, the United States Government would probably buy cotton goods on a large scale. Iron and steel are active at rapidly rising prices. The United States Government is buying steel heavily and the foreign demand is still a factor. It is said that Allied Governments are inquiring for 500,000,000 pounds of copper. Beneficial rains have fallen in Kansas and Nebraska and other parts of the winter-wheat belt, including Ohio, Iowa, and Oklahoma. Shipyards are swamped with orders. The Navy Department program calls for work to the amount of well over \$100,000,000. On the other hand, storms and bad roads have hurt retail trade in parts of the country. Car shortage is still a serious evil. Building is, to some extent, restricted by high prices of materials and labor, and by railroad delays. The condition of winter wheat is below that of a year ago. The weather in the cotton belt is not favorable for spring field work and planting, and already the season is late, whereas an early start was hoped for as one means of combating the boll weevil pest. Ocean freights continue scarce and high; recently it is said, as high as a 20% war risk rate was paid by a cotton ship bound for an Italian port. Nevertheless, trade, as we have seen, is still of remarkable volume. Europe is still buying our grain. Finally, it is very generally believed that the revolution in Russia will mean greatly increased vigor in the prosecution of the war and conceivably a much earlier ending of it than might otherwise have been the case.

LARD again higher; prime Western, 20c.; refined to the Continent, 20.85c.; South America, 21c.; Brazil, 22c. Futures advanced early in the week but later reacted owing to a fear of a big railroad strike, a decline in grain and hogs, and a lessened demand. Receipts of hogs increased. On declines, however, packers have been buying. To-day prices, though lower at one time closed slightly higher owing to buying by some leading interests and higher prices for hogs. There is a net advance for the week.

**DAILY CLOSING PRICES OF LARD FUTURES IN CHICAGO.**

	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
May delivery.....	cts.18.97	18.97	18.80	18.70	19.00	19.92
July delivery.....	18.92	18.97	18.80	18.67	18.97	19.00

PORK again higher; mess, \$35 50@36; clear, \$36@38.

Beef products firm; mess, \$24@25; extra India mess, \$45@46. Cut meats again higher; pickled hams, 10 to 20 lbs., 19½@20½c.; pickled bellies, 21c. Butter, creamery, 34@43c. Cheese, State, 24½@27½c. Eggs, fresh, 27½@30½c.

COFFEE dull; No. 7 Rio, 9½c.; No. 4 Santos, 9¼@9½c.; fair to good Cuetu, 11@11½c. Futures were a trifle weak early in the week on trade selling, but advanced later owing to the Russian revolution, which may mean an earlier peace, good buying of December by Cotton Exchange houses and some buying by Europe. Besides, Brazil has not been forcing coffee in the market to the extent that was expected. But the statistical position is considered bearish, the prospects seem to point to a large crop in Brazil, and France as well as England may exclude coffee. To-day prices closed 1 to 9 points higher with sales reported of 39,750 bags. Quotations follow:

March.....	cts.7.53@7.56	July.....	cts.7.79@7.80	Novembr.cts.8.04@8.05	
April.....	7.59@7.61	August.....	7.85@7.88	December.....	8.09@8.10
May.....	7.65@7.66	September.....	7.92@7.93	January.....	8.15@8.16
June.....	7.72@7.73	October.....	7.98@7.99	February.....	8.23@8.24

SUGAR quiet; centrifugal, 96 degrees test, 5.27@5.33c.; molasses, 89 degrees test, 4.50@4.56c.; granulated, 7@7½c. Futures have advanced at times, despite the reported collapse of the revolution in Cuba as the crop in Cuba is said to have been damaged, and the Cuban crop is estimated

at only about 3,000,000 tons, a decrease roughly of half a million tons from last year. But latterly prices have receded somewhat on fears of a railroad strike and as offerings of raw for nearby delivery increased, reports that damage in Cuba had been exaggerated, and finally the larger movement of the crop as compared with a year ago. To-day prices closed 2 points lower to 1 point higher with sales reported of 11,250 tons. Prices end a shade higher for the week. Prices were as follows:

Table with 4 columns: Month, Price (cts.), and Range. Rows include March, April, May, June, July, August, September, October, November, December, and January.

Oil. Linseed again higher, owing to larger export demand; city, raw, American seed, \$1 @ \$1.02; city, boiled, American seed, \$1.01 @ \$1.03; Calcutta, \$1.20. Lard, prime, again higher at \$1.55 @ \$1.60. Cocoanut, Cochin, 19c.; Ceylon 17c. Corn higher at 11.81c.; Palm, Lagos 14c. Soya bean, 13 1/2c. Cod, domestic, 75 @ 76c. Spirits of turpentine, 48 @ 48 1/2c. Strained rosin, common to good, \$6.15 @ \$6.25. Cottonseed oil higher on the spot at 13.50c. To-day cottonseed oil futures closed as follows:

Table with 4 columns: Month, Price (cts.), and Range. Rows include March, April, May, June, July, August, September, and October.

PETROLEUM active and again higher; refined in barrels, \$10.25 @ \$11.25; bulk, \$5.50 @ \$6.50; cases, \$12.75 @ \$13.75. Naphtha, 73 to 76 degrees, in 100-gallon drums and over, 42 1/2c. Gasoline active both for domestic and foreign consumption, especially domestic, and demand is steadily increasing. Motor gasoline, in steel barrels, to garages, 24c.; to consumers, 26c.; gasoline, gas machine, steel, 41c.; 73 to 76 degrees, steel and wood, 33 @ 36c.; 68 to 70 degrees, 29 @ 32c. Refined petroleum for export has again advanced, owing to increased export movement. Caddo heavy crude advanced to \$1. Production in the Caddo field during the last month and a half has been decreasing. In the Eastern fields the recent snow hampered work to some extent.

Table listing various grades of petroleum products like Pennsylvania dark, Cabell, Mercer black, etc., with their respective prices in dollars and cents.

TOBACCO has been firm with a brisk demand. Binder and filler are both in moderate supply. The consumption of cigars is large and manufacturers are very busy. Scarcity of ocean freights is a bar to direct importations of Sumatra tobacco from the East Indies. Nobody knows just when the next inscriptions will be held at Amsterdam or whether tobacco bought there for this country could be shipped to the United States. Certainly if war should break out between this country and Germany, shipments to American ports would be more or less hazardous. The Cuban outlook is clearing up as the revolution is being put down.

COPPER quiet as a rule but rumors are afloat that the Allies are trying to contract for 500,000,000 pounds. Lake here on the spot, 36c.; electrolytic, 36c.; for delivery in the third quarter, 31 1/2 @ 32c. Domestic buying for delivery in the third quarter has continued, but the demand for nearby deliveries has been small and prices slightly easier. Tin lower on the spot at 53 1/2c., owing to an announcement by the Government that American merchantmen would be armed. London and Singapore declined sharply early in the week, but latterly have been firmer. The threatened vast railroad strike had little effect. Arrivals thus far this month are 1,475 tons. Spelter dull and lower on the spot at 11 1/2c. Lead quiet and lower on the spot at 9 1/4c., as shipments, long delayed at the West, were beginning to arrive in the East. The threatened big railroad strike has been ignored because of this. Pig iron has advanced \$2 a ton or more on a sharp and excited demand. Prices have been especially firm in the East. Some Pennsylvania makes quote No. 2 ex. at \$40. Basic advanced \$1 in the Valley. Coke on contracts is up to \$8.50 ovens. Demand for iron extends into 1918 deliveries. No. 2 Northern generally quoted \$36.50 @ \$37.50; No. 2 Southern, \$29 @ 30, Birmingham. Steel is steadily rising with a sharp demand. Ship plates advanced \$10 a ton at Pittsburgh. The experiences of the trade are unique. New landmarks are being made. Foreign business is a factor with a good domestic trade. Mills are well sold ahead and there is little or no relief to the pressure on producers. Some kinds of finished steel are more freely offered, however, at the recent advance. It is believed that the Government is buying freely.

COTTON

Friday Night, March 16 1917.

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 74,958 bales, against 65,068 bales last week and 70,610 bales the previous week, making the total receipts since Aug. 1 1916 5,676,083 bales, against 5,587,674 bales for the same period of 1915-16, showing an increase since Aug. 1 1916 of 88,409 bales.

Table showing weekly receipts for various ports like Galveston, Texas City, Port Arthur, etc., from Saturday to Friday, with a total for the week.

The following shows the week's total receipts, the total since Aug. 1 1916 and the stocks to-night, compared with last year:

Table comparing 1916-17 and 1915-16 receipts and stocks for various ports, including columns for 'This Week', 'Since Aug 1 1916', and 'Stock'.

In order that comparison may be made with other years, we give below the totals at leading ports for six seasons:

Table showing total receipts for six seasons (1917, 1916, 1915, 1914, 1913, 1912) for various ports like Galveston, Texas City, etc.

Since Aug. 1. 5,676,083 5,587,674 5,536,588 5,387,288 8,747,290 107,238,49

The exports for the week ending this evening reach a total of 34,015 bales, of which 25,408 were to Great Britain, 6,662 to France and 1,945 to other destinations. Exports for the week and since Aug. 1 1916 are as follows:

Table showing exports to Great Britain, France, and Other destinations, with sub-totals for each and since Aug. 1 1916.

Note.—Exports from New York include 60 bales Peruvian to Havre and 590 bales West Indian to Liverpool.

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.

Table showing cotton on shipboard, not cleared for, for various ports like Galveston, New Orleans, Savannah, etc., with columns for 'Great Britain', 'France', 'Germany', etc.



