

WEALTH MARKETS AND COMMERCE

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Finance - Economics

GARET GARRETT, Editor. WALL STREET OFFICE: Mills Building, 15 Broad St. Telephone: Hanover 6514.

Wednesday, October 4, 1916.

A cynic says the outside public, having bought heavily for the rise, is now waiting to see what the inside public will do, and that the inside public, having sold heavily for profit, is waiting to see what the outside public will do.

Strength in railroad stocks is an exasperation to those, who, on the enactment of the eight-hour law, closed out very large holdings and were resolved never again to risk their money in that discredited class of securities.

Pyramiding the War Bill. Every finance minister in Europe enormously underestimated the cost of the war. In Germany it was believed that war could be financed entirely with long term loans, bearing interest at a fixed rate of 5 per cent.

The Dollar in Foreign Exchange. The decline in the Tontonic exchanges carried further yesterday. Special weakness was displayed by Vienna remittances, kronen checks falling to 11.95 cents, almost equalling the record of 11.95 established September 12.

Consols..... \$280,466,338 2 3/4% annuities..... 2,708,677 4 1/4% annuities..... 21,659,392 Debts to Banks of England and Ireland..... 13,645,869

Grand total..... \$2,745,536,014 To avoid refunding existing war loans the British government has now announced an issue of three-year 6 per cent exchequer bonds with which to retire the treasury bills and other floating issues.

body greatly minds. Wealth is lucky not to share the lot of human life. It is still exempt from conscription. English labor is demanding that capital be treated in the same way as life.

Money and Credit

Money on call at the New York Stock Exchange ruled unchanged at 2 1/2 per cent, although some loans were reported as low as 2.

Time funds on brokers' Stock Exchange collateral is fairly active, with a continuation of the ease that has prevailed in the past. Money is offered on mixed collateral at 3 1/2 per cent for all maturities carrying over the end of the year.

Table with columns: Call money, Yesterday, A year ago. Rows: 30 days, 60 days, 90 days, 3 months, 6 months.

Commercial Paper—The easy tendency is still in evidence in commercial paper, but the volume of trading shows no expansion. Prime regular maturities are moving at 3 1/2 per cent. There is an occasional trade in short-dated paper at 3 1/4 per cent.

Table with columns: Maturity in days, 10d, 30d, 60d, 90d. Rows: Boston, New York, Philadelphia, Richmond, Atlanta, Chicago, St. Louis, Minneapolis, Kansas City, Dallas, San Francisco.

Bank Exchanges.—The day's clearings at New York and other cities: New York..... \$619,248,786 Baltimore..... 6,958,950 Boston..... 37,884,747 Chicago..... 75,014,667 Philadelphia..... 53,252,927 St. Louis..... 19,634,640

Silver—Bars in London, \$27-16 pence; here in New York, 68 1/2 cents; Mexican dollars, 52 1/2 @ 55 1/2.

German Bank Statement.—The statement of the Imperial Bank of Germany, issued September 30, shows the following changes: Total coin and bullion..... 11,031,000 Gold..... 13,148,000 Treasury notes..... 180,053,000

The Dollar in Foreign Exchange. The decline in the Tontonic exchanges carried further yesterday. Special weakness was displayed by Vienna remittances, kronen checks falling to 11.95 cents, almost equalling the record of 11.95 established September 12.

Table with columns: Yesterday, Today. Rows: Sterling, demand, Sterling, sixty days, Sterling, cables, Sterling, ninety days, Francs, demand, Francs, cables, Guilders, checks, Reichsmarks, checks, Reichsmarks, cables, Lire, checks, Lire, cables, Swiss, checks, Swiss, cables, Austrian, kronen, Stockholm, kr., Copenhagen, kr., Pesetas, checks, Rubles, checks.

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: Pounds, sterling..... \$4.75 1/4 1/8

foreign money in terms of the American dollar. You buy an English pound sterling for \$4.75; the intrinsic parity is \$4.86; 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.

MOBILIZING CANADIAN PROVINCIAL ISSUES

Proposal to Raise \$100,000,000 in This Manner. Winnipeg advises indicate that other Canadian provinces besides Manitoba and Saskatchewan are desirous of mobilizing their securities for imperial purposes.

According to Treasurer Brown, J. P. Morgan and H. P. Davison will intervene in the British Treasury Board while in London, with the object of having these other provinces of the Dominion included in the mobilization scheme, and will ask that the tax penalty clause be enacted in regard to their securities the same as is now enforced against United States issues.

