WEALTH MARKETS AND COMMERCE

Finance - Economics

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Steel common again was enormously bought and enormously sold, and closed at a new high record. Lesser steel stocks were sympathetically stimulated. Railroads were relatively weak. There has been very heavy liquidation of railroad issues on this rise for foreign account. The limit of the market's capacity to absorb liquidation is yet unknown. The buying is of two kinds—that which aims to acquire the actual stocks, and that which aims only to acquire a profit from them. The proportions vary. The actual buying of people who intend to keep their bargains is perhaps larger than was ever the case before. The speculative buying, if not actually of new dimensions, is certainly better sustained, deeper winded and more widely distributed than any corresponding phenomenon in the experience of Wall Street.

To a degree not always allowed for, speculation creates resources to its further gratification. Profits are not abstracted from the market, except in very rare instances. They remain in the game and become pyramided. The speculator who sells out his stocks at a large gain does not abscond with the loot. He stays by to watch. Almost before he is aware of himself he is in again. There is no excitement comparable to that of playing the game with profits.

The extent to which the outside public is participating in stock market speculation has been perhaps underestimated. Some idea of it may be gained from the huge volume of odd-lot dealings occurring daily on the Stock Exchange, but not reported on the tape. Individually they are small but in the aggregate they reach large figures. For instance, in last Monday's market, when the turnover exceeded 2,000,000 shares, the total of odd-lot business was estimated at another 1,000,000 shares, which went uncounted, because the ticker tape carries only the transactions in amounts of one hundred shares or multiples thereof. In ordinary markets a large part of the odd-lot buying comes from persons who take the stock away as an investment. In times like the present the ratio of speculation to the total of odd-lot business rises.

In view of the large orders beginning to be placed in this country by Europe for railroad equipment, to make good the wear and tear upon her war-ridden transportation machine, and the probability that such orders will continue so long as the war lasts, the belligerents being too busy with the manufacture of munitions properly to maintain their own railroads, a new development of speculative interest in the shares of equipment companies seems very natural. Yet, the appreciation of American Locomotive, Baldwin Locomotive, American Car and Foundry, Pressed Steel Car and New York Air Brake was too sudden to be wholly spontaneous. What happened apparently was that enough buying to start quotations upward was much imitated. Some of these shares were overbought last year on the strength of munitions contracts which turned out to be less profitable than was hoped for. There is more profit, or at least the greater certainty of profit, in equipment than in shells. It will be observed that with but very few exceptions the companies producing basic materials required by war have prospered more than companies fabricating the materials according to foreign specifications.

Limits of British Gold.

In an article on "The Gold Question," "The Statist" (London) calmly discusses the possibility of a suspension of specie payments by the Bank of England, or the inability of Great Britain, as the purse bearer of the Entente Alliance, to fulfil her contracts in gold if peace be long deferred. First, it is submitted that the matter is not of the supreme importance "which many of those who are engaged in the discussion seem ignorantly to think." It is understood, of course, that national obligations, especially those of Great Britain, shall be paid in gold, and to refuse to pay them in gold would be dishonest, provided such payment were possible. "But," says "The Statist," "the old proverb applies in regard to gold just as much as in regard to anything else. Necessity has no laws. If a contract cannot be maintained there is no option but to let it go by the board."

The article then proceeds to indicate the causes which, if they continued, would make it impossible for Great Britain to continue gold payments. The cost of the war has exceeded anything that could have been imagined. Nearly the whole strain of financing the Allies' side of it has fallen upon England, and the cost is over five million pounds sterling every day, Sundays and holidays not excepted. The other eight countries of the Entente Alliance suspended gold payments at the begining of the war. As for Great Britain:

> To meet an outlay on this gigantic scale our government has not only borrowed at home very large sums, but it has borrowed in New York likewise. To do so, it has found it necessary to pledge collateral securities, and as the process goes on it is asking its subjects to either sell to it or to lend to it such securities as have a fairly good market in New York, of course, intending to raise there a further loan. All this is done to provide the means of paying gold for the purchases made. And yet everybody knows at home and abroad that the quantity of gold in the world is not sufficient to pay for all the commodities of every kind that the various belligerent countries require.