THE VISIBLE SUPPLY OF COTTON to-night, as made up by cable and telegraph, is as follows. Foreign stocks, as well as the afloat, are this week's returns, and consequently all foreign figures are brought down to Thursday evening. But to make the total the complete figures for to-night (Friday), we add the item of exports from the United States, including in it the exports of Friday only.

Table showing cotton stock and supply statistics for 1917, 1916, 1915, and 1914. Categories include Stock at Liverpool, Stock at London, Stock at Manchester, Total Great Britain, Total Continental stocks, Total European stocks, and Total visible supply.

Table showing American cotton stock and supply statistics for 1917, 1916, 1915, and 1914. Categories include American stocks, Total American, Total visible supply, and various regional sub-totals.

Continental imports for past week have been 27,000 bales. The above figures for 1917 show a decrease from last week of 30,788 bales, a loss of 1,032,320 bales from 1916, a decrease of 2,857,457 bales from 1915 and a decline of 1,308,497 bales from 1914.

AT THE INTERIOR TOWNS the movement—that is, the receipts for the week and since Aug. 1, the shipments for the week and the stocks to-night, and the same items for the corresponding period of the previous year—is set out in detail below.

Table titled 'Movement to March 16 1917' and 'Movement to March 17 1916'. Columns include Towns, Receipts (Week, Season), Shipments (Mar. 16, 17), and Stocks (Mar. 16, 17). Lists various interior towns like Ala., Eufaula, Montgomery, etc.

Note.—Our Interior Towns Table has been extended by the addition of 8 towns. This has made necessary the revision of the Visible Supply Table and a number of other tables.

The above totals show that the interior stocks have decreased during the week 15,488 bales and are to-night 10,647

bales more than at the same time last year. The receipts at all towns have been 26,919 bales less than the same week last year.

OVERLAND MOVEMENT FOR THE WEEK AND SINCE AUG. 1.—We give below a statement showing the overland movement for the week and since Aug. 1, as made up from telegraphic reports Friday night. The results for the week and since Aug. 1 in the last two years are as follows:

Table showing overland movement statistics for 1917, 1915-16, and 1914-15. Includes categories like Total gross overland, Deduct Shipments, and Total to be deducted.

The foregoing shows the week's net overland movement has been 9,399 bales, against 35,286 bales for the week last year, and that for the season to date the aggregate net overland exhibits an increase over a year ago of 252,662 bales.

Table showing 'In Sight and Spinners' Takings' for 1917, 1915-16, and 1914-15. Includes Receipts at ports to March 16, Net overland to March 16, and Total marketed.

Movement into sight in previous years:

Small table showing movement into sight in previous years for 1915-March 19, 1914-March 20, and 1913-March 21.

COTTON CONSUMPTION AND OVERLAND MOVEMENT TO MARCH 1.—Below we present a synopsis of the crop movement for the month of February and the seven months ended Feb. 28-29 for three years:

Table comparing cotton consumption and overland movement for February and 7-month periods in 1917, 1916, and 1915.

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.

Table showing receipts from plantations by week and since Aug. 1 for 1917, 1916, and 1915.

The above statement shows: 1.—That the total receipts from the plantations since Aug. 1 1916 are 6,433,040 bales; in 1915-16 were 6,210,541 bales, and in 1914-15 were 9,424,493 bales. 2.—That although the receipts at the outports the past week were 74,958 bales, the actual movement from plantations was 59,470 bales, the balance being taken from stocks at interior towns. Last year receipts from the plantations for the week were 62,734 bales, and for 1915 they were 192,773 bales.





of course, hampered by transportation troubles. Europe, it is believed, would be willing enough to buy, and a certain amount of business is being done for European account. But on the whole, it has dwindled to small proportions, owing to car shortage and other drawbacks. It is said that Canadian mills have done considerable business for export, and the United Kingdom has bought on a moderate scale here within a day or two. The domestic trade has been restricted to the passing needs of the day. A fair jobbing trade has been done. Uncertainty about the railroad situation and the movements of the wheat market have combined to keep business within comparatively restricted bounds. The total output last week at Duluth, Milwaukee and Minneapolis was 416,000 barrels, and 424,000 barrels in the previous week and 427,000 barrels in the same week last year.

Wheat declined, partly as a result of the threatened big railroad strike in this country. The car shortage has been bad enough. A big strike on the railroads would make the last condition of the country far worse than the first. Export business has as a rule been moderate. Last Tuesday, however, it was announced that exporters had recently taken 2,000,000 bushels of hard winter and Canadian. Another factor which tended to depress prices was the increased rainfall at the Southwest, whereby crop prospects in that section were improved. Speculation has been unsettled, not only by the railroad situation but also by the uncertainties of the political outlook. On the whole, however, the railroad news and rumors have dominated the market. Railroads on the 14th inst., according to a Chicago dispatch, posted notices refusing freight on account of the threatened strike. This, with the sinking of the Algonquin, an American steamship, caused a break of anywhere from 2 to 5 cents that day, or 6 cents from the top quotations. Also, clearances were small at that time. Liverpool advices at one time stated that arrivals were increasing there and also supplies, as the consumption had been largely reduced, inferentially owing to the mixing of grain. The Continental demand, the same advices said, was comparatively moderate, as economy in the use of wheat is being practiced on all sides, owing to its high cost. At the same time, the English trade is counting on large reserves in Canada. The Canadian visible supply is close to 36,000,000 bushels, against 31,405,000 a year ago. The military successes of the Allies, according to English advices, have relieved the anxiety of the trade to some extent as to the outlook for supplies. Yet on the other hand, the market has shown a certain resistance to depressing influences. On the 13th inst. Chicago advices said that in the previous four business days the export sales of cash wheat and the purchases of futures for foreign governments had reached something like 8,000,000 bushels, including 3,000,000 taken by the Belgian Relief Commission. Meanwhile, available stocks in this country are decreasing rapidly. Last week they fell off 2,446,000 bushels, or about seven times the decrease in the same week last year. This makes the total nearly 20,000,000 bushels smaller than a year ago, when it was 159,314,000 bushels. Of late Argentina has reported prices steady. India is shipping on a very small scale, and important districts are complaining of the crop outlook, though some other parts of the country have received ample moisture. Argentina shipped very little, and the movement in the interior is small, as farmers are holding for better prices. In Australia, moreover, the movement of wheat is light and much remains in the fields or is improperly housed. Actual clearances from Australia are small, as ocean tonnage continued scarce. To-day prices opened lower but ended higher, owing to an oversold market and covering of shorts.

**DAILY CLOSING PRICES OF WHEAT FUTURES IN NEW YORK.**

No. 2 red	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
	cts.	207 1/2	206	202	203	208

**DAILY CLOSING PRICES OF WHEAT FUTURES IN CHICAGO.**

May delivery in elevator	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
	cts.	186 1/4	180 1/4	181 1/4	176 3/4	180
July delivery in elevator		156 1/4	152 3/4	154 1/4	152 3/4	153 3/4
September delivery in elevator		145 3/4	142 3/4	143 3/4	141 3/4	144 3/4

Indian corn has declined, mainly owing to fears of a country-wide railroad strike. Cars are said to be scarce in all sections of the West. This naturally hurts cash business. But, on the other hand, there has been quite a good cash inquiry. Early in the week this was especially noticeable. It is a natural inference from recent car shortage that supplies at some points must be running low. Consumers seem to be becoming anxious in some cases. Commission houses early in the week were good buyers and Chicago bull operators gave the market support. No. 3 grades have been selling at the May price at half a cent over. At many points receipts have been small. The visible supply decreased last week 254,000 bushels, as contrasted with an increase in the same week last year of 823,000 bushels. The total visible supply in the United States is only about half as large as it was a year ago. It is 12,677,000 bushels, against 25,428,000 at this time last year. Liverpool reports that arrivals there have been small coincident with a large consumption. Stocks there are decreasing and the quantity on passage is moderate. The Continental demand continues to be large, a fact which tends to keep prices high. Argentina is shipping very little, and new crop prospects there are not up to the normal. Moreover, American reserves are disappointing to Europe. This also tends to prevent foreign prices from declining much, especially as Rumania has nothing to export and the Russian supply is tied up. It may move more freely now that the Russian revolution has triumphed. To-day prices opened lower but

advanced later in sympathy with wheat. Net changes for the week are not marked.

**DAILY CLOSING PRICES OF NO. 2 MIXED CORN IN NEW YORK.**

No. 2 yellow	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
	cts.	123 1/4	121	121 1/4	121	118

**DAILY CLOSING PRICES OF CORN FUTURES IN CHICAGO.**

May delivery in elevator	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
	cts.	108 1/4	107 1/4	108 1/4	106 1/4	107 1/4
July delivery in elevator		107 1/4	106 3/4	107 1/4	105 1/4	106 3/4
September delivery in elevator		107	105 3/4	106 1/4	104 3/4	105 3/4

Oats declined with other grain, mainly because of a fear of a big railroad strike in this country. Also the largeness of the visible supply counts. So does the belief that Canada will offer oats freely for export. The available supply in North America is still 61,096,000 bushels, or nearly 22,000,000 bushels larger than a year ago, and 23,000,000 bushels more than at this time in 1915. This in spite of the fact that the supply is steadily decreasing. On the other hand, the decline has not been very severe; quite the contrary. For oats are considered relatively cheap as compared with corn and wheat. And the supply is being reduced more rapidly than a year ago. The receipts are small. Some export demand prevails, and a certain amount of foreign business has been done. In fact, on the 13th inst., the export sales were given as 300,000 bushels, and on the 14th, 100,000 bushels. In Liverpool prices have been firm, with a good demand. Military needs in Europe are very large, and France and Italy are taking liberal quantities. American offerings to Europe are at firm prices. Argentina is offering very little, and Chilean arrivals at Liverpool have been small. The Continent has absorbed American offerings. Barley and rye have been firm but quite in Liverpool, with supplies moderate and arrivals small. Here barley has been weaker but rye firmer of late, though early in the week rye was also weaker. Trade in both has been quiet, with little or nothing reported for export. To-day prices opened lower but ended higher, with some buying by prominent interests. Receipts were light. There is a moderate decline for the week.

