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FINANCIAL MEETINGS


**Canada Copper Corporation,**

LIMITED

The Canada Copper Corporation, Limited, is advised that a large number of shares of its outstanding stock does not stand in the name of the owner thereof. A meeting of the stockholders of said Company has been called for August 29, 1917, to vote upon a proposition to issue $1,500,000 First Mortgage Bonds of said Company and to increase its capital stock to $15,000,000. Only stockholders of record at the close of business on August 14, 1917, will be allowed to vote at said meeting and to subscribe to said bonds.

As the rights to subscribe to such bonds will be valuable, the Company advises that it is very important that the owners of said stock have it transferred to their own names on or before August 14, 1917.

The Equitable Trust Company of New York, 37 Wall Street, New York City, is the Transfer Agent of the stock of said Company.

R. H. EGGLESTON, Secretary.


## Business Troubles

**Bankruptcy Petitions**

CLIFFORD A. WILLIAMS, advertising solicitor in The Times Building and 31 Nassau st., has filed a petition in bankruptcy, with liabilities of $16,[illegible] and no assets. The debts were contracted mainly in Los Angeles and San Diego, Cal., and Chicago, for money loaned in advance. Among the creditors are the City National Bank, of Los Angeles, $775, secured; Ewing & Miles, Inc., $4,283; Williams & Cunningham, $1,500, and A. H. Willis, Oakland, Cal., $1,000.

JACOB BRICKEL.—A petition in bankruptcy has been filed against Jacob Brickel, dealer in furniture at 214 Stanton st., by these creditors: Kile Furniture Company, $100; Max Druckman, $275, and Abram Mofter, $175.

PHILIP MANDELMAN.—A petition in bankruptcy has been filed against Philip Mandelman, cabinetmaker, at 469 Sixth ave., by the Consumers' Brewing Company, a creditor, for $4,500. Liabilities are stated to be $8,000.

MORRIS NEEDLEMAN, dealer in millinery in Tonkers, has filed schedules showing liabilities of $1,861 and assets of $500, claimed by the assignee from sale of assets.

NEW YORK PURE FOOD MARKET, Inc., of 1961 Prospect ave., The Bronx, has filed schedules showing liabilities of $3,164 and assets of $920, in stock and fixtures.

**Assignments**

EWING & MILES, Inc., general advertising agents in The Times Building, have made an assignment to Frederick W. Gregory. The company was incorporated on July 12, 1916, with capital stock of $100,000, which was increased to $125,000. T. R. Ewing, former president, withdrew in May last, and the deed was signed by Clifford A. Williams, vice-president.

THE FRAAD TALKING MACHINE COMPANY, manufacturer of phonographs at 224 West 26th st., has made an assignment to Ivan A. Rabinow. It was incorporated in 1915 with capital stock of $100,000, and Frank M. Comiso is secretary.

RELIABLE BAGGAGE AND REPAIRING COMPANY, Inc., at 75-77 Grand st., has made an assignment to Max Miller. It was incorporated in July, 1915, and Benjamin Levy is treasurer.

## Shipbuilding in South

An estimate of "The Manufacturers' Record" puts the total of ships under construction and contracted for in Southern shipyards at 417, with a tonnage of 1,590,000 and a value of $270,000,000. Of the total 119 ships are to be steel and 298 wooden.

# Finance - Economics

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

*Saturday, August 11, 1917*

On the credit side of the balance sheet of war must be placed this fact—business and government, things apart before April 6, 1917, are being rapidly drawn together in a bond of coöperation which cannot fail to be of lasting benefit to both. In the future Washington is likely to be less hostile toward business and on its part business will be less suspicious of Washington. The result may well be an era of material progress greater than has ever been witnessed in the past.

The preliminary campaign for distribution of the second instalment of the Liberty Loan will probably be launched in a very short time, perhaps within a few days. In spite of the recent report that the offering would be made on November 15, prevailing opinion in the financial district is that the loan will be brought out not later than October 15, and possibly by October 1. If the date is advanced, it is probable that there will be a rush to float short term securities by corporations whose needs are imperative and which can afford to pay the high price demanded. Once the campaign becomes intense, it will hardly be possible to sell new corporate securities.