The object of the plan is to force the mobilization of Canadian provincial securities so as to employ them in obtaining such further dollar credits as Great Britain may seek to arrange in the United States.

EXPECT ASSESSMENT AGAINST WAR PROFITS

Canadian Pacific Directors Provide for Contingency Fund. Montreal, Oct. 4.—Lord Shaughnessy, president of the Canadian Pacific Railroad, announced to the stockholders at the annual meeting here to-day that the directors had decided to transfer to a fund for contingencies a substantial sum from war profits, for the following reasons:

Although the amount of the taxes that the company may be called upon to pay in Great Britain and Canada in connection with special war shipments is not as yet definitely determined, it will, no doubt, be considerable, and prudence suggests preparation to meet it. Then, as you are aware, most of the company's ocean steamships have, during the last two years, been engaged in admiralty service.

Steps should be taken by all investment bankers to improve the laws relating to municipal bonds. None of the investment bankers are averse to municipal borrowing, but are averse to reckless borrowing. Investment bankers should limit the life of municipal bonds to the probable life of the improvement.

DEALERS' STOCKS IN SOUTH AMERICA LOW

Imports in 1915 Were Only Half of Exports. According to O. P. Austin, statistician, foreign trade department of the National City Bank, South America made last year the unique record of exporting more than twice the amount of commodities it imported.

The United States Steel Corporation is reported to have appropriated \$1,250,000 for the building of a pellet mill at the mill at Farrell, Penn. Construction is expected to begin in the near future.

Significant Relations

Money and Prices: Stock of money gold in the country. Now, \$2,625,741,473 A year ago, \$2,056,732,138

Loans of all national banks..... \$6,559,971,000 Ratio of their cash to deposits..... 11.9%

Loans of Federal Reserve Banks..... \$1,056,778,000 Their note circulation, net..... 14,250,000

Average price of 15 railroad stocks..... 125.28 The day before, 124.84 A year ago, 112.67

Production: Unfilled U. S. steel orders, tons..... 9,660,357 August, 9,593,592 July, 9,593,592

Wheat crop, bushels..... 611,000,000 Last year's crop, 1,012,000,000 Corn crop, bushels..... 2,710,000,000 Last year's crop, 3,095,000,000

BANKERS URGE PROTECTION FOR INVESTMENTS

Labor Attacks and Legislation Against Railroads Decried.

Cincinnati, Oct. 4.—An insistence on proper protection of the capital invested in railroads and an appeal that railroad mortgages be surrounded with such safeguards that they may hold their place among the prime investments, was made here to-day by the committee on railroad bonds before the Investment Bankers' Association of America Convention. The report stated: "We must endeavor to turn public sentiment from its attitude of antagonism to one of fair play to the railroads."

Walker D. Hines, chairman of the advisory committee and general counsel of the Atchison, Topeka & Santa Fe Railway Company, made a plea for legislation which will provide an orderly and responsible method of settling railroad labor disputes as a substitute for the "terrorism of the strike."

Cost of Municipal Improvements. William C. Baker, jr., chairman of the Municipal Bond Committee, in his report to the convention stated that a large part of the total net indebtedness of states and municipalities, which aggregates more than \$4,000,000,000 today, has been incurred under hastily drawn and inadequate statutes.

L. & N. EARNS 1938 PER CENT ON STOCK

The Louisville & Nashville Railroad enjoyed the most prosperous period of its history in the year ended June 30 last, according to the annual report made public yesterday. The company's income balance was equivalent to 19.38 per cent on the \$72,000,000 capital stock, as compared with 6.76 per cent earned in 1915.

Election of Officers. Lewis B. Franklin, of New York, was re-elected president of the association, and Frederick R. Fenton, of Chicago, and J. Sheppard Smith, of St. Louis, were re-elected secretary and treasurer, respectively.

Trade Arbitration with Argentina. Washington, Oct. 4.—A practical accomplishment of the recent Pan-American financial conference was an agreement between the Chamber of Commerce of Buenos Aires and the Chamber of Commerce of the United States to arbitrate commercial disputes between business men of Argentina and of this country.

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HEAVY TRAFFIC GAIN BY UNION PACIFIC

Withdrawal of Shipping Increases Transcontinental Haul. Prosperity of the Western railroads was further emphasized yesterday by the annual report of the Union Pacific.

The steadier close of the stock market yesterday developed into a general improvement to-day on the idea that the recent decline was overdue. The government supported gilt-edged securities and bargain hunters bought fairly freely. Consols showed the most improvement and home rails hardened without much business, but the sentiment was decidedly better.