**DAILY CLOSING PRICES OF OATS IN NEW YORK.**

Standards	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
	cts.	75 @ 75 1/4	74 @ 74 1/4	74 @ 74 1/4	74 @ 75	74 1/4 @ 75 1/4
No. 2 white	Nom.	Nom.	Nom.	Nom.	75	75 1/4 @ 76

**DAILY CLOSING PRICES OF OATS FUTURES IN CHICAGO.**

May delivery in elevator	Sat.	Mon.	Tues.	Wed.	Thurs.	Fri.
	cts.	59	57 1/4	58	56 1/4	57 1/4
July delivery in elevator		58 1/4	55 1/4	56 1/4	55	55 3/4 @ 56 1/4

The following are closing quotations:

**FLOUR**

Winter, low grades	\$7 50 @ \$8 00	Spring, low grades	\$7 00 @ \$7 50
Winter patents	9 25 @ 9 50	Kansas straight, sacks	9 25 @ 9 50
Winter straights	8 75 @ 9 00	Kansas clears, sacks	8 00 @ 8 75
Winter clears	8 40 @ 8 65	City patents	10 30
Spring patents	9 50 @ 9 75	Rye flour	7 75 @ 8 50
Spring straights	8 90 @ 9 40	Buckwheat flour	
Spring clears	8 50 @ 8 75	Graham flour	7 00 @ 8 00

**GRAIN**

Wheat, per bushel—f. o. b.—	Corn, per bushel—
N. Spring, No. 1, new	No. 2 mixed
N. Spring, No. 2	No. 3 yellow kiln dried
Red winter, No. 2, new	No. 3 yellow
Hard winter, No. 2	Argentina
Oats, per bushel, new	Rye, per bushel—
Standard	New York
No. 2, white	Western
No. 3, white	Barley, malting
No. 4, white	Barley, feeding

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.
Chicago	600,000 bush.	60 bush.	50 bush.	32 bush.	180 bush.	50 bush.
Minneapolis	403,000	831,000	1,338,000	2,368,000	484,000	87,000
Duluth	2,165,000	305,000	608,000	302,000	302,000	78,000
Milwaukee	60,000	2,000	6,000	35,000	8,000	8,000
Toledo	11,000	194,000	310,000	886,000	338,000	44,000
Detroit	59,000	104,000	95,000			
Cleveland	8,000	18,000	89,000	39,000		
St. Louis	9,000	65,000	65,000		1,000	
Peoria	82,000	613,000	484,000	524,000	5,000	
Kansas City	39,000	26,000	630,000	219,000	54,000	
Omaha	789,000	241,000	149,000			
	251,000	417,000	203,000			
Total wk. '17	552,000	5,006,000	4,483,000	5,165,000	1,201,000	218,000
Same wk. '16	421,000	6,521,000	5,884,000	3,581,000	1,443,000	169,000
Same wk. '15	303,000	3,306,000	2,495,000	3,731,000	912,000	130,000
Since Aug. 1—						
1916-17	11,849,000	207,532,000	141,999,000	188,332,000	67,881,000	17,663,000
1915-16	13,436,000	305,176,000	154,280,000	130,893,000	85,753,000	18,413,000
1914-15	13,427,000	319,485,000	183,151,000	203,371,000	99,157,000	17,580,000

Total receipts of flour and grain at the seaboard ports for the week ended Mar. 10 1917 follow:

Receipts at—	Flour.	Wheat.	Corn.	Oats.	Barley.	Rye.
New York	145,000	2,315,000	774,000	892,000	147,000	8,000
Philadelphia	40,000	629,000	145,000	352,000		11,000
Baltimore	28,000	382,000	710,000	389,000	43,000	183,000
N'port News				925,000		
New Orleans*	52,000	248,000	103,000	32,000		
Galveston		24,000	34,000		8,000	
Montreal	12,000	170,000		29,000	3,000	
Boston	66,000	13,000	22,000	309,000		
Total wk. 1917	346,000	3,781,000	1,783,000	2,228,000	201,000	203,000
Since Jan. 1 '17	3,614,000	42,934,000	15,085,000	21,540,000	5,063,000	2,588,000
Week 1916	435,000	6,230,000	1,555,000	2,523,000	893,000	163,000
Since Jan. '16	5,916,000	71,901,000	11,978,000	24,986,000	6,862,000	2,943,000

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



## STATE AND CITY DEPARTMENT.

## News Items.

**Arkansas.**—*Legislature Adjourns.*—On March 8 the 41st session of the State Legislature ended.

**Bayhead, N. J.**—*State Supreme Court Upholds Validity of Bonds.*—In a test suit brought to determine the legality of the 5% sewer bonds mentioned in our issue of Nov. 11 1916, page 1809, the State Supreme Court has decided that although there had been a failure in the proceedings in regard to the passage of an ordinance prior to an election, the fact that the ordinance did not take effect until after said election and that no protest had been filed as provided by Section 2 of Paragraph 3, Chapter 252, Laws of 1916, within 20 days after publication of said ordinance and that the bonds were issued for a proper purpose, led the Court to the conclusion that the legality of the issue must be sustained.

On March 3 the issue (\$60,000) was awarded to Karr & Wilson of Camden at 102, all other bids having been withdrawn.

**Bolivia (Republic of).**—*New Loan.*—In our editorial columns this week, reference is made to a loan of \$2,400,000 recently arranged for this country.

**British Government.**—*Loan Syndicate Closed.*—See reference this week in our editorial columns.

**California.**—*Governor Johnson Resigns—New Governor.*—Governor Hiram W. Johnson, who was elected as U. S. Senator from California at the general election in November last, announced his resignation from the governorship on March 12, effective March 15. Governor Johnson's term of office would not have expired until Jan. 1 1919. He is succeeded automatically by William D. Stephens of Los Angeles, who was appointed Lieutenant Governor by Governor Johnson after a considerable interval following the death of Lieutenant Governor John Eshleman Feb. 28 1916.

**Canada (Dominion of).**—*New War Loan of \$150,000,000.*—In our editorial columns this week full particulars are given concerning the \$150,000,000 5% gold loan, for which subscription lists were opened on March 12 and will close on or about March 23.

**Cookeville, Putnam County, Tenn.**—*New Charter Adopted.*—Reports state that the new charter providing for city commissioners carried by a vote of 211 to 147 at an election held March 10.

**France (Republic of).**—*New Secured Loan of \$100,000,000.*—Reference to a new loan of \$100,000,000 to be offered for public subscription is made in our editorial columns this week.

**Kansas.**—*Legislature Adjourns.*—The 1917 Legislature of this State adjourned sine die March 9.

**Newark, Licking County, Ohio.**—*Charter Plan of Government Defeated.*—The proposed charter plan of government failed to carry, it is said, at the election held Mar. 13. The vote is reported as 969 "for" to 1,107 "against."

**New York State.**—*Senate Adopts Proposed Amendment to Constitution Providing for Equal Suffrage.*—By a vote of 39 to 7 the Senate on March 12 authorized the resubmission in November next of an amendment to the constitution providing for equal suffrage. The Assembly on Feb. 20 passed the proposal by a vote of 124 to 10.—V. 104, p. 777.

**Porto Rico.**—*Bond Offering.*—Proposals will be received until 2 p. m. April 17 by the Bureau of Insular Affairs, War Department, Washington, D. C., for \$300,000 4% gold registered tax-free bonds, which are issued in accordance with the authority contained in Secs. 32 and 38 of the Act of Congress, approved April 12 1900, entitled "An Act temporarily to provide revenues and a civil government for Porto Rico and for other purposes," and in accordance with the authority of an Act of the Legislative Assembly of Porto Rico, approved July 26 1913, entitled "An Act to provide a method of refunding to the Insular Treasury the amounts loaned by the people of Porto Rico to the municipal corporations and school boards of Porto Rico and secured by the bonds of the said municipal corporations and school boards."

Denom. \$1,000 and \$5,000 in proportions to suit the purchaser or purchasers, and will be interchangeable one denomination for the other. Date July 1 1916. Int. payable J. & J. Prin. and int. will be payable at the U. S. Treasury. Maturity on July 1 as follows: Series A, 1918, \$30,000; Series B, 1919, \$30,000; Series C, 1920, \$30,000; Series D, 1921, \$30,000; Series E, 1922, \$30,000; Series F, 1923, \$30,000; Series G, 1924, \$30,000; Series H, 1925, \$30,000; Series I, 1925, \$30,000; Series J, 1927, \$30,000.