Whether the offering is made in October or November, it will be favored by the fact that the peak of the crop-moving season will have been passed, and the seasonal demand for money on that account, of extraordinary proportions this year, therefore will not operate against the success of the government financing. On the other hand, the rural sections of the country, which gave the first loan a rather apathetic reception, largely because funds were required for planting and harvesting, will be in an unusually favorable condition financially, and may be expected to subscribe liberally if an intensive campaign is conducted to induce their participation.

Of all the war measures which have been adopted none is so unique as a law which is scheduled to go into effect in Maryland on the 20th of this month. It purposes to abolish overnight a class which has been helpful to the editors of Sunday magazines, but which otherwise is lacking in usefulness—the idle rich. The law provides that, with certain exemptions, every able-bodied male person over 18 and under 50 years of age not regularly employed at some useful occupation must register for work. Those who fail to register, or refuse to do the work to which they are assigned, will be arrested, and upon conviction will be fined $500 or imprisoned for six months, or both! Apparently, the time is coming when it will be no longer possible to "live on the interest."

## Suspense Intolerable

It does not matter so much what the government's price policy shall be. It is important primarily that there shall be a policy. Business can adjust itself to any condition. It will accommodate itself to arbitrary prices or to a policy of cost plus a percentage, or to a policy of deferred settlement, but it must know what the government proposes to do.

Conditions now are hopeless. No man can even guess what his future will be. Business becomes a wild, overnight gamble, governed by no rule. The producer does not know where he will stand to-morrow. The consumer offers him fantastic prices. In that way business gets done, but in a wasteful and preposterous manner.

It is expected that the government, in the great basic industries, will determine the prices at which it will buy, then decree that the same prices shall prevail for civil consumption. This means, of course, that the regulatory function of price would be suspended. It would be imperatively necessary then to introduce a system of industrial rationing. That is all right. Business will accommodate itself to a new economic régime overnight. But the government must introduce the régime. Business in suspense is a calamity.—*A. A. Housman & Co.*

## Money and Credit

**Clearing House Statement.** — The weekly statement of the Clearing House disclosed a decrease of $96,700,510 in surplus reserves, which now total $72,035,370. Loans and discounts increased $115,568,000, largely as the result of government operations. The United States government has on deposit with local members of the Clearing House $204,938,000. The actual statement follows:

| | |
|---|---|
| Loans and discounts | $3,871,776,000 |
| *Cash in vaults of Federal Reserve members | 92,390,000 |
| Res. in Fed. Res. Bank | 374,888,000 |
| Reserve in vaults of state banks and trust cos | 129,617,000 |
| Reserve in depositories | 61,933,000 |
| †Net demand deposits | 3,551,157,000 |
| Net time deposits | 205,576,000 |
| Circulation | 30,365,000 |
| **Aggregate reserve** | 566,438,000 |
| **Excess reserve** | 72,035,370 |

*Not counted as reserve. †United States deposits deducted, $204,938,000.

The changes from a week ago were:

| | | |
|---|---|---|
| Loans and discounts | Inc. | $115,568,000 |
| Cash in vaults of Fed. Res. members | Dec. | 242,000 |
| Res. in Fed. Res. Bank | Dec. | 87,985,000 |
| Res. in vaults of state banks and trust cos | Dec. | 11,062,000 |
| Res. in depositories | Dec. | 5,202,000 |
| Net demand deposits | Dec. | 49,860,000 |
| Net time deposits | Inc. | 383,000 |
| Circulation | Inc. | 150,000 |
| Aggregate reserve | Dec. | 104,249,000 |
| Excess | Dec. | 96,700,510 |

