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1917 Official List

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Monday, February 19, 1917.

It is doubtful if business has as yet been retarded to any considerable extent as a result of freight congestion and the prospects of war, but if there has been an appreciable slackening it has certainly failed to find reflection in commodity prices. Lead is at a new peak. Copper rose last week to a record; steel prices advanced substantially; textiles are also mounting, and "The Analyst" index number of food prices has jumped more than 6 points to nearly 226. In other words, the food cost of living is now 126 per cent above the average for the decade 1890-'99. Wages do not now seem to be advancing very much, and labor is therefore probably losing some of the advantage gained in the race with prices in the last eighteen months. If food keeps on rising, those with fixed incomes may soon have to voluntarily adopt what has been forced on the people in some of the belligerent countries—rationing.

If the supply of money has as much influence on prices as the sponsors of the quantitative theory believe, it is probable that the restoration of normal conditions in the world will leave commodity prices on a permanently higher basis than that at which they stood when the war began, though a good many of the present abnormalities would, of course, be ironed out. If that should prove to be the case securities having a fixed return would be likely to go lower, while others would tend to seek a higher level.

The market yesterday was quietly strong, as it was on Saturday. It has all the appearance of having been thoroughly liquidated, and traders seem to think that it would suffer little from a declaration of war on Germany, if that should come. Wall Street is, however, by no means as certain as it was a week or so ago that a break is inevitable.

It is perhaps as futile as it is unkind to revive such light things as political speeches, but it is nevertheless interesting to recall that when the Administration was seeking reelection last fall it was said on several occasions that mere bigness was not a business crime and should not be punished. The attitude which the government takes in its brief in the dissolution suit against the International Harvester Corporation is just the reverse of that. It follows the lines of the District Court's decision. The fact that the economic power of a great combination—the brief refers to "undue" power, but does not tell just what is considered "undue"—might be improperly used, it is held, sufficient reason for destroying that power, without waiting for an "overt act." The argument, then, is obviously against mere bigness and nothing else. At the same time, the value of bigness is gaining some recognition in Congress in the form of the Webb bill, under which combination for the furtherance of export trade would be permitted. It might, perhaps, be good business to foster practices in foreign commerce which the government opposes at home, but it would not be good morals. It would also be inconsistent, but consistency would be too much to expect in anything which contains a political element.

United States Steel yesterday closed with a net gain of 1/2%; International Harvester was up 4 1/2 points.

The report showing a net shortage of 109,770 freight cars on February 1, an increase of 47,523 for the month, indicates clearly that the railroad traffic congestion was becoming acute before the submarine blockade was announced. This is the first time on record that a shortage of cars existed on February 1. Normally, there are more cars available on February 1 than on January 1.

Money and Credit

Lending institutions maintained a cautious attitude with regard to making further time commitments yesterday, and the market for fixed date funds displayed firmness on a small turnover. Transactions were mostly for the shorter maturities—four months and less. An interesting feature of the time market at the moment is the fact that a considerable proportion of the offerings represents out of town money, interior banks, as a rule, being more liberal lenders than local institutions. Rates for mixed money yesterday were quoted at 4 to 4 1/2 per cent for sixty and ninety days, 4 1/2 to 4 3/4 for four, five and six months.

The supply of money on call at the New York Stock Exchange was plentiful, although the ruling rate was slightly firmer at 2 1/2 per cent, compared with 2 1/4 on Friday. Some loans were made

as low as 2 1/4 per cent. Most of the banks are more willing to loan money on day to day demand loans than on time, and this tends to keep a large supply of call money available.

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

Call money.....	2 1/2%	2%
Time money (mixed collateral):		
60 days.....	4 @ 4 1/2%	2 1/2 @ 2 3/4%
90 days.....	4 @ 4 1/2%	2 3/4%
4 months.....	4 1/2 @ 4 3/4%	2 3/4 @ 3%
5 to 6 mos.....	4 1/2 @ 4 3/4%	3%

Commercial Paper.—Quiet trading characterized the commercial paper market at the opening of the week. The tone was firmly maintained yesterday. Most of the business is moving at 4 1/2 to 4 3/4 per cent for the best regular maturities.