Cert. check or bank draft in New York funds for 2% of the bonds bid for, payable to the Chief, Bureau of Insular Affairs, War Department, is required. If the bid makes no mention of accrued interest it will be understood that accrued interest is offered by the bidder in addition to the price named for the bonds. The United States Treasury Department authorizes the statement that, unless and until further notice to the contrary, it will accept these bonds as security for public deposits at their market value, but not exceeding their par value. The Postmaster-General authorizes the statement that they will be accepted at par as security for postal savings deposits. These bonds will also be accepted at par by the Government of Porto Rico as security for deposits of funds of that Government. Accepted subscriptions will be payable April 26 1917 at a bank in New York City to be designated by the Bureau of Insular Affairs, War Department, and the bank so designated will make delivery of the bonds, or interim certificates exchangeable for the definitive bonds, as soon as the bonds can be issued. The legality of these bonds has been passed upon by the Attorney-General of the United States. Under the provisions of Sec. 3 of the Act of Congress, approved March 2 1917, entitled "An Act to provide a civil government for Porto Rico, and for other purposes," these bonds are exempt from taxation by the Government of the United States, or by the Government of Porto Rico or of any political or municipal subdivision thereof, or by any State, or by any county, municipality, or other municipal subdivision of any State

or territory of the United States, or by the District of Columbia. Bidders may restrict their offers to bonds of particular series, but unless so restricted the Bureau reserves the right to award on any bid any of the bonds not awarded to other bidders.

The bonded indebtedness of the Insular Government on Jan. 31 1917 was \$8,980,000, while the balance in the sinking fund on that date was \$830,000.51.

The population of the Islands, according to the Census of 1910, was 1,118,012, and the assessed value of property in the Island for the purposes of taxation for the fiscal year 1915-16 amounted to \$180,776,142.

**San Juan, Porto Rico.**—*Bond Sale.*—On March 9 the \$915,000 5% gold coupon refunding and improvement bonds (V. 104, p. 178), were awarded jointly to Tillotson & Wolcott Co., Otis & Co., of Cleveland and New York, and Cummings, Prudden & Co., of Toledo and New York, at 107.80 and interest.

**Union Springs, Cayuga County, N. Y.**—*Election on Purchase of Electric Light Plant.*—This village will hold a special election Mar. 20, it is stated, for the purpose of submitting a proposition to the voters to purchase the electric-light plant of the village and run it as a municipal corporation. The price is \$16,000, that being the amount of a mortgage to be foreclosed by the Lipo estate.

## Bond Calls and Redemptions.

**Galveston County (P. O. Galveston), Tex.**—*Tenders for Bonds Requested.*—Bids will be received by John M. Murch, County Auditor, until 11 a. m. March 19 for the sale to the county of \$32,000 seawall and breakwater, \$19,000 causeway bridge, \$9,500 special road, 1910, and \$12,000 special road, 1913, bonds. Bids will be received for the whole or any part thereof, and to include the April coupon, and bonds are to be delivered at Galveston.

## Bond Proposals and Negotiations this week have been as follows:

**ABBEVILLE COUNTY (P. O. Abbeville), So. Caro.**—*BOND ELECTION PROPOSED.*—An Act to authorize the holding of an election in this county to vote on the question of issuing \$300,000 coupon road-impt. bonds was passed at the recent session of the State Legislature.

**ALEXANDRIA COUNTY (P. O. Roanoke), Va.**—*BOND OFFERING.*—Proposals will be received until 10 a. m. March 23 by Geo. H. Rucker, Clerk Board of Supervisors, for \$122,137 14 Washington Magisterial Dist. road and bridge impt. bonds. Denoms. \$100, \$500 and \$1,000, to suit purchaser. Due in 34 years, subject to call after 5 or 10 years. Bidders will submit proposals as follows: (1) On bonds bearing 4½% int., subject to call after 5 yrs.; (2) on 4¼% bonds, subject to call after 10 yrs.; (3) on 5% bonds, subject to call after 5 yrs.; (4) on 5% bonds, subject to call after 10 yrs.; (5) any variation of the above or any special proposals which any bidder might desire to make. Assess. val. of dist. est., \$2,000,000.

**ALLEN COUNTY (P. O. Fort Wayne), Ind.**—*BOND OFFERING.*—Additional information is at hand relative to the offering on April 10 of the \$50,000 4% tuberculosis-hospital bonds—V. 104, p. 878. Bids for these bonds will be received until 9 a. m. on said day by Will Johnson, County Auditor. Denomination \$1,000. Date April 10 1917. Interest J. & J. Due July 1 1937. Certified check on an Allen County bank for 3% of bonds bid for, payable to the Board of County Commissioners, required. Bids must be made on forms furnished by the above Auditor and must be accompanied by affidavit of non-collusion, as provided by law.

**ALLIANCE, Stark County, Ohio.**—*BOND OFFERING.*—Proposals will be received until March 24 (date changed from March 22) by Chas. O. Silver, City Auditor, for the following 5% bonds—V. 104, p. 878: \$37,451.97 street assessment bonds (six issues). Due one-fifth of each issue yearly on Sept. 1 from 1918 to 1922, inclusive.

2,063.00 sewer (city's portion) bonds. Due April 1 1927. Date April 1 1917. Principal and semi-annual interest—A. & O.—payable at office of Sinking Fund Trustees. Certified check on a solvent national or State bank for 3% of bonds bid for, payable to the City Treas., required. Successful bidder to furnish at own expense the necessary blank bonds. Bids must be made on forms furnished by the City Auditor.

**ALTUS, Jackson County, Okla.**—*BOND ELECTION.*—An election will be held March 20 to vote on the question of issuing \$15,000 5% sewer bonds. Due \$5,000 in 10, 15 and 20 years.

**ANDERSON COUNTY SCHOOL DISTRICT NO. 17, So. Caro.**—*BONDS AUTHORIZED.*—The General Assembly of 1917 has passed an Act providing for the issuance of coupon school-building and equip. bonds.

**ARLINGTON SCHOOL DISTRICT (P. O. Arlington), Hancock County, Ohio.**—*BOND SALE.*—On March 12 the \$60,000 5% 14 1-3-year average school bonds (V. 104, p. 179), were awarded, reports state, to the Ohio National Bank of Columbus.

**ASBURY PARK, Monmouth County, N. J.**—*BOND SALE.*—On March 6 the Sinking Fund Commissioners purchased at par and int. an issue of \$69,380.66 4% 1-5-year serial impt. bonds. Denom. \$1,000 and 1 for \$380.66. Date March 1 1916. Int. M. & S. Due from 1 to 5 years.

**ASTORIA, Clatsop County, Ore.**—*BOND OFFERING.*—Sealed bids will be received until 2 p. m. April 13 by G. W. Lounsbury, Clerk of City Water Commission, for \$125,000 5% 20-year water-commission bonds. Int. semi-annual. Certified check for 5% of amount bid, payable to the above Clerk, required.

**ATKINS SPECIAL SCHOOL DISTRICT (P. O. Atkins), Pope County, Ark.**—*BOND SALE.*—Spear & Dow, of Little Rock, were awarded at par and interest on Feb. 1 an issue of \$25,000 5% 20-year school bonds. Denom. \$1,000. Date Feb. 1 1917. Int. F. & A.

**BAKERSFIELD SCHOOL DISTRICT, Kern County, Calif.**—*BOND SALE.*—On March 7 the \$90,000 5% gold coupon site-purchase, building and equipment bonds (V. 104, p. 777) were awarded to the Security Trust Co. of Bakersfield for \$97,096 (107.884) and int.

**BANDON, Coos County, Ore.**—*BOND SALE.*—We have just been advised that the \$40,000 municipal water and \$40,000 municipal funding 6% 20-yr. gold coupon bonds offered on Jan. 19 1916 (V. 102, p. 266) were awarded several months ago to the Western Bond & Mfg. Co. of Portland. Denom. \$500. Date Nov. 1 1915. Int. annually in November.

**BARBERTON, Summit County, Ohio.**—*BONDS VOTED.*—A vote of 324 to 107 was cast at the election held Mar. 6 in favor of the proposition to issue \$250,000 sewer bonds, it is said.

**BARBERTON SCHOOL DISTRICT (P. O. Bargerton), Summit County, Ohio.**—*BONDS VOTED.*—The question of issuing \$550,000 school bonds carried, it is stated, at the March 6 election by a vote of 341 to 93.

**BAYHEAD, N. J.**—*BONDS DECLARED LEGAL.—BOND SALE.*—See item on a preceding page among our "News Items."

**BEATRICE, Gage County, Neb.**—*BONDS VOTED.*—By a vote of 586 to 322 the question of issuing \$40,000 intersection paving bonds carried, it is stated, at an election held March 6.

**BEAUFORT COUNTY (P. O. Beaufort), So. Caro.**—*BOND ELECTION PROPOSED.*—A bill to authorize this county to hold an election to vote on the proposition to issue road-improvement bonds was passed by the General Assembly of 1917.

**BEECH SCHOOL DISTRICT (P. O. Beech), Warren County, Iowa.**—*DESCRIPTION OF BONDS.*—The \$25,000 (not \$25,000 as first







These bonds are part of an issue of \$28,950 37 refunding bond issue to be voted on March 20. The sale was made subject to the result of this election. The City Sinking Funds will purchase the remainder of the issue.

BOND SALE.—On March 13 \$3,155 64 6% 1-10-yr. serial street-paving bonds were awarded to W. F. Temple for \$3,206 64 (101.601) and int. Denom. \$315 56. Date Oct. 1 1916. Int. annual in April.

MIDDLEBURG TOWNSHIP SCHOOL DISTRICT (P. O. Middleburg), Logan County, Ohio.—BONDS VOTED.—The proposition to issue the \$15,000 school bonds carried at the election held March 3 by a vote of 68 to 8, is stated.—V. 104, p. 780.