Paris Heavy.—Paris, Oct. 4.—Prices were heavy on the Bourse to-day. Three per cent rent, 61 francs 80 centimes for cash; exchange on London, 27 francs 8 1/2 centimes; 5 per cent loan, 90 francs.

Low Business Mortality.—September failures, according to "Bradstreet's," showed a decrease from August, were only slightly in excess of July in fact and were therefore down to about the low minimum of the last two years.

Measure of Activity.—This business maintained in enormous volume in all parts of the country is clearly shown by the marked expansion in the payments through the banks, as reflected in clearing house transactions, as well as in the clearing of checks, according to returns received by "Dun's Review" from 131 leading cities in the United States, amounting to no less than \$22,573,375,513, an increase of 47.4 per cent, as compared with last year's month last year, and of 68.8 per cent, as contrasted with the corresponding period in 1913.

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News Digest

Foreign

London Stock Market.—London, Oct. 4.—Money was in better supply and discount rates were quiet to-day. The steadier close of the stock market yesterday developed into a general improvement to-day on the idea that the recent decline was overdue.

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Other Cities

Boston Coppers.—Boston, Oct. 4.—The activity of recent trading in copper shares was lacking to-day. Prices were but little changed in a colorless market. The trend was lower. The close was generally easier. Copper Range, 70; Allouez, 69 1/2; Granby, 92; Old Dominion, 70 1/2.

Need for Cooperation.—Danville, Ill., Oct. 4.—The need for cooperation between governmental activities and business interests was emphasized in an address here to-day before the annual convention of the Illinois Bankers' Association by Eugene Lamb Richards, Superintendent of Banks of the State of New York.

Charity for the New Haven.—Boston, Oct. 4.—Neither the New York, New Haven & Hartford Railroad nor the Boston & Maine Railroad will pay a state franchise tax for the current fiscal year, it was learned to-day. Because of the "abnormally low market value of their stocks," Taxation Commissioner Trefry said, he had decided to impose no tax of this nature on the companies.

Corporation Returns

International Agricultural Corporation.—Report for the year ended June 30, 1916, compares as follows: 1916. 1915. Gross profits..... \$2,793,897 \$1,844,799

Chicago and North Western Railway Co. NOTICE OF ANNUAL MEETING. The Annual Meeting of the stockholders of the Chicago and North Western Railway Company will be held at the Chicago Club, Chicago, Ill., on Friday, October 14, 1916, at nine o'clock A. M.

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Alabama Great Southern Railroad.—Report for the year ended June 30, 1916, shows a surplus after preferred stock dividends of \$1,067,132, equal to 13.6 per cent on \$7,830,000 common stock, as compared with 5.4 per cent earned on the same stock in the year preceding. The condensed report is as follows:

Table with columns: 1916, 1915. Rows: Gross, Expenses and taxes, Net, Other income, Total income, Charges, etc., Surplus, Preferred dividends.

New York, New Haven & Hartford. 1916. Increase. August gross..... \$7,149,733 \$885,640

New York, Ontario & Western. 1916. Increase. August gross..... \$69,811 \$7,781

Dividends

United Cigar Stores.—Regular quarterly dividend of 1 1/2 per cent on the common stock, payable November 15 to stock of record October 27.

GOVERNMENT BONDS

United States and Foreign

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DIVIDEND NOTICES

UNITED FRUIT COMPANY

A quarterly dividend of two dollars per share (two dollars per share) on the capital stock of this Company has been declared, payable on October 14, 1916, to stockholders of record at the close of business September 13, 1916.

American Telephone & Telegraph

A dividend of Two Dollars per share is to be paid on Monday, October 14, 1916, to stockholders of record at the close of business on Saturday, September 30, 1916.

KELLY-SPRINGFIELD TIRE CO.

A quarterly dividend of four (4) per cent on the common stock of this Company has been declared, payable on October 14, 1916, to stockholders of record at the close of business October 13, 1916.

THE COLORADO POWER COMPANY

A quarterly dividend of one and one-half (1 1/2) per cent on the common stock of this Company has been declared, payable on October 14, 1916, to stockholders of record November 13, 1915.

FEDERAL SUGAR REFINING CO.

The regular quarterly dividend of one and one-half (1 1/2) per cent on the common stock of this Company has been declared, payable on October 14, 1916, to stockholders of record at the close of business October 13, 1916.

FINANCIAL MEETINGS

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