**Acceptance Rates.**—Current bid prices for prime acceptances are as follows:

| Spot delivery: 30 days | 60 days | 90 days |
|---|---|---|
| Eligible member banks 3⅛% | 3⅛% | 3⅛% |
| Eligible non-member banks 3⅜% | 3⅜% | 3⅜% |
| Ineligible bank bills 4¼% | 4¼% | 4¼% |
| For delivery within 30 days: | | |
| Eligible member banks | | 3⅜% |
| Eligible non-member banks | | 3⅞% |
| Ineligible bank bills | | 5 % |

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

| | Exchanges. | Balances. |
|---|---|---|
| New York | $550,814,217 | $51,062,906 |
| Boston | 36,224,201 | 6,220,199 |
| St. Louis | 18,603,210 | 3,904,465 |

**Sub-Treasury.** — New York banks gained from the Sub-Treasury $3,855,000.

**Silver.**—Bars in London, 42 1-16d; New York, 82⅞ cents; Mexican dollars, 63¾ cents.

**Gold to Spain.**—Gold coin to the amount of $600,000 was withdrawn from the Sub-Treasury yesterday for export to Spain.

## Norwegian Shipping Profits

A Norwegian shipping company, just dissolved, has had an unusual career. At the recent dissolution a dividend of 1,600 per cent was paid. The company started in 1915 with a capital of about $270,000. Since that time it has handled ships and contracts to the value of about $13,500,000, and its estimated earnings are about $6,700,000. War taxation has netted both state and municipality not a little of this amount. The last fortunate transaction of this company was the sale of its American contracts in the United States. There were six ships of 9,000 tons each, which had been bought, four at $100 per ton, one at $115, and one at $140. Three of them, which were expected to be ready in September, 1917; October, 1917, and February, 1918, respectively, brought an average price of $200 a ton; two to be ready, respectively, in November, 1917, and January, 1918, $180 a ton; the sixth ship brought $215 a ton. Previous to this sale at the end of the year the company had a surplus of $1,875,000. From this a 40 per cent dividend was declared for shareholders. Taxes and insurance took about $500,000 of this amount.

## Federal Reserve Bank of New York

RESOURCES

| | Aug. 3. | Aug. 10. |
|---|---|---|
| Gold coin and gold certificates: | | |
| Gold settlement fund | $255,667,000 | $187,101,000 |
| Gold in vaults | 202,721,418 | 216,579,801 |
| Gold with foreign agencies | 18,112,500 | 18,112,500 |
| Gold with Federal Reserve agent and in redemption fund Federal Reserve notes | 207,920,265 | 223,712,365 |
| Total gold reserve | $684,421,183 | $645,505,666 |
| Legal tender notes, silver certificates and subsidiary coin | $39,313,665 | 39,717,693 |
| Total reserve | $723,734,848 | 685,223,359 |
| Bills discounted and bought: | 11,854,856 | 13,310,506 |
| Commercial paper | 73,686,725 | 56,510,301 |
| Acceptances | | |
| Total | $85,541,581 | $69,820,807 |
| Investments: | | |
| United States bonds | $6,343,550 | 6,343,550 |
| Total | $6,343,550 | $6,343,550 |
| All other resources | 343,049 | 1,394,088 |
| Total resources | $815,963,028 | $762,781,803 |
| LIABILITIES | | |
| Capital | $12,090,950 | $12,125,450 |
| Member banks' deposits (net) | 502,066,497 | 414,935,584 |
| Non-member bank deposits | 11,878,614 | 10,017,521 |
| Government deposits | 6,337,608 | 93,280,062 |
| Due to other Federal Reserve banks (net) | 67,268,229 | 13,945,547 |
| Federal Reserve notes, net | 216,321,130 | 218,477,640 |
| Total liabilities | $815,963,028 | $762,781,803 |
| Federal Reserve notes outstanding | 239,670,265 | 243,462,365 |
| Against which there is deposited with Federal Reserve agent: | | |
| Gold and lawful money | 202,670,265 | 218,462,365 |
| Commercial paper | 39,201,911 | 26,706,054 |

## "Three Billions In Three Weeks," The Loan Slogan

### New Methods To Be Used in Next Liberty Bond Drive

"Three billions in three weeks" will be the slogan in the publicity drive to sell the second Liberty Loan of 1917. O. A. Price, director of the general publicity committee, who was in this city yesterday conferring with members of the local publicity group, said every effort would be made to market the entire issue during that period in the most intensive campaign the country has yet witnessed.