MIDDLESEX COUNTY (P. O. Cambridge), Mass.—TEMPORARY LOAN.—On March 13 the loan of \$200,000 maturing Nov. 9 1916—V. 104, p. 979—was awarded to Estabrook & Co. of Boston at 3.73% discount, plus \$6 premium. The other bidders were:

Table with columns: Bidder Name, Discount, Bidder Name, Discount. Includes Jackson & Curtis (3.74%), Lee, Higginson & Co. (3.95%), F. S. Mosely & Co. (3.85%), Cropley, McGarage & Co. (4.04%), R. L. Day & Co. (3.88%), H. C. Grafton, Jr. (4.09%), Plus \$1 premium.

MIDDLETOWN, Butler County, Ohio.—BOND OFFERING.—Bids will be received until 12 m. March 30 by Louis T. Nein, City Aud., for the following bonds:

Table of bond offerings for Middletown, Ohio, including water bonds and 5% street assets bonds with denominations and due dates.

MONTAGUE, Franklin County, Mass.—BONDS PROPOSED.—Newspaper dispatches state that an issue of \$10,000 street bonds is in contemplation.

MONTGOMERY COUNTY (P. O. Dayton), Ohio.—BOND SALE.—The following bids were received for the \$75,000 4 1/2% 1-15-year serial hospital bonds offered on March 14—V. 104, p. 881:

Table of bond bids for Montgomery County, Ohio, listing bidders like Davies-Bertram Co., J. C. Mayer & Co., etc.

MOUNT CARMEL, Northumberland County, Pa.—BOND ELECTION.—An election will be held April 5 to vote on the question of issuing \$100,000 4 1/4% funding bonds. Due \$4,000 yearly after 5 years.

MUSCATINE, Muscatine County, Iowa.—BONDS VOTED.—The question of issuing the \$20,000 municipal coal and fuel yard establishing bonds carried, 16 is stated, at the election held March 5 (V. 104, p. 882).

MUSKEGON HEIGHTS, Muskegon Heights, Mich.—BOND SALE.—On March 12 the \$110,000 sewer bonds—V. 104, p. 979—were awarded to John F. McLean & Co. of Detroit for \$115,000 (104.545) for 5% bonds.

NASSAU COUNTY (P. O. Mineola), N. Y.—BOND OFFERING.—Proposals will be received until 12 m. March 26 by E. J. Bennett, Co. Compt., for \$130,000 4 1/2% reg. refunding bonds. Denom. \$1,000. Date March 1 1917. Int. M. & S. at office of Co. Treas. Due Sept. 1 1921. Cert. check for 2% required. The bonds will be certified as to their genuineness by the Nassau County Trust Co. and their legality will be approved by Hawkins, DeLafield & Longfellow of New York.

NEW BEDFORD, Bristol County, Mass.—TEMPORARY LOAN.—On March 13 a loan of \$500,000, dated March 13 and maturing Nov. 5 1917, was negotiated with the Old Colony Trust Co. of Boston at 3.80% discount. It is said.

NEWBURYPORT, Essex County, Mass.—LOAN OFFERING.—Dispatches state that the City Treas. will receive bids until 8 p. m. Mar. 23 for a loan of \$100,000, dated Mar. 26 and payable June 1 1917.

NEW LEXINGTON SCHOOL DISTRICT (P. O. New Lexington), Perry County, Ohio.—BOND SALE.—On March 10 an issue of \$9,000 5% funding bonds was awarded to W. L. Slayton & Co. of Toledo at 105.071. Other bids were:

Table of bond bids for New Lexington School District, Ohio, listing bidders like Ohio National Bank, Durfee, Niles & Co., etc.

NEW YORK CITY.—TEMPORARY LOANS.—Bids were opened at the Comptroller's office on Mar. 13 for \$10,000,000 revenue bills maturing June 6 1917 and \$5,000,000 corporate stock notes maturing May 25 1917. The awards were made as follows:

Large table showing Revenue Bills and Corporate Stock Notes awards for New York City, listing bidder names, amounts, and interest rates.

Below we give a list of the unsuccessful bidders:

Table listing unsuccessful bidders for New York City bonds, including names like Colgate, Parker & Co., Bankers Trust Co., etc.

NEW YORK STATE.—BOND OFFERING.—At noon on April 5 bids will be opened at the office of Eugene M. Travis, State Comptroller, for \$25,000,000 4% tax-free gold bonds issued in coupon or registered form (V. 104, p. 980).

This is the only public sale of New York State bonds that is contemplated during the present calendar year.

Bidders will be required to state clearly in the proposal the amount and price for each \$100 bid for coupon bonds being issued in denominations of \$1,000 and registered bonds in denominations of \$1,000, \$5,000, \$10,000 and \$50,000.

\$10,000,000 for the improvement of the Erie, Champlain and Oswego canals, dated Jan. 1 1917, due Jan. 1 1967; \$10,000,000 for the improvement of highways, dated March 1 1917, due March 1 1967; \$2,500,000 for the extension of the Palisades Interstate Park, dated March 1 1917, due March 1 1967, and \$2,500,000 for the State Forest Preserve Park, dated March 1 1917 and due March 1 1967.

As bonds enumerated above are all 50-year bonds, bearing 4% interest, the Comptroller will reserve the right to allot to the successful bidder, bonds of any or all of the above issues, notwithstanding the specific issue, may be stated in the bid.

Temporary receipts will be issued which will be exchanged for the permanent bonds when ready for delivery, at the Bank of the Manhattan Co., New York.

These bonds are legal investments for trust funds. No bids will be accepted for less than the par value of the bonds nor unless accompanied by a deposit of money or by a certified check or bank draft upon a solvent bank or trust company of the cities of Albany or New York, payable to the order of the Comptroller of the State of New York, for at least 2% of the par value of the bonds bid for. All bids will include accrued interest.

NEWTON COUNTY (P. O. Decatur), Miss.—BOND SALE.—On March 5 the Capital Nat. Bank of Jackson was awarded, it is stated, the following road-improvement bonds: \$30,000 Beat 1 bonds for \$31,585 (105.283) and int. Purchaser to pay attorneys fees and lithographing bonds.

NORWALK SCHOOL DISTRICT (P. O. Norwalk), Huron County, Ohio.—BOND ELECTION PROPOSED.—This district proposes to hold an election in the near future to vote on the question of issuing \$125,000 school bonds, it is stated.

NORWOOD CITY SCHOOL DISTRICT (P. O. Norwood), Hamilton County, Ohio.—BOND SALE.—On March 12 the \$125,000 4 1/4% 25 1/2 year average coupon school bonds—V. 104, p. 882—were awarded to Seansgood & Mayer of Cincinnati, at 100.812 and int. Other bids were: J. C. Mayer & Co. \$125,650; Well, Roth & Co. \$125,175.

OSHKOSH, Winnebago County, Wisc.—BOND SALE.—The \$85,000 4% water-works-improvement and extension bonds (V. 104, p. 282) have been sold "over the counter" at par to local investors.

ONEIDA, Madison County, N. Y.—BOND SALE.—On March 5 \$5,490 general and \$8,579 70 local improvement 4 1/4% bonds were awarded to the Oneida Savings Bank at 101.11. Date Dec. 1 1916. Int. J. & D. Due in ten years.

Using newspaper reports, we erroneously reported in last week's issue, page 980, that these bonds were awarded to Geo. B. Gibbons & Co. at 100.81.

OSSINING (Village), Westchester County, N. Y.—BOND OFFERING.—Proposals will be received until 8 p. m. March 20 by Robt. T. Dennis, VII. Clerk, for the following 5% reg. gold bonds: \$30,000 street bonds. Date Mar. 1 1917. Due \$2,000 yearly on Mar. 1 from 1918 to 1932, incl.

40,000 refunding bonds. Date Mar. 1 1917. Due \$2,000 yearly on April 1 from 1918 to 1937, incl. Denom: \$1,000. Prin. and semi-ann. int., payable at office of VII. Treas. Cert. check on an incorporated bank or trust company for 2% of bonds bid for, payable to the Village of Ossining, required. Purchaser to pay accrued interest. Bids must be made on blank forms furnished by the Village. The bonds will be prepared under the supervision of U. S. Mfg. & Tr. Co., which will certify as to the genuineness of the signatures of the village officials and the seal impressed thereon, and the successful bidders will be furnished with the opinion of Hawkins, DeLafield & Longfellow of N. Y., that the bonds are binding and legal obligations of the President and Trustees of the village. The following financial statement is furnished: Bonded debt, excl. of present issue, \$786,743 13; water bonds incl. in above, \$183,000; floating indebtedness, \$16,059 65; assess. val. real estate, \$8,079,986; assess. val. personal, \$241,074; assess. val. special franchises, \$230,006.

PAGELAND SPECIAL SCHOOL DISTRICT NO. 43 (P. O. Pageland), Chesterfield County, So. Caro.—BONDS AUTHORIZED.—The General Assembly of 1917 has passed an Act authorizing the School Trustees to issue site-purchase, building and equipment bonds.

PERSON COUNTY (P. O. Roxboro), No. Caro.—BOND ELECTION.—The proposition to issue \$300,000 road bonds will be submitted to a vote. It is stated, on March 20.

PERTH AMBOY, Middlesex County, N. J.—BOND OFFERING.—Attention is called to the official advertisement elsewhere in this department of the offering on Mar. 27 of the five issues of 4 1/2% bonds, the maximum amount of which will not exceed \$355,000. For full details and terms of offering see last week's issue, page 980.

The following financial statement is furnished: Bonded debt, incl. these issues, \$3,233,200; water bonds included in above, \$877,000; funds in hand and sinking fund, \$380,054; assess. val. real property 1916, \$17,760,639; personal, \$5,783,965; average assess. val. of real estate last three years, \$17,072,435.