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

District	Days		
	Over 30	15 to 30	Up to 15
Boston.....	3 1/2	4	4
New York.....	4	4	4
Philadelphia.....	3 1/2	4	4
Cleveland.....	3 1/2	4	4 1/2
Richmond.....	4	4	4
Atlanta.....	4	4	4
Chicago.....	3 1/2	4	4 1/2
St. Louis.....	3	4	4 1/2
Minneapolis.....	4	4	4 1/2
Kansas City.....	4 1/2	4 1/2	4 1/2
Dallas.....	3 1/2	4	4 1/2
San Francisco.....	3	3 1/2	4 1/2

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

City	Exchanges		Balances	
	New York	Other Cities	New York	Other Cities
New York.....	\$383,141,472	\$37,337,032	\$383,141,472	\$37,337,032
Baltimore.....	6,278,247	467,191	6,278,247	467,191
Boston.....	28,649,042	4,542,738	28,649,042	4,542,738
Chicago.....	85,352,042	7,614,806	85,352,042	7,614,806
St. Louis.....	25,253,491	5,326,724	25,253,491	5,326,724

Sub-Treasury.—New York banks gained from Sub-Treasury \$1,999,000.

Silver.—Bars in London, 3 1/4 pence; New York, 7 1/2 cents; Mexican dollars, 60 1/2 cents.

Boston Bank Statement.—The weekly statement of the Boston banks showed a decrease of \$2,461,000 in surplus reserves. Loans and discounts decreased \$526,000. Individual deposits decreased \$6,415,000.

The Dollar in Foreign Exchange

Sterling rates were slightly easier yesterday, with sight drafts dropping to 4 1/2%, compared with 4 1/4% at the close of last week. Marks reflected fractional improvement on light buying, selling up to 6 1/2% for cables. Italian lire developed early weakness and declined to a rate of 7.29 to the dollar, compared with 7.24 1/2 on Saturday. Selling of francs caused a decline in the rate to 5.85. The rest of the market showed but slight changes on a small volume of business.

Closing rates yesterday, compared with a week ago, were as follows:

Commodity	Yesterday		Week Ago	
	Value	% Change	Value	% Change
(Quoted dollars to the pound)				
Sterling, demand.....	4.75 1/2	+ 1/4	4.75	
Sterling, sixty days.....	4.75		4.75	
Sterling, cables.....	4.75 1/2	+ 1/4	4.75	
(Quoted cents to the dollar)				
Francs, demand.....	5.85	- 1/4	5.84 1/2	
Francs, cables.....	5.83 1/2	- 1/4	5.83 1/2	
Lire, checks.....	7.29	- 1/4	7.30	
Lire, cables.....	7.29	- 1/4	7.29	
Swiss, checks.....	5.01 1/2	- 1/4	5.00 1/2	
Swiss, cables.....	5.00 1/2	- 1/4	4.99 1/2	

(Quoted cents per mark)

Reichsmarks, checks.....	69	- 1/2
Reichsmarks, cables.....	69 1/2	- 1/2
(Quoted cents to the unit)		
Guilders, checks.....	40 1/2	+ 1/2
Guilders, cables.....	40 1/2	+ 1/2
Rubles, checks.....	2870	- 2890
Austrian, kronen, ch'ks.....	1105	- 1100
Stockholm, kr. ch'ks.....	2945	- 2945
Copenhagen, kr. ch'ks.....	2735	- 2735
Peaseta, checks.....	2118	- 2120
Pesos (Argentina).....	9890	- 9900

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:

Commodity	Current exchange value	Intrinsic value
Pounds, sterling.....	\$4.75 1/2	\$4.86 1/2
Francs.....	0.17 1/2	0.19 3/4
Guilders.....	0.40 1/2	0.40 1/2
Marks.....	0.17 1/2	0.23 1/2
Rubles.....	0.28 1/2	0.51 1/2
Lire, checks.....	0.13 1/2	0.19 3/4
Crowns (Denmark).....	0.27 3/4	0.26 1/2
Crowns (Sweden).....	0.29 1/2	0.26 1/2

The above rates express the cost of foreign money in terms of the American dollar. You buy an English pound sterling for \$4.75 1/2; the intrinsic parity is \$4.86 1/2 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.