Mr. Price said he could not give details or terms of the new issue because all of them had not yet been definitely decided upon by Secretary of the Treasury McAdoo. In his opinion, however, there will be no change in the rate over the last $2,000,000,000 offering, as extra legislation will be required to establish a higher interest.

**To Secure Coöperation**

It will be several weeks yet before the publicity campaign will be formally launched, according to Mr. Price, though preliminary work will commence soon. In the meantime he will get in touch with the twelve Federal Reserve districts and coöperate with various organizations and bankers in their preparations for the fall drive to sell Liberty bonds.

Guy Emerson, vice-president of the National Bank of Commerce, who will have the title of director of publicity for this Reserve district, will return from an extended vacation next week. It is expected that he will announce then the methods that are to be used in the handling of the loan here. That there will be the heartiest coöperation, with headquarters at Washington, was the statement of Mr. Price yesterday.

**Departures**

Mr. Emerson's statement, it is believed, will announce some departures from the methods pursued in the last Liberty Loan campaign. Among these will be a greater centralization of authority in one body or group of bankers.

The preliminary publicity work on the new loan is now being carried on in offices on the fourth floor of the Equitable Building. Later, however, it is expected that permanent quarters will be established at 50 Wall Street, where the committee on bond distribution held forth in the last campaign.

## The Dollar in Foreign Exchange

Quiet ruled in the local foreign exchange market during the last week. The principal development was an easing tendency in the Scandinavian exchanges. The week before rates on Stockholm, Copenhagen and Christiania moved to new high records. Last week substantial recessions occurred and foreign exchange bankers attributed the tendency in part to the employment of Scandinavian balances here in the purchase of American securities. This, temporarily, at least, defers the transfer of the funds to Europe.

Italian exchange moved against Rome last week as a result of liberal offerings of lire coming into a narrow market. French exchange was also slightly easier. Sterling bills continued to hold firm around the so-called "peg" prices. Interest in the Russian exchange situation was revived by another drop in the ruble price, which touched a low record level for the year on Friday at 20.70 cents, followed by a moderate recovery.

If you calculate the cost of the dollar in terms of foreign money—that is, as if you were buying dollars with pounds, marks or francs—its value at the close of last week, as compared with a year ago, would be about as follows:

| | Cost of one dollar Yest'day. | Year ago. |
|---|---|---|
| In English money | $1.02 | $1.02 |
| In French money | 1.10 | 1.14 |
| In Dutch money | .94 | .99 |
| In Swiss money | .85 | 1.02 |
| In Swedish money | .80 | .91 |
| In Russian money | 2.42 | 1.69 |
| In Italian money | 1.30 | 1.33 |

Closing rates yesterday, compared with a week ago, are given in the table below. American bankers have suspended all dealings in German and Austrian exchange, so that daily quotations for either marks or kronen are no longer available.

| | Yesterday. | Week ago. |
|---|---|---|
| (Quoted dollars to the pound.) | | |
| Sterling, demand | $4.75 7/16 | $4.75 7/16 |
| Sterling, sixty days | 4.71½ | 4.71 13/16 |
| Sterling, cables | 4.76 7/16 | 4.76 7/16 |
| Sterling, ninety days | 4.69½ | 4.69¾ |
| (Quoted units to the dollar.) | | |
| Francs, demand | 5.78 | 5.76⅛ |
| Francs, cables | 5.77 | 5.75⅝ |
| Lire, checks | 7.43 | 7.24½ |
| Lire, cables | 7.42 | 7.23½ |
| Swiss, checks | 4.36 | 4.56 |
| Swiss, cables | 4.34 | 4.48 |
| (Quoted cents to the unit.) | | |
| Guilders, checks | 41⅞ | 42⅛ |
| Guilders, cables | 42 | 42¼ |
| Rubles, cables | 21.00 | 21.55 |
| Stockholm, kr., checks | 32.50 | 33.25 |
| Copenhagen, kr., ch'ks | 29.50 | 30.50 |
| Pesetas, checks | 22.65 | 22.70 |