PIKE TOWNSHIP RURAL SCHOOL DISTRICT (P. O. North Hampton), Clark County, Ohio.—BOND OFFERING.—Proposals will be received until 10 a. m. March 20 by W. S. Jenkins, Clerk of Board of Education, for \$15,000 5% coupon school bonds. Auth. Secs. 7625, 7626 and 7627, Gen. Code. Denom. \$500. Date Feb. 1 1917. Int. F. & A. at Lacona National Bank, Springfield. Due \$500 each six months from Feb. 1 1918 to Aug. 1 1932, inclusive. Certified check for \$750, payable to the above Clerk, required. Bonded debt March 10 1917 (including this issue), \$16,000; assessed valuation, \$3,280,000.

PIMA COUNTY SCHOOL DISTRICT NO. 1 (P. O. Tucson), Ariz.—BOND OFFERING.—Sealed bids will be received until 10 a. m. April 12 by Bertram L. Hitch, Clerk of Board of County Supervisors, for \$150,000 5% 20-year gold site-purchase and building bonds. Denom. \$1,000. Date April 12 1917. Prin. and semi-annual int. payable at the County Treasurer's office. Certified check for \$500 required.

PINE BLUFF SPECIAL SCHOOL DISTRICT (P. O. Pine Bluff), Jefferson County, Ark.—BONDS PROPOSED.—Reports state that a bill authorizing this district to issue building bonds was passed at the recent session of the State Legislature.

POCAHONTAS COUNTY (P. O. Pocahontas), Iowa.—BOND OFFERING.—Further details are at hand relative to the offering on April 2 of the \$60,000 bridge funding bonds (V. 104, p. 980). Proposals for these bonds will be received by W. C. Wood, County Auditor. Date May 1 1917. Int. Jan. & July 1. Due part yrly, from 1921 to 1927 incl. Bonded debt, including this issue, \$129,000. Assess. val., \$3,696,549; moneys and credits (add'l), \$1,379,810; true value of real estate and personal property, \$34,786,196. All bids will be opened on April 2 and the bidders will be given a chance to rebid at public auction.

POINTE COUPEE PARISH, La.—BOND OFFERING.—Proposals will be received until 10 a. m. March 23 by Elie Gindroz, Secretary Board of Supervisors (P. O. Livonia), for \$90,000 5% gold coupon Road District No. 2 road-construction bonds voted Jan. 18. Interest semi-annual. Due serially April 1 from 1918 to 1947. Certified check for \$3,000, payable to the President Board of Supervisors, required. The district has no indebtedness.

POINT PLEASANT INDEPENDENT SCHOOL DISTRICT (P. O. Point Pleasant), Mason County, W. Va.—BOND SALE.—On March 10 the \$50,000 5% 10-30-year (opt.) coupon site-purchase, high-school building and equipment bonds (V. 104, p. 780), were awarded to J. R. Sutherland & Co., of Kansas City, at 101.02 and interest. Purchaser to furnish blank bonds. There were fourteen other bids received.

POLK COUNTY (P. O. Bartow), Fla.—BOND ELECTION PROPOSED.—Reports state that an election will be called shortly in Auburndale Special Road & Bridge District to vote on the question of issuing \$150,000 road-construction bonds.

PORT CHESTER (Village), Westchester County, N. Y.—CERTIFICATE OFFERING.—Bids will be received until 8 p. m. March 20 by Louis





WALLINGFORD, New Haven County, Conn.—BONDS PROPOSED.—Reports state that this borough is contemplating the issuance of \$70,000 bonds.

WARREN, Trumbull County, Ohio.—BOND SALE.—On March 10 the two issues of 4 1/2% bonds, aggregating \$76,000—V. 104, Op. 581—were awarded to the Western Reserve Nat. Bank of Warren at 102.25. The other bidders were:

Union Sav. & Tr. Co.	\$77,458 30	R. M. Grant & Co.	\$76,813 00
Ohio Nat. Bank	77,162 25	Prov. Sav. Bk. & Tr. Co.	76,798 40
Field, Richards & Co.	77,162 00	First National Bank	76,404 30
Davies-Bertram Co.	77,046 00	Stacy & Braun	76,376 50
Tittonson & Wolcott Co.	76,928 40	Spitzer, Rorick & Co.	76,345 00
Seasongood & Mayer	76,917 00	H. C. Hoehler & Co.	76,328 00
Hayden, Miller & Co.	76,855 00	Otis & Co.	76,075 00

WARREN COUNTY (P. O. Vicksburg), Miss.—BONDS TO BE OFFERED SHORTLY.—Reports state that the Board of County Supervisors has decided to advertise for bids for \$20,000 agricultural high-school bonds.

WARRENTON, Warren County, No. Caro.—BOND SALE.—On March 6 the \$15,000 5% 5-yr. street improvement bonds (V. 104, p. 884) were awarded to the Citizens Bank of Warrenton at par.

WASHINGTON (State of).—BONDS PROPOSED.—According to reports, the lower branch of the State Legislature passed a bill on March 2 providing for the issuance of \$450,000 funding bonds.

WASHINGTON, Warren County, N. J.—BOND SALE.—Local investors purchased at 101.25 the \$43,000 4% 1-29-year serial coupon school bonds which were offered on Nov. 23.—V. 103, p. 1914.

WASHINGTON AND BRUCE TOWNSHIPS FRACTIONAL SCHOOL DISTRICT NO. 1 (P. O. Romeo), Macomb County, Mich.—BOND OFFERING.—Proposals will be received until 7 p. m. March 22 by Geo. W. Phillips, Secy. Board of Education, for \$30,000 4 1/2% school bonds. Denom. \$1,000. Due \$2,000 yearly on April 2 from 1919 to 1931, incl., and \$4,000 April 2 1932. Cert. check for \$500, payable to the district, required.

WASHINGTON SCHOOL DISTRICT, Yolo County, Calif.—BOND SALE.—On March 5 the \$30,000 5% building bonds—V. 104, p. 782—

were awarded. It is stated, to the State Board of Control for \$32,304, equal to 107.68.

WAVERLY (Village), Tioga County, N. Y.—BOND SALE.—Local investors purchased at par on Feb. 7 \$4,500 4 1/2% and \$2,500 4 1/2% reserve bonds. Denom. \$1,000 for \$1,000, 2 for \$500. Date April 1 1917. Int. A. & O. Due beginning 1920.

WAYNE COUNTY (P. O. Greenville), Mo.—BOND OFFERING.—Bids will be received until 12 m. March 18 by V. V. Ing, Chairman of Bond Committee, for \$200,000 4 1/2% road bonds. Due in 20 years, subject to call at any time.

WEST BERWICK (P. O. Berwick), Columbia County, Pa.—BOND OFFERING.—Additional information is at hand relative to the offering on April 16 of the \$50,000 4 1/2% taxable street bonds—V. 104, p. 981. Bids for these bonds will be received until 12 m. on that day by Conway W. Dickson, Boro. Solicitor. Denom. \$1,000. Date April 1 1917. Prin. and semi-ann. int.—A. & O.—payable at office of Boro. Treas. Due \$1,000 yearly on April 1 from 1918 to 1927, incl., and \$2,000 yearly on April 1 from 1928 to 1947, incl. Cert. check for 2% of amount of issue, drawn upon an incorporated bank or trust company and payable to the "Boro. of West Berwick" is required. Purchaser to pay accrued interest. Official circular states that there is no litigation pending affecting the validity of these bonds, nor the corporate existence or boundaries of the municipality, nor the title of the present officials to their respective offices and that there has never been any default in the payment of any of the borough's obligations. Bonded debt, \$18,500; floating debt, \$1,050; net val. (1-3 actual) 1917, \$1,166,108.

WEYMOUTH, Norfolk County, Mass.—LOAN OFFERING.—The Town Treasurer will receive bids until 10 a. m. to-day (Mar. 17), reports state, for a loan of \$110,000 dated Mar. 19, maturing Nov. 14 1917 and issued in anticipation of revenue.

WHAT CHEER INDEPENDENT SCHOOL DISTRICT (P. O. What Cheer), Keokuk County, Iowa.—BOND SALE.—Schanke & Co. of Mason City were awarded on March 7 \$6,000 5% school bonds. Denom. \$500. Date April 2 1917. Int. semi-annual. Due \$500 yrly. Nov. 1 from 1918 to 1929 inclusive.

WHITMAN COUNTY SCHOOL DISTRICT NO. 1, Wash.—BONDS VOTED.—By a vote of 483 to 128 the question of issuing \$10,500 5-20-yr. (opt.) high-school bldg. addition bonds carried at an election held Mar. 3.