In all experience, "The Statist" goes on to say, a long war has led to suspension of specie payments. The question for the English people to decide is this:

> Ought we to do as we did in the great war against revolutionary France, suspend specie payments, or ought we show that we are rich enough and ingenious enough to do what no other nation ever has done hitherto, and go on paying in gold till peace returns? The answer, we think, to the question is, "That depends upon the length of the war." If the great general staffs of all the Entente Allies can make sure that the British government will have to pay for what will not last much more than, say, six or eight months, the government can afford to exhaust its currency before suspending specie payments. On the other hand, if there are reasonable grounds for thinking that the war will last throughout next year, and possibly longer, it seems safe to predict that specie payments cannot be maintained to the end.

Well, then, as to the consequences of a thing which in the course of events becomes inevitable:

> If any reader asks, granting that all honorable persons desire to fulfil their contracts in the spirit as well as in the letter, and, granting further, that common sense dictates that after a certain time if experience convinces us that specie payments cannot be maintained, will very grave and injurious consequences follow? The consequences will be simply that British credit will decline; that the value of the pound will not remain what it has been; that it will fall. In plain English, if we cannot pay in gold we shall have to pay in either Bank of England notes or Treasury notes, or in some kind of undertaking by the government that the payments shall be made. Were that to happen, the Bank of England note or the government note would not rank as high as the sovereign, and, consequently, the prices of everything we would buy abroad would rise. The real economic difference, then, between maintaining specie payments and suspending them is that there will be a general rise in the price of everything we buy abroad, and naturally prices at home will follow. The cost of the war, then, will be increased. But there the injury will stop. It may be said we shall have broken our contracts. But if we are compelled to do so, the world will see we have not broken them through dishonesty, but under compulsion, and the world knows that the British Empire is rich enough and powerful enough to resume specie payments very soon after peace returns. Recollect that about two-thirds of the whole gold coming into the world comes from mines within the British Empire. Therefore, we have the means of resuming specie payments as soon as we are forced to suspend them. But whether we shall be forced depends entirely upon the length of time the war lasts. There is not enough of gold in the world to go round in the gigantic scale of the present time.

It is a very sane article. That its implications are uncomfortable, especially to creditors who hold the gold obligations, is a fact that lies not in the point of view but in the nature of the case. What would it profit a country to sustain its gold credit and lose the war? Questions of financial solvency are in the highest sense irrelevant. The belligerent nations having committed themselves perforce to a policy of unlimited liability on account of the war, defeat means ruin and hope of solvency lies not in gold reserves but in victory.

Money and Credit

The ruling rate on call money at the New York Stock Exchange was unchanged at 2¾ per cent. Loans were placed, however, as high as 3 per cent and as low as 2½ per cent.

While there is no quotable change in rates of time money on brokers' Stock Exchange collateral, there is a tendency among lending institutions to exercise greater caution on account of the advance in the stock market. More discrimination is being shown in acceptance of loan collateral. Much of the funds now offering are coming from interior institutions. This is significant, as it reflects an accumulation of funds at points outside of New York.

Ruling rates on money yesterday compared with a year ago were as follows:

	Yesterday.	A year ago.
Call money	2¾%	1¾%
Time money:		
60 days	3%	2½@2¾%
90 days	3 @3¼%	2¾@3 %
4 months	3½%	3 %
5 to 6 mos.	3½%	3 %

Commercial Paper.—A broader demand on the part of local institutions is noted in the commercial paper market, giving the market an easier tone. The volume moving is still comparatively light on account of the restricted offerings, and rates are unchanged at 3½@3¾ per cent for prime regular names.

Official rates of discount at each of the twelve Federal districts are as follows:

	Maturity in days. 10d.	30d.	60d.	90d
Boston	3	3½	4	4
New York	*3	4	4	4
Philadelphia	*3½	4	4	4
Cleveland	3½	4	4½	4½
Richmond	3½	4	4	4
Atlanta	4	4	4	4
Chicago	3½	4	4	4½
St. Louis	4	4	4	4
Minneapolis	4	4	4	4½
Kansas City	4½	4½	4½	4½
Dallas	3½	4	4	4
San Francisco	3½	4	4	4½

*15-day paper.

Bank Exchanges.—The day's clearings at New York and other cities:

	Exchanges.	Balances.
New York	$719,910,981	$45,990,165
Baltimore	5,593,825	614,645
Boston	33,938,199	4,147,503

Sub-Treasury.—New York banks gained from Sub-Treasury $3,098,000.