Turnover and Costs

In a circular issued by the Samuel Cupples Woodenware Company the statement is made that competent authority has by careful investigation and a canvass of over 1,500 retailers in each of the lines named developed the following facts:

Commodity	Turn	Stock	Cost to Bus.
Grocers.....	10 times	16 %	16 %
Dept'tment stores.....	7 times	26 1/2 %	26 1/2 %
Drug stores.....	4 times	24 1/2 %	24 1/2 %
Dry goods.....	4 times	23 %	23 %
Hardware.....	3 1/2 times	19 1/2 %	19 1/2 %
Furniture.....	3 times	24 %	24 %
Wine.....	2 times	23 1/2 %	23 1/2 %
Clothing.....	2 times	20 1/2 %	20 1/2 %
Jewellers.....	1 1/2 times	25 1/2 %	25 1/2 %

It is stated that these are general averages and may vary in different territories.

EXPORT TRADE AT ITS CREST

Falling Off From Record Figures of January Is Anticipated

Washington, February 19.—American exports totalled \$613,441,000 in January, exceeding by nearly \$100,000,000 the previous high monthly record of \$521,650,904, made in December, 1916, according to a statement issued to-day by the United States Bureau of Foreign and Domestic Commerce. High prices are responsible for much of the increased value of foreign trade.

Officials of the bureau expressed the belief to-day that the export trade for the current month will show a tremendous decrease as compared with that of January, the record month, or December. They are of the opinion that this decrease may reach between \$150,000,000 and \$200,000,000. This loss in export trade is, of course, largely attributable to the German submarine blockade and the unwillingness of American vessels to run the risk of being destroyed.

Statistics Are Misleading.—The loss suffered by American trade through the blockade will not be reflected wholly in the statistics that later will be published by the Department of Commerce. The monthly figures published by the department do not represent the trade for that particular month, but the statistics compiled by the various custom houses during that month. February totals, to be made public in March, will include shipments made during the last ten or fifteen days of January, and will therefore fail to show the extent of the loss suffered by American export trade.

While January export trade showed a tremendous increase over the previous month, the import trade also showed a big jump—from \$204,834,188 in December to \$241,674,851. This latter figure represented an increase of approximately \$55,000,000 over the import trade of November last.

Imports Also Make Record.—Both imports and exports for January show decided increases over any previous January in the history of American trade.

Adding January's excess exports of \$371,766,168, the favorable trade balance for the first seven months of the current fiscal year totals \$2,286,011,516, bidding fair to reach the \$4,000,000,000 mark before the close of June.

The total exports for the seven months ended January, 1917, were \$3,614,244,066, as against \$2,182,898,752 and \$1,334,669,148, respectively, for the corresponding periods in 1916 and 1915. For the twelve months ending January, 1917, the total exports were \$5,764,828,190, as against \$3,616,827,944 in the same period in 1916 and \$2,177,436,760 for a like period in 1915. Total trade for the years ending January, 1917, 1916 and 1915 were \$8,213,806,443, \$5,627,264,644 and \$3,934,118,155, respectively. The imports of merchandise during the seven months ended January, 1917, were \$1,348,232,556, against \$1,097,137,816 and \$930,508,236 for the corresponding periods in 1916 and 1915.

Of the month's imports, 74.61 per cent entered free of duty, as compared with 73.75 per cent in January, 1916, and 62.54 per cent in January, 1915.