### \$330,000 DISTRICT OF PAW PAW, (Marion County, W. Va.) PERMANENT ROAD IMPROVEMENT BONDS

Sealed proposals will be received by the County Court of Marion County, West Virginia, until **TUESDAY, MARCH 20TH, 1917**, at 2 o'clock p. m., for the whole or any part of three hundred and thirty thousand dollars (\$330,000) Permanent Road Improvement Bonds, duly authorized by the District of Paw Paw, in said Marion County. The bonds will be dated June 1st, 1917, the denomination and number of said bonds being four (4) of five hundred dollars (\$500), and three hundred and twenty-eight (328) of one thousand dollars (\$1,000). The said bonds are Serial Coupon bonds and mature as follows, to-wit:

- Bonds 1 to 9 inclusive of \$1,000 each on June 1, 1918.
- Bonds 10 to 19 inclusive of \$1,000 each on June 1, 1919.
- Bonds 20 to 29 inclusive of \$1,000 each on June 1, 1920.
- Bonds 30 to 40 inclusive of \$1,000 each on June 1, 1921.
- Bonds 41 to 51 inclusive of \$1,000 each on June 1, 1922.
- Bonds 52 to 63 inclusive of \$1,000 each on June 1, 1923.
- Bonds 64 to 75 inclusive of \$1,000 each on June 1, 1924.
- Bonds 76 to 88 inclusive of \$1,000 each on June 1, 1925.
- Bonds 89 to 102 inclusive of \$1,000 each on June 1, 1926.
- Bonds 103 to 115 inclusive of \$1,000 each on June 1, 1927.
- Bonds 117 to 131 inclusive of \$1,000 each on June 1, 1928.
- Bonds 132 to 147 inclusive of \$1,000 each on June 1, 1929.
- Bonds 148 to 164 inclusive of \$1,000 each on June 1, 1930.
- Bonds 165 to 181 inclusive of \$1,000 each on June 1, 1931.
- Bond 182 of \$500 on June 1, 1931.
- Bonds 183 to 200 inclusive of \$1,000 each on June 1, 1932.
- Bond 201 of \$500 on June 1, 1932.
- Bonds 202 to 220 inclusive of \$1,000 each on June 1, 1933.
- Bonds 221 to 240 inclusive of \$1,000 each on June 1, 1934.
- Bonds 241 to 251 inclusive of \$1,000 each on June 1, 1935.
- Bonds 252 to 283 inclusive of \$1,000 each on June 1, 1936.
- Bonds 284 to 306 inclusive of \$1,000 each on June 1, 1937.
- Bond 307 of \$500 on June 1, 1937.
- Bonds 308 to 331 inclusive of \$1,000 each on June 1, 1938.
- Bond 332 of \$500 on June 1, 1938.

Said bonds to draw interest at the rate of five per centum (5%) per annum, payable semi-annually at the office of the Clerk of the County Court, in the City of Fairmont, Marion County, W. Va., and said interest to be evidenced by coupons attached to the bonds.

The County Court of Marion County is authorized by law to include in its annual levy for road purposes the amount required for interest on the bonds, together with an additional fund sufficient to pay off said bonds as they serially become due. The total valuation of taxable property in Paw Paw District in 1916 was seven million four hundred and seventy-one thousand eight hundred and ten dollars and eighty cents (\$7,471,810 80). The district has no bonded indebtedness, and is authorized by law to borrow up to five per centum (5%) of its total valuation.

Bids must be addressed to A. G. Martin, Clerk of the County Court of Marion County, Fairmont, W. Va., endorsed "Bid for Permanent Improvement Road Bonds in Paw Paw District," and accompanied by a certified check, payable to A. M. Glover, Sheriff of Marion County, W. Va., for a sum equal to five per centum (5%) of the amount of the bid. No bid for less than par will be considered. The right is reserved to reject any and all bids.

Further information as to this issue may be had upon application to the undersigned.

A. G. MARTIN,  
Clerk of the County Court of Marion County,  
West Virginia, Fairmont, W. Va.

### NEW LOANS. \$355,000 CITY OF PERTH AMBOY, N. J. BONDS

Sealed proposals will be received until 4 o'clock p. m. **MARCH 27, 1917**, by Ferd. Garretson, City Treasurer, at his office in the City of Perth Amboy, New Jersey, for the purchase of each of the following issues of bonds of said City, the amount of the issue stated in each case being the maximum amount of bonds which may be issued, and the amount which it is desired to raise:

- \$110,000 4 1/2% Street Improvement Funding Bonds, Series 1, of the denomination of \$1,000, to be dated April 1, 1917, and to mature in numerical order, 11 bonds on April 1 of each of the years 1918 to 1927, both inclusive.
- \$55,000 4 1/2% Street Improvement Funding Bonds, Series 2, of the denomination of \$1,000, to be dated April 1, 1917, and to mature in numerical order 2 bonds on April 1 of each of the years 1919 and 1920, and 3 bonds on April 1 of each of the years 1921 to 1937, both inclusive.
- \$124,000 4 1/2% Park Funding Bonds, of the denomination of \$1,000, to be dated April 1, 1917, and to mature in numerical order 2 bonds on April 1 of each of the years 1919 to 1935, both inclusive, and 3 bonds on April 1 of each of the years 1936 to 1966, both inclusive.
- \$40,000 4 1/2% Sewer Funding Bonds, of the denomination of \$1,000, to be dated April 1, 1917, and to mature in numerical order 4 bonds on April 1 of each of the years 1918 to 1927, both inclusive.
- \$26,000 4 1/2% School Bonds of the denomination of \$1,000, to be dated April 1, 1917, and to mature in numerical order 1 bond on April 1 of each of the years 1927 to 1935, both inclusive.

All of said bonds are in coupon form, with privilege of registration as to principal and interest, or as to principal only. Interest is payable semi-annually on the first days of April and October, and both principal and interest are payable at the office of the City Treasurer of the City of Perth Amboy.

Bonds will be engraved under the supervision of the United States Mortgage & Trust Company, New York City, who will certify as to the genuineness of the signatures of the City officials and the seal impressed thereon, and their legality will be approved by Messrs. Caldwell & Masslich, of New York City, whose opinion as to legality will be furnished to the purchaser or purchasers without charge.

Each issue of said bonds will, unless all bids therefor are rejected, be sold to the bidder or bidders complying with the terms of sale and offering to pay not less than the sum above stated for each issue and to take therefor the least amount of bonds, commencing with the first maturity, and stated in a multiple of \$1,000; and if two or more bidders offer to take the same amount of such bonds, then such bonds will be sold to the bidder or bidders offering to pay therefor the highest additional price. In addition to the price bid, the purchaser must pay accrued interest from the date of the bonds to the date of delivery. The right is reserved to reject all bids, and any bid not complying with the provisions hereof will be rejected. Bids are desired on forms which will be furnished by the City, and each bid must be enclosed in a sealed envelope marked "Proposal for Bonds," and addressed to Ferd. Garretson, City Treasurer, and must be accompanied by a certified check or checks on an incorporated bank or trust company for two per cent of the par value of the bonds bid for. All of the bonds except the School Bonds will be delivered to the successful bidder or bidders at the office of the United States Mortgage & Trust Company, in the City of New York, on the 2nd day of April, 1917, at 11 o'clock in the forenoon. The School Bonds will be delivered to the purchaser on the 3rd day of April, 1917, at the office of the City Treasurer, in Perth Amboy, or at some other place in the State of New Jersey mutually agreed upon.

Dated, March 17, 1917.  
FERD. GARRETSON,  
City Treasurer.

### NEW LOANS Notice of Intention to Issue and Sell \$17,000 00 Water Works 6 Per Cent Bonds of, by and for the Town of Wolf Point, of Sheridan County, Montana, at Public Auction, to the Bidder Offering the Highest Price Therefor.

STATE OF MONTANA, ss:  
COUNTY OF SHERIDAN, ss:  
TOWN OF WOLF POINT, ss:

Pursuant to the authority of Ordinance No. 25 of the Town of Wolf Point, of Sheridan County, Montana, passed and approved January 17th, A. D. 1917, authorizing and directing the advertisement and sale of certain bonds of said town, namely:

Waterworks bonds of the Town of Wolf Point, of Sheridan County, Montana, to an amount aggregating the principal sum of \$17,000 00, comprised of 34 bonds numbered consecutively from 1 to 34, both numbers inclusive, of the denomination of \$500 00 each, all dated March 1st, A. D. 1917, absolutely due and payable March 1st, A. D. 1937, but redeemable at the option of said town at any time after March 1st, A. D. 1928, bearing interest from their date until paid at the rate of six (6) per cent per annum, payable semi-annually on the 1st days of January and July, respectively, in each year, both principal thereof and interest thereon, payable at the National Bank of Commerce in the City and State of New York, U. S. A.

PUBLIC NOTICE IS HEREBY GIVEN that the bonds aforesaid will, at the office of the undersigned clerk in said town, on Monday, to-wit: the 9th day of April, A. D. 1917, at the hour of 10 o'clock A. M., at public auction, be sold to the bidder offering the highest price therefor.

At said public auction, the successful bidder will be required to deposit with the undersigned clerk, a certified check payable to his order in the sum of \$2,000 00, which check shall be held by the town and forfeited to it should the purchaser fail to take up and pay for said bonds when presented to him.

BY ORDER of the council of the town of Wolf Point, of Sheridan County, Montana, made this 26th day of February, A. D. 1917.

(Signed) Joe Klunkhammer,  
Mayor.  
(SEAL) CHARLES GORDON,  
Town Clerk.

### \$65,000 SCHOOL DISTRICT BOROUGH OF YEADON Delaware County, Pa. 4 1/2% Loan. Series of 1917.

With the approval of the Board of School Directors of the Borough of Yeadon, Delaware County, Pa., I invite sealed proposals, until 12 o'clock noon, **APRIL 7, 1917**, to be opened at the regular meeting of the Board of School Directors, at 8 o'clock p. m. of the same day in the school building at Yeadon, Delaware County, for the whole or any part of this issue.

These bonds are to be dated April 7, 1917, bearing interest at the rate of 4 1/2 per centum per annum, payable semi-annually on the 7th days of October and April of each year at the Lansdowne and Darby Saving Fund and Trust Company, Lansdowne, Pa., the bonds maturing April 7th, 1947.