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 7/16 | $4.86⅔ |
| Francs | 0.17.3 | 0.19.3 |
| Guilders | 0.41⅞ | 0.42.2 |
| Rubles | 0.21.00 | 0.51.2 |
| Lire, checks | 0.13.5 | 0.19.3 |
| Crowns (Denmark) | 0.29.50 | 0.26.8 |
| Crowns (Sweden) | 0.32.50 | 0.26.8 |

The above rates express the cost of foreign money in terms of the American dollar. You buy an English pound sterling at, say, $4.75 7/16. The intrinsic parity is $4.86⅔ 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.

## Reflexes of War

An extraordinary admission of the depths to which German national credit has sunk has just been made by the German government, says "The Times" of London. It consists in an attempt a fortnight or so ago to get two-year treasury bills taken up in Holland on the basis of a discount which really worked out at worse than 15 per cent. Before allowing itself to be forced by public opinion into sending gold to Holland, with a view to arresting the heavy depreciation there in the value of the mark, the German financial authorities had devised an ingenious scheme, which was put before the Dutch banks, for the same purpose. It was known that a number of Dutch firms had for some time back held credit balances in marks in Germany, amounting in the aggregate to a very considerable amount. Being in marks, these balances already represented to them a very heavy loss, owing to the decline in the value of the mark since they had been established. A proposal was accordingly made by Germany which purported to provide a method for recouping them. Every Dutch holder of a credit for 1,000 marks, who would also pay 808 florins, was offered a German treasury bill for 1,400 florins, at 5 per cent per annum, redeemable in two years. The bills were also to be guaranteed by a deposit of municipal securities, and further indorsed by various German banks. As this offer ostensibly meant that Dutch holders of the 1,000 marks would get a bill for 592 florins, which would be the pre-war rate of exchange for marks, it was expected, no doubt, that they would jump at it, while Germany would at the same time be borrowing afresh in florins in Holland for two years at a reasonable rate. The Dutch banks and Dutch financiers generally were unable to agree to this scheme for fresh German borrowing, which assumed an entirely fictitious value for the marks which would be taken in part payment for the bills, and a highly improbable German solvency at the end of two years, when the Dutch florins would have to be forthcoming from Germany. The proposal was rejected, and consequently the Reichsbank was driven to its last resource and reluctantly sent its gold to Amsterdam. But this does not alter the essential interest of the offer having been made. Since the actual exchange value of 1,000 marks at that moment in Holland was not 592 but only 320 florins, the German Treasury bills for 1,400 florins would have meant a loss to the Reichsbank of 272 florins, so that, allowance being made for the two-years' term at 5 per cent, the borrowing would really have been effected on worse than a 15 per cent interest basis.