The Influx of Gold

Gold imports totalled \$58,926,258 in January, 1917, compared with \$15,008,232 in January, 1916, and \$6,896,298 in January, 1915. The imports of gold for the seven months ended January, 1917, totalled \$57,937,345, compared with \$322,068,386 in 1916 and \$33,540,717 in 1915. The exports of gold in January, 1917, were \$20,719,898, while the corresponding periods in 1916 and 1915 recorded \$19,213,517 and \$691,509, respectively. For the seven months ended January, 1917, gold exports were \$110,106,668 and in a like period in 1916, \$34,056,908, against \$139,333,130 in 1915.

Significant Relations

Money and Prices:

Commodity	Now	A year ago
Stock of money gold in the country.....	\$2,912,465,116	\$2,328,421,835
Loans of all national banks.....	\$6,340,000,000	\$7,233,929,000
Total reserve (i. e., cash in national bank vaults and on deposit with Federal Reserve banks).....	\$1,493,433,000	\$1,212,960,000
Ratio of this total reserve to gross deposit liabilities of national banks.....	12.1%	11.9%

Commodity	Last week	A year ago
Discounts of Federal Reserve banks.....	\$145,607,000	\$52,814,000
Their liability for notes, net.....	17,089,000	9,089,000
Their gold reserve against deposits and circulation.....	71.8%	76.5%

Commodity	Yesterday	The day before	A year ago
Average price of 15 railroad stocks.....	112.00	115.52	114.70
Average price of 12 industrial stocks.....	95.37	94.80	93.06
Food cost of living (Annalist index number).....	225.97	219.58	156.46

Commodity	February 1	January 1	A year ago
Unfilled U. S. Steel orders, tons.....	11,474,064	11,547,286	8,568,966
Pig iron (daily average), tons.....	101,643	101,975	102,746
Wheat crop, bushels.....	639,886,000	1,012,000,000	1,012,000,000
Corn crop, bushels.....	2,593,241,000	3,055,000,000	3,055,000,000
Cotton crop, bales.....	11,511,000	11,191,820	11,191,820

Commodity	February	January	A year ago
Net shortage of freight cars.....	109,770	62,247	20,299
Net surplus of freight cars.....			

Commodity	First week	Month of	Year to date
Increase or decrease from last year.....	+0.5%	+8.3%	+12.5%
Increase or decrease from last year.....	-3.02%	+6.7%	+19.4%

Commodity	February	January	A year ago
Gross railroad earnings.....			
Bank clearings.....			

\$2,500,000 GOLD FOR SHIPMENT TO JAPAN

Bankers of Nippon May Take Another British Loan

The Japanese government is withdrawing gold from the United States. The Sub-Treasury yesterday transferred the first consignment of \$2,500,000 by telegraph to San Francisco for account of the Yokohama Specie Bank, which is acting for the Bank of Japan in the transaction. The metal will be shipped to Japan on the next steamer. Japanese bankers said yesterday that private interests were again accumulating balances here as a result of heavy exports to the United States and that it was not improbable that the British government might arrange for another loan by which Japanese dollar balances in New York would be placed to its credit. Two loans of this character were arranged last year aggregating \$100,000,000.

Bankers in touch with the Allied financial programme here said yesterday that further shipments of gold from Ottawa to New York would be made within the next two weeks. The amount was not stated, although it is believed that upward of \$100,000,000 will come in on the present movement. More Russian gold is expected in the impending shipments, as that government has been a large contributor to the Allied gold pool. The gold from Russia has been shipped into Canada via Vancouver and added to the pool at Ottawa, from where it is released to New York as needed.

The Sub-Treasury transferred \$420,000 to New Orleans yesterday. Local bankers withdrew \$100,000 in coin for shipment to Argentina.

Relevant Information

Lehigh Coal and Navigation.—The company's report for 1916 shows a revenue of \$18,295,369, compared with \$15,795,001 in 1915. Net income of \$2,788,347 was equal to 19.4 per cent on \$26,587,650 of capital stock, compared with 8.6 per cent in 1915, 9.3 per cent in 1914 and 8.9 per cent in 1913. President Warriner says to the stockholders: "It will be noted that while the commercial production per hour increased 60 tons over that of the previous year, the total commercial production decreased 164,737 tons, the breaker-hours worked being 1,890 less than in 1915, owing principally to the substitution of an eight-hour day for a nine-hour day under the provisions of the new agreement with the mine employees."