This issue will be in the form of (130) bonds of \$500 each, coupon, with privilege of registration, free of Pennsylvania taxes. Certified checks for \$3,000, payable to order of Samuel G. Boland, Treasurer, must accompany all bids.

The President of the said School Board reserves the right to reject any or all bids.

**WILKES-BARRE, Luzerne County, Pa.—BOND SALE.**—On March 8 an issue of \$21,200 5% street-paving bonds was awarded to local investors at an average price of 102. Denom. \$100 and \$500. Int. J. & J.

**WILSON GRADED SCHOOL DISTRICT (P. O. Wilson), Wilson County, No. Caro.—BOND ELECTION.**—The question of issuing \$150,000 school-building bonds will be submitted to a vote on April 10. Charles L. Coon is Superintendent of Schools.

**WINCHESTER, Middlesex County, Mass.—TEMPORARY LOAN.**—On Mar. 15 a loan of \$250,000, payable \$125,000 Nov. 15 1917 and Jan. 15 1918, was awarded, reports state, to Jackson & Curtis of Boston at 3.45% discount.

**WOODBURY COUNTY (P. O. Sioux City), Iowa.—BONDS REFUSED.**—Reports state that the Farmers' Loan & Trust Co. of Sioux City has refused to accept the \$100,000 4½% 10-20-yr. (opt.) coupon site-purchase and county-home-erection bonds awarded to it on Jan. 22 (V. 104, p. 981) on the ground that the county has no legal right to issue bonds for the purchase of real estate.

**WOONSOCKET, Providence County, R. I.—BOND OFFERING.**—Bids will be received until 10 a. m. Mar. 27 by Arthur J. Follett, City Treasurer, for \$400,000 4% 30-year coup. funding bonds, it is stated. Denom. \$1,000. Date April 1 1917. Int. A. & O. Due April 1 1917.

**WOOSTER, Wayne County, Ohio.—BOND OFFERING.**—Proposals will be received until 12 m. April 11 by Fred E. Faber, City Aud., for the following 5% street-impr. bonds: \$1,360 assess. bonds. Denom. 1 for \$360 and 4 for \$250. Date Sept. 1 1916. Due \$610 Sept. 1 1918 and \$250 Sept. 1 1919, 1920 and 1921. Cert. check for \$100 required.

975 city's portion bonds. Denom. \$195. Date Sept. 20 1916. Due \$390 Sept. 20 1918 and \$195 Sept. 20 1919, 1920 and 1921. Cert. check for \$100 required.

2,239 assess. bonds. Denom. 1 for \$239, 4 for \$500. Date Sept. 1 1916. Due \$739 Sept. 1 1918 and \$500 Sept. 1 1919, 1920 and 1921. Cert. check for \$200 required.

Prin. and semi-ann. int.—M. & S.—payable at office of Sinking Fund Trustees. Cert. checks for the above specified amounts must be made payable to the City Treas. Purchaser to pay accrued interest.

**YEADON SCHOOL DISTRICT (P. O. Yeadon), Delaware County, Pa.—BOND OFFERING.**—Proposals will be received until 12 m. April 7 by the Board of School Directors for \$65,000 4½% tax-free bonds. Date April 7 1917. Int. payable semi-annually at the Lansdowne & Darby Sav. Fund & Trust Co., Lansdowne. Due April 7 1917. The bonds are in denomination of \$500 each, coupon, with privilege of registration. Cert. check for \$3,000, payable to Samuel G. Boland, Treasurer, required.

The official notice of this bond offering will be found among the advertisements elsewhere in this Department.

**YORKVILLE (Village), Oneida County, N. Y.—BOND ELECTION.**—At the annual election to be held March 20 a proposition to raise \$3,600 to meet the expense of paving Elmwood Ave. will be submitted to the voters. Of this amount \$2,400 shall be raised by bonds payable \$600 yrly. on July 1 from 1918 to 1921 incl. The remainder of the amount to be raised shall be assessed upon land abutting on said avenue, said assessment to be paid

within 10 days after notice of assessment to owners of land at expiration of that time; bonds or certificates may be issued for the amount of assessments then remaining unpaid. Interest not to exceed 5%.

**YREKA UNION HIGH SCHOOL DISTRICT (P. O. Yreka), Siskiyou County, Calif.—BOND ELECTION.**—Reports state that an election will be held March 31 to vote on the question of issuing \$70,000 building bonds (V. 104, p. 685).

**Canada, Its Provinces and Municipalities.**

**CLOVER LEAF SCHOOL DISTRICT, Alta.—DEBENTURE SALE.**—Using newspaper reports we erroneously stated in last week's issue, page 982, that this district was in Saskatchewan. For report of sale see Alberta School Districts above.

**HAMILTON, Ont.—DEBENTURES AUTHORIZED.**—Reports state that the Private Bills Committee has passed a bill giving this city authority to issue \$74,000 debentures without the assent of the voters.

**KENT COUNTY (P. O. Richibucto), N. B.—DEBENTURE SALE.**—Reports state that during February this county sold an issue of \$14,000 5% debentures maturing in 1937.

**MANITOBA, Province of.—DEBENTURES PROPOSED.**—Newspaper reports state that legislation has been introduced in the House to authorize the borrowing of \$2,250,000.

**MANITOBA SCHOOL DISTRICTS.—DEBENTURE SALES.**—According to reports, the following five issues of school district debentures, aggregating \$21,200, have been purchased by H. O'Hara & Co.: \$16,000 6% 20-installment debentures of Wildwood Consolidated School District No. 135.

1,400 7% 10-installment debentures of Falsendorf School District. \$800 7% Ebb & Flow School District debentures. Due in 15 installments.

1,500 7% Bluebell School District debentures. Due in 15 installments. 1,500 7% 10-installment debentures of Asquith School District.

**MIDLAND, Ont.—DEBENTURES VOTED.**—At a recent election the question of issuing \$25,000 bonus debentures carried, it is stated.

**MILLERSFIELD SCHOOL DISTRICT, Alberta.—DEBENTURE SALE.**—We erroneously stated, from newspaper reports, in last week's issue, page 982, that this district was in Saskatchewan. For report of sale see Alberta School Districts above.

**MONTREAL, Que.—LOAN AUTHORIZED.**—It is stated that a by-law has been adopted by the City Council to authorize a loan of \$1,000,000 in anticipation of the 1917 revenue.

**MONTREAL CATHOLIC SCHOOL DISTRICT, Que.—DEBENTURES AUTHORIZED.**—Newspaper reports state that the School Commissioners have granted authority to the St. Jean Baptiste School Commission to issue \$275,000 building debentures.

**SANDWICH SOUTH TOWNSHIP, Ont.—DEBENTURES AUTHORIZED.**—The Township Council passed a by-law on Feb. 17 providing for the issuance of \$40,000 drainage debentures, it is reported.

**TORONTO, Ont.—NEW LOAN PROPOSED TO REDEEM DEBENTURES MATURING IN LONDON.**—The city authorities are planning, it is stated, to redeem \$32,000,000 debentures maturing in London and to issue new debentures to that amount in New York.

**MISCELLANEOUS.**

**Illinois Trust & Savings Bank**  
 CHICAGO  
 Capital, Surplus and Undivided Profits . . . \$16,400,000

Pays Interest on Time Deposits, Current and Reserve Accounts. Deals in Foreign Exchange. Transacts a General Trust Business.

Has on hand at all times a variety of excellent securities. Buys and sells Government, Municipal and Corporation Bonds.

The Union Trust Company of New York will act as Trustee of permanent charitable, educational or religious trusts, created either under a will or a trust indenture, and gives special attention to trusts of this character. The Company also acts in the capacity of Treasurer, Assistant Treasurer, Financial Agent or Depository for such institutions, and is qualified and equipped to render expert and attentive service in all such relations.

The Union Trust Company's record of fifty years in the continuous administration of all the usual forms of trusts invites confidence in the permanent maintenance of a high standard of ability as trustee.

**UNION TRUST CO., 80 Broadway**  
 CAPITAL AND SURPLUS - \$8,900,000

**Adrian H. Muller & Son**  
 AUCTIONEERS  
 Office, No. 55 WILLIAM STREET  
 Corner Pine Street

Regular Weekly Sales  
 OF  
**STOCKS and BONDS**  
 EVERY WEDNESDAY

At the Exchange Sales Rooms  
 14-16 Vesey Street

**SCHMIDT & GALLATIN**

Members of the  
 New York Stock Exchange

111 Broadway  
 New York

**ENGINEERS**

THE  
**J-G-WHITE COMPANIES**

Financiers Engineers Operators  
 Purchasers Contractors Managers

of Public Utility and Industrial Properties

REPORTS—VALUATIONS—ESTIMATES

43 EXCHANGE PLACE, NEW YORK  
 LONDON SAN FRANCISCO CHICAGO

**General Engineering & Management Corporation**  
 141 BROADWAY, NEW YORK.

Expert Operators and Engineers  
 of  
 Electric Light, Power, Water, Gas,  
 Ice and Street Railway Properties.

We are prepared at times to offer Entire Issues of Public Utility First Mortgage Bonds and Preferred Stocks.

Valuations, Reports and General Engineering.

Alex. C. Humphreys Alton S. Miller  
**HUMPHREYS & MILLER, Inc.**  
 ENGINEERS  
 Power—Light—Gas  
 165 BROADWAY NEW YORK

**DANIEL W. MEAD**  
**F. W. SCHEIDENHELM** } Consulting Engineers

INVESTIGATIONS, REPORTS, DESIGNS AND CONSTRUCTION.

Hydraulic and electric developments, water supply, flood control and reclamation works.

120 BROADWAY, NEW YORK