Silver.—Bars in London, 32⅜ pence; here in New York, 69¼ cents; Mexican dollars, 53⅝@56⅞ cents.

The Week's Money Currents.—According to Dow, Jones & Co., the reported movements of currency this week indicate a gain in cash by the banks of about $12,000,000. The gain from the interior was $3,300,000.

Distribution of Bank Deposits.—Preliminary returns compiled by the Comptroller of the Currency from the latest national bank call, as of September 12, show that there were fifty-eight national banks in the country on that date carrying gross deposits in excess of $25,000,000. Of these thirty-six showed increases, while twenty-two reported losses, as compared with the previous call on June 30. The largest gains were made in deposits outside of New York City. Chicago banks led, while San Francisco banks also experienced a large growth in this item. On the other hand, the majority of New York banks reported decreases. This shifting of deposits to the interior is significant, as it indicates that in the current heavy speculation in the stock market securities have been purchased and taken away from Wall Street, thus transferring the loans elsewhere. A striking feature of the market of late has been the reduction of stock loans by important Wall Street houses. At the same time interior banks have been lending considerable amounts of time money in New York.

The Dollar in Foreign Exchange.

The pronounced strength of French exchange is attracting attention in the foreign remittance market at the moment. Yesterday cable francs sold late in the day as high as 5.82, the best price since January. They closed at 5.83. Their rise is associated with the $50,000,000 Paris loan arranged earlier in the week by the New York bankers.

Russian rubles moved up another peg in response to larger inquiry. Marks were steady with not much change.

	Yesterday.	Week ago.
Sterling, demand	4.75 11-16	4.75¾
Sterling, sixty days	4.71½	4.71¾
Sterling, cables	4.76 7-16	4.76 7-16
Sterling, ninety days	4.69¼	4.69½
Francs, demand	5.83¾	5.86
Francs, cables	5.83	5.85¼
Guilders, checks	40⅞	40¾
Guilders, cables	40⅞	40⅞
Reichsmarks, checks	70¾	70½
Reichsmarks, cables	70¾	70⅝
Lire, checks	6.46¼	6.46
Lire, cables	6.45	6.45¼
Swiss, checks	5.31¾	5.33
Swiss, cables	5.31⅛	5.32¼
Austrian, kronen, ch'ks	12.00	12.02
Stockholm, kr., checks	28.45	28.55
Copenhagen, kr., checks	28.25	28.35
Pesetas, checks	20.10	20.13
Rubles, checks	32.10	32.20

Below is given the current exchange value of foreign money in dollars and cents, together with the intrinsic gold parity as calculated by the United States Mint:

	Current exchange value.	Intrinsic value.
Pounds, sterling	$4.75 11-16	$4.86⅝
Francs	0.17.1	0.19.3
Guilders	0.40.7	0.40.2
Marks	0.17.6	0.23.8
Rubles	0.32.0	0.51.2
Lire	0.15.4	0.19.3
Crowns (Denmark)	0.28.25	0.26.8
Crowns (Sweden)	0.28.45	0.26.8

The above rates express the cost of foreign money in terms of the American dollar. You buy an English pound sterling for $4.75½; the intrinsic parity is $4.86⅝ per pound. Thus, you say either that pounds are at a discount or that dollars are at a premium, which is owing to the fact that in England the demand for dollars with which to settle accounts in this country is greater than the demand in this country for pounds with which to settle accounts in England.

Russian gold coins to the value of 250,000 rubles have been prepared at the Japanese government mint in Osaka for the Russian government.

A PROSPEROUS RECEIVERSHIP

International Mercantile Marine Plan of Reorganization Adopted.

Stockholders of the International Mercantile Marine Company, at a special meeting in Hoboken yesterday, approved the plan of reorganization which had been sanctioned by the committees representing different classes of securities. This paves the way for an early lifting of the receivership, application for which will probably be made next week.

During the eighteen months of its receivership, stock control of the company has been acquired by bankers connected with the National City Bank, who are believed to have bought a dominant interest in other large shipping properties, including the Atlantic, Gulf and West Indies and United Fruit companies.

The constitutional changes necessary to carry out the readjustment were incorporated in seven resolutions. These contain no mention of any disposition of the 82 per cent of back dividends on the preferred stock, nor was there any mention of a new issue of notes permitted under the plan.