St. Joseph Lead.—The company's earnings, after providing for depreciation of plant and equipment for 1916, were \$8,004,649. The balance of \$4,674,467 was equivalent to 33.16 per cent earned on \$14,094,660 stock, compared with 24.75 per cent in 1915. Dividends were paid during the year amounting to \$1,432,903. The mines produced 2,431,930 tons of ore.

Ayer Mills.—An issue of \$1,000,000 three-year 5 per cent equipment and construction notes of the Ayer Mills, of Lawrence, Mass., whose stock is owned by the American Woolen Company, has been sold to Brown Bros & Co. It will refund a similar amount of 4 per cent notes due March 1. The principal and interest are guaranteed by the American Woolen Company.

Atchison, Topeka & Santa Fe.—According to Chicago advices the Atchison is about to close contracts for more than \$10,000,000 worth of equipment, including thirty-five passenger, baggage, mail and express cars, fifty locomotives, 1,000 stock cars, 500 tank cars and 100,000 tons of steel rail.

Chesapeake & Ohio.—A preliminary report was issued yesterday for the year ended December 31 last. It showed gross operating revenues of \$49,834,312 as against \$43,580,841 in 1915. Net operating revenue of \$17,135,636, compared with \$14,582,215 the year before. The surplus from operations, after all charges, including dividends, amounted to \$6,411,030, against \$5,092,021 in 1915.

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BRITISH NOTES FOR WAR GOODS

Large Amounts in Securities Taken by Industrial Concerns

The Bethlehem Steel Corporation is not the only company doing war business which has found it expedient to acquire British treasury notes in exchange for goods. In order to maintain the volume of their export business, a number of important industrial concerns have directly, in some cases, and indirectly in others, accepted payment in these or similar securities. Among these are said to be the United States Steel Corporation, the Westinghouse Electric and Manufacturing Company, the Crucible Steel Company and the Allis-Chalmers Company. These concerns, acting as a group, also bought a block of \$25,000,000 of the last British secured loan placed here. That this policy will be followed on an even larger scale has been indicated in some of the annual reports of industrials recently issued.

The Bethlehem Steel Corporation's new note issue will be offered to the public by the Guaranty Trust Company and the Bankers Trust Company at a price to yield about 5 1/2 per cent. In addition to the collateral supplied by the British treasury notes the company has \$25,000,000 of its own bonds. The letter issued by the bankers stated that in addition to enabling the company to fulfill the Russian contract for shells the new funds will provide working capital for construction purposes.

Payments to the company upon the completion of the Russian munitions order and the payment of the British government notes at their maturity will suffice to liquidate three-fourths of the note issue, according to the statement of the bankers. It was also announced that after receipt of the proceeds of the recently authorized issue of \$15,000,000 stock and of the present issue of notes the net working assets of the Bethlehem Steel Corporation, after deducting all liabilities, will approximate \$100,000,000.

While no official figures were made public as to the price at which the company sold the notes to the bankers, it was understood to be between 97 and 98.

Pacific Mail's Panama Line Is Big Earner

Only One Round Trip to the Orient Completed Last Year

Although the Pacific Mail Steamship Company, with the purchase of the steamers Venezuela, Colombia and Ecuador, was able to resume its trans-Pacific service in 1916, only one round trip was completed, hence the income from that branch of its operations for the year is reported at the small total of \$14,799, compared with \$1,404,033 earned the previous year, when the Mongolia, Manchuria, Siberia, Korea and China, the five vessels which were subsequently sold, were operated.

The true measure of the company's prosperity, however, is represented by the operations of its Panama line, which in 1916 earned \$859,154, compared with \$305,029 for the year ended December 31, 1915. Last year's earnings from this branch of the service were equal to