In addition to passing favorably upon the formalities relating to the discharge of both the New Jersey and New York receivers the stockholders elected a new board of directors, the personnel of which had been previously forecast correctly. Those who will serve until 1917 are J. P. Morgan, Edward C. Grenfell, Lord Pirie, Harold A. Sanderson and Charles Steele. To serve until 1918 are Otto T. Bannard, Donald G. Geddes, John W. Platten, Charles A. Stone and Frank A. Vanderlip. Those whose terms will expire in 1919 are Harry Bronner, George W. Davison, P. A. S. Franklin, Albert Rathbone, Charles H. Sabin and Frederick W. Scott.

Notes Will Not Be Issued.

The failure of the directors to take advantage of the provision of the reorganization plan permitting an issue of notes up to $10,000,000 to help pay off the bonds that are to be retired caused some surprise in financial circles. It was learned that instead of this procedure the company will borrow between $5,000,000 and $6,000,000 from the banks. The amount of cash to be applied to the bonds is $37,500,000, which means that approximately $32,000,000 will be taken from the company's present cash resources. The bonded indebtedness by the plan will be reduced from $77,000,000 (which includes par and accrued interest) to $40,000,000 twenty-five-year 6 per cent first mortgage bonds.

The new board of directors have deferred electing officers of the company until next week, when they will meet again after the receivership has been vacated. It is expected, however, that P. A. S. Franklin, the present New York receiver, will be made president and that Harold Sanderson, of London, will be made chairman of the board.

Obligations Wiped Out.

Since the receivership the International Mercantile Marine Company has enjoyed the most prosperous period of its history. Earnings have been so large as to wipe out practically all obligations and leave a handsome profit. At one time it appeared that the bondholders would obtain possession of the property through foreclosure proceedings, but this was prevented by the formation of the preferred stockholders' committee, which James N. Wallace, president of the Central Trust Company, was chairman.

Some of the new directors declared yesterday that the question of back dividends on the preferred stock is not likely to come up for active consideration at an early date. It was intimated that the floating debt created by the bank loans will have to be paid off before the arrearage on the senior shares will be taken up.

RAPID GROWTH OF ELECTRIC TRACTION

Pioneer in Industry Will Be Speaker at A. E. R. A. Convention

Within a period of thirty years the electric traction business of the United States has developed into an industry in which $6,000,000,000 is now invested. It gives employment to over 300,000 men and the annual receipts are nearly $600,000,000, representing about 12,000,000,000 nickel fares. An address by Frank J. Sprague, who fathered one of the first practical installations of electric transportation, a trolley line at Richmond, which was put into operation about twenty-eight years ago, is one of the features scheduled for the coming annual convention of the American Electric Railway Association, to be held at Atlantic City, October 9 to 13. General George H. Harries, a member of the association, will give a talk on the part electric railways, connecting the coast defences and radiating from important strategic points, are to play in the movement for national preparedness.

Daily Imports and Exports.

Daily imports and exports of general merchandise at the Port of New York were:

	Imports.	Exports.
Friday, Sept. 29	$2,894,938	$9,232,236
Thursday, Sept. 28	2,688,528	15,999,729
Wednes'y, Sept. 27	4,895,461	17,809,930
Tuesday, Sept. 26	4,437,890	13,714,981
Monday, Sept. 25	4,108,816	10,613,916
Saturday, Sept. 23	2,116,501	8,167,857
Friday, Sept. 22	3,704,998	6,802,523
Wednes'y, Sept. 20	6,045,193	23,014,740
Tuesday, Sept. 19	5,613,265	16,069,034
Monday, Sept. 18	4,028,376	13,903,375

ADVANCE IN IRON RATES SUSPENDED

Action by Commerce Commission Surprises Shippers.

Washington, Sept. 29.—Tariffs of railroads in the Middle West and East proposing increases of 7 and 8 cents per hundred pounds on iron and steel articles from Chicago, Pittsburgh and other points to the Atlantic Seaboard and to Gulf ports for export were suspended yesterday by the Interstate Commerce Commission until January 29 pending investigation. This action was a surprise to shippers who have been rushing pig iron and steel products to the seaboard in the expectation that the advance in export rates would go into effect October 1.

FLOOD OF GOLD STILL TO RISE

Director of U. S. Mint Looks for Additional Imports of $400,000,000.

Kansas City, Mo., Sept. 29.—Gold imports from Europe and Canada that yet may be expected to come into the United States were placed at $400,000,000 by F. J. H. Von Engelken, Director of the Mint, Washington, who spoke here to-day at the closing session of the annual convention of the American Bankers' Association. He declared these figures had been given to him by financial agents of the Entente Allies in this country.

"We are melting up and turning into American money millions of dollars' worth of English sovereigns and French 20-franc pieces," said Mr. Von Engelken.

The increased financial demands being made by the present prosperity were shown by figures indicating that the minting of small pieces of money had more than doubled within the last year. These were said to indicate the increased spending capacity of the country.

A recommendation for the reduction of the reserves of country banks from 12 to 10 per cent of their capital was passed by the convention.

Action "Against Sound Banking."

The subject of Congressional authorization of branch domestic banks brought on a spirited debate, but resolutions were adopted against the branch bank plan. "The branch bank means the deathknell of the individual bank," J. W. Bailey, ex-Governor of Kansas, declared. James K. Lynch, of San Francisco, said, after the vote had been taken, that the action went "directly against good, sound banking principles."

The annual election of officers resulted in the election of P. W. Goebel, of Kansas City, Kan., president, and C. A. Hinch, of Cincinnati, vice-president. Oliver J. Sands, of Richmond, Va., was reëlected chairman of the insurance committee. The executive committee reëlected Frederick E. Farnsworth, of New York, as general secretary, and E. M. Wing, of La Crosse, Wis., treasurer.

Farm Uplift Movement.

Agricultural development of the United States, designed to inculcate ideas of crop diversification, road construction, county farm demonstration work and the upbuilding of rural communities, was discussed during the day. Speakers urged the bankers to aid in the better farming campaign, and plans were made to continue the work in which the association's agricultural commission has been engaged for five years.

The report of the commission read by Joseph Hirsch, of Corpus Christi, Tex., stated that bankers are coöperating in a great measure in the rural work.

Some Interesting Figures.

Mr. Hirsch gave some astonishing figures as to the results of demonstration work carried on in the south. He said:

> In 1914 the principal experiments conducted with the great staple crops of cotton and corn show that on 9,392 farms, with a total of 129,475 acres, Southern demonstration farmers averaged 1,044.77 pounds of seed cotton per acre, against 623.7 pounds—the general average; while 13,565 demonstrations conducted on 110,408 acres planted to corn show an average of 34.83 bushels per acre, against an average yield of 20.7 bushels produced in the Southern States. In 1915 over 20,000 Southern farmers employing demonstration methods on 218,000 acres produced an average yield of 1,180 pounds of seed cotton per acre, and 56,000 farmers employing demonstration methods on 480,000 acres produced an average yield of 37.7 bushels of seed corn per acre. Figuring lint cotton at 10 cents the pound and corn at 75 cents the bushel, the cotton demonstrations show an increased value of approximately $4,000,000, and the corn experiments an increased value of $7,000,000 over the average productions of cotton and corn on equal acreages. Demonstrations in oats, wheat, rye, barley and other staple crops show equally amazing results.
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> In 1915 over 50,000 pure bred and grade animals were brought into the Southern States due to demonstration agents' influence. Over 1,700 farm clubs have been organized, with a total membership of nearly 50,000. The agents made over 600,000 visits to farms, travelling over 3,000,000 miles. Over 32,000 meetings were held, with a total attendance of 1,200,000 farmers, while over 1,000,000 government bulletins have been distributed by county agents. Over 13,000 visits were made to Southern schools by agents, and there are now enrolled in the Southern Boys' Cotton, Corn, Pig and other clubs over 53,000 boys, while there are over 37,000 girls enjoying the benefits of the home demonstration work.

The 1917 convention of the association will be held at Atlantic City, N. J., if the executive committee of the association adopts the recommendation made by the general convention.

WAR LOAN RATES TEMPT CHICAGO

Western Capital Now Being Freely Invested in Foreign Securities.

Chicago, September 28.

By SRINIVAS R. WAGEL.

The Chicago banker's ambition is to catch up with New York. He has no doubt that within the next forty years Chicago will be as big a financial centre as New York. The banks in Chicago seem to be always full of people. The bankers take pride in the fact that they never turn away any customer, and they take in any amount, however small it may be. Most of the larger banks have savings departments, which take any amount from $1 upward, and this accumulation gives a total of many millions of dollars for the banks to invest. This money comes from the earnings of the rich and poor alike, and banking here is not the special perogative of the very well to do, as in New York.

The bankers in Chicago say they are unjustly accused of not paying sufficient attention to foreign trade and international finance. They state that for decades the industries of Chicago furnished the goods upon which our foreign trade was built, and that since the war started there has been more activity in that direction in this centre than possibly any other single place in the country.

Meeting All War Orders.

It appears that during the early months of the war Chicago manufacturers refused war orders because they considered it more important to retain regular home customers than to pay attention to stray orders bringing in large profits. As the months rolled by they were able to increase their producing capacity, and manufacturers have since been able to meet all war orders. In this connection a Chicago manufacturer told me that such an attitude has helped immensely. He also stated that "New York by adopting a contrary policy and paying more attention to war orders has lost many of its regular customers to Chicago."

But the subject of special importance is the part that Chicago banks have played in financing Europe. There was much complaint that, when the first Anglo-French loan was floated, last October, it took a great deal of persuasion to make Chicago participate in it, and Chicago's part in it was comparatively small. There is no doubt that the novelty of it was against any enthusiastic participation. At the same time, the main reason, according to my informant, why Chicago was not enthusiastic at first was because there was no certainty that there would be sufficient funds to invest in the foreign loan. This fact, I am told, is proven by later happenings.

Many Foreign Securities Absorbed.

Ever since the beginning of this year Chicago has been active in international finance. It is stated that, long before it was possible to establish credits for England or France in New York, Chicago took British Treasury bills, considerable amounts of which are in the hands of banks and manufacturers. The British and French owned American securities have been purchased in large blocks by Chicago banks, and the latter have been successful in distributing them widely. The later French and British collateral loans have had enthusiastic support from Chicago banks, which absorbed the total that was allotted to them. Several of the small credits for England and France that were privately arranged in New York have been possible because of Chicago's support.

It appears that at present the financial institutions of New York are counting upon Chicago more than any other centre. Boston is the only other centre which has large liquid funds to loan out, and it is believed that Boston is chock-full of securities and has no more funds to lock up. Banks in Chicago are flooded daily with inquiries regarding participation in loans and credits to the Allies on the best possible securities, at rates averaging from 6¼ to 6¾ per cent. At first, the Chicago banker was surprised that business yielding such returns at a time when money was a drug on the market should be put in his way by New York. As one banker put it, "One cannot make head of tail of it." Later on the banks were satisfied that the business put before them was "good business," and have been willingly investing their money in such securities.

Borrowing at Minimum.

One should not, however, ignore the fact that the cheapness of money and the continued increase in surpluses have had great influence in inducing the banks to enter the realms of international finance. Bankers generally have been complaining of the narrow margin of profits during recent months; but the recent experience in industrial centres is that, in spite of the extreme activity in manufacturing, borrowing is at a minimum. It became a serious question with the banks, and Chicago with its increasing surpluses was particularly affected. The banks in this city have not willingly taken the new step, in spite of the comparatively large returns. It is a moot question for Chicago, as well as other centres, what might happen when manufacturing credits begin to be on a different basis than they are to-day. Now, however, they are utilizing the only means of using the surplus money and getting some profit for themselves.

NEW LOAN HITS BRITAIN'S BONDS

Government Securities Are Lower as Issue Is Announced.

By FRANCIS W. HIRST.
[By Cable to The Tribune.]

London, Sept. 29.—The effect of the Treasury's announcement of the issue of three-year 6 per cent bonds caused a universal decline in government securities and recent buyers of exchequer bonds were hard hit. The rate of interest takes us back to the Napoleonic wars, when 3 per cent consols fell several times below 50; but the three-year limit marks this rate as purely temporary, and declines in home securities, excepting 5 per cent exchequer bonds, are very slight.

Thus 2½ per cent consols still are above 59, which indicates the true strength of British credit and confidence of the investing public. The French loan and many other sound considerations tell against the issue of any long-date loan, which is urged by some city experts. Bankers generally much prefer the present plan, which was reached after close discussion and careful consideration.

To-day's sensations are Hollweg's speech and the Lloyd George interview. The latter suggests pessimism regarding the war's duration, but George's more recent letter, printed yesterday, to the National Liberal Club, spoke of the "demobilization of the army when the time comes, at no very distant date, I trust, for the restoration of peace conditions."

Runciman's Dewsbury speech is regarded as important. He refuses to fix maximum prices, preferring high prices to shortage, and declares plainly neutrals need not have any anxiety concerning the objects of the blockade.

"We are not waging war to gain any trade advantage," Runciman said.

British Bond Prospectus Out.

London, Sept. 29.—The prospectus of the new 6 per cent exchequer bonds, to be sold at par and redeemable in February of 1920, was issued to-night. Except for the higher rate of interest, which is payable every six months, the conditions are the same as those of the previous issues.

The bonds and the interest on them are exempt from British taxation if held by persons neither domiciled nor ordinarily resident in the United Kingdom or Ireland. The chief criticism of the new bonds comes from holders of the old stock, on which the yield is lower.

News Digest

Foreign

London Stock Market.—London, Sept. 29.—Money continued tight today, necessitating borrowing from the Bank of England. Discount rates were firm.

The stock market is still suffering from the prospective attractiveness of the new Exchequer bonds and a further revision of values of existing investment issues gave a heavy appearance to the old Exchequer bonds today. The war loan was the most affected, although home rails, colonial bonds and Argentine rails were marked down in sympathy. Grand Trunk shares were firm and rubber stocks steady. American securities reacted with Wall Street. United States Steel was a firm exception.

Money loaned at 4½ per cent; discount rates, short and three months' bills, 5½@5⅝ per cent; gold premium at Lisbon, 58.00.

Paris Bourse.—Paris, Sept. 29.—Trading was quiet on the Bourse today. Three per cent rentes, 62 francs 15 centimes for cash; exchange on London, 27 francs 89 centimes; 5 per cent loan, 90 francs.

New York

Week's Failures.—Commercial failures this week in the United States, as reported by R. G. Dun & Co., are 284, against 280 last week, 264 the preceding week, and 331 the corresponding week last year. Failures in Canada number 33, against 16 last week, 39 the preceding week, and 43 last year.

State of Trade.—"Bradstreet's" says that trade reports are all in superlatives, and the United States enters the last quarter of the year with a record of past achievement and future promise such as neither this nor any other country has ever before seen. Old measures have been surpassed, and the business world is without a yardstick capable of measuring the present or the future of the country's development.

Prosperity's Progress.—R. G. Dun & Co. say: "Restraining influences hamper but do not check progress, current reports adding to the accumulated evidence of prosperity in industry, trade and transportation. The high and rising prices constitute a source of complaint and cause some hesitancy in forward commitments, but the purchasing power is sustained by the full employment of workers at advanced wages and signs of contraction in consumption are the exception."

Willys-Overland.—The following communication, from John N. Willys, president of the Willys-Overland Company, has been received by a Stock Exchange firm in reply to an inquiry: "I thought possibly it would be well for me to take the opportunity to drop you a line and advise you that the Willys-Overland Company is not intending the new money for new properties. It is the intention to have a very strong cash balance and current assets, so that when the war is over, and if an 'ill wind should blow,' the Willys-Overland Company will be in a position to stand it."

French Loan Subscriptions.—Brown Bros. & Co. and A. Iselin & Co. announce that the French government has made a special arrangement with them for receiving subscriptions in this country to the new French 5 per cent national loan.

Reorganization Plan Effective.—The reorganization of the Associated Merchants Company and United Dry Goods Companies under the plan of December 28, 1915, has been declared effective, over 99 per cent of the stock of both companies having been deposited under the plan. In a circular issued by the reorganization committee, it is said that earlier statements regarding a bright outlook for earnings will be more than justified.

Other Cities.

Boston Coppers.—Boston, Sept. 29.—This was another day of high prices for copper shares in the local market. Trading was at general advanced levels and covered a wide range of issues. The close was strong. Copper Range, 72½; Allouez, 71½; Old Dominion, 77; Granby, 94½.

Advance in Meat Prices.—Washington, Sept. 29.—Prices of meat animals—hogs, cattle, sheep and chickens—increased 4.1 per cent from August 15 to September 15, compared with an average increase of 0.9 per cent in the same period the last six years. The Department of Agriculture announced to-day.

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