Among the many economic changes that the present war conditions have brought about in Germany, the combination of German dyestuff interests, effected in 1915 and operating since Jauary 1, 1916, is of special importance to Americans, because it means a formidable competitor for our infant American dyestuff industry in every foreign field, as well as in our own domestic market. The rapid growth of the American dyestuff industry during the war has been given serious attention by the German concerns that formerly controlled our market, and has assisted in uniting these great rivals in Germany for mutual protection. Realizing the difficulties of reconquering the lost markets of the various foreign countries after the war, the German dyestuff manufacturers in the fall of 1915 organized a combine of the seven leading companies, which practically control the output, and pooled interests to the extent of securing uniform prices and wages, systematizing production, and also insuring a harmonious policy for all other interests involved. This implies uniformity in all endeavors to regain the former German foothold in foreign markets, and will apply to the new competition in the American market particularly. The importance of German exports in chemicals prior to the war can be seen from the statistics. Their annual value averaged almost $214,000,000, according to estimates of German trade organizations. Of the companies in the combination, the Hoechster Farbwerke recorded net profits of $3,756,600 in 1915, as against $3,001,180 in 1914. Its dividends were 20 per cent in 1915, 20 per cent in 1914 and 30 per cent in 1913. The Elberfelder Farbwerke had net profit figures of $4,969,440 for 1915 and $3,689,000 for 1914. Its dividends were 20 per cent in 1915, 19 per cent in 1914 and 28 per cent in 1913. The Badische Anilinfabrik showed net profits of $4,519,540 for 1915 and $3,760,400 for 1914, the 1915 dividend, however, being 20 per cent only, as against 19 per cent for 1914 and 28 per cent for 1913.

Important shipping changes are being made in Australasia in preparation for the post-war competition that is generally looked for, and in this the New Zealand government is taking a deep interest. An order in council has just been issued prohibiting the transfer of New Zealand shipping to other flags. The consolidation of steamship lines trading with Australasia has continued until practically all of the British shipping visiting this part of the world is under one combine, known as the Peninsular and Oriental Navigation Company, the Union Steamship Company, of New Zealand, being the last to join the ranks. The combine now controls 305 steamers, with a tonnage of 1,634,133. It is understood that the different units will operate their respective lines as formerly, but under the general management at headquarters, in London. It is anticipated that this will give better service in general, but is not expected to improve freight rates. Few of the steamers of this combine touch American ports for business, so American interests will not be affected to any great extent, for the present at least. A few of the steamers of the Union Steamship Company regularly visit the west coast of the United States, and will continue to do so. Negotiations are under way for the organization of a new steamship company in New Zealand, with a capital of $25,000,000. It is said to be backed by prominent members of the Wellington Central Chamber of Commerce.

The Indian banks are becoming concerned about the shortage of silver. The natives, from time immemorial, have been hoarders of silver, a habit which has been an obstacle to the proper progress of the country. Their prosperity of recent years has had the effect of adding to the hoards; while the Mesopotamian and East African expeditions have caused a run on rupees. Moreover, the jute crop will now shortly be harvested. The first estimate is for a crop 1 per cent less than that of last year. This is a very important crop, and a great deal of small silver is required for moving it. A few months ago an inquiry was instituted in India into the advisability of circulating one and two rupee notes. The result of the inquiry was quite favorable to the issue, but so far nothing has been done, though recently one and two rupee notes have been issued in Ceylon and have been well received by the natives.

## Printing Press Finance Baffles Troubled Mexico

### Carranza's Views of Money Problems in a Republic Upside Down

Current financial problems of the Mexican Government and the cost of the revolution were discussed in detail by President Carranza in an address made recently before the Mexican Congress, the text of which has made its appearance here for the first time in the August number of the Mexican "Review."

The financial story of the upheaval in Mexico is one that deals largely with printing presses which worked overtime turning out new currency. According to Carranza's figures, $671,954,221 in Mexican paper currency was issued during the first and second periods of the revolution.

The first issue of paper money was authorized by the decree of April 26, 1913, and only for the sum of $5,000,000, for at the beginning of the revolution there was no idea as to the financial needs of the campaign, nor could the duration of the war be determined beforehand, nor was there any experience as to the financial value to which paper currency could rise. By virtue of this authorization, $5,000,000 was printed, which was later known as the "Monclova Issue." In December, 1913, that issue was ordered increased to the sum of $20,000,000, and in February, 1914, there was need of still increasing it to $30,000,000. The issues of paper money that were effected in order to reach this amount, and which amounted to a total of $25,000,000, are what is now known as the "Constitutionalist Army Issue." The Constitutionalist Army having occupied Mexico City, in August, 1914, there was felt the need of converting (or consolidating) the for mer issues and, at the same time of considerably increasing its amount in order to meet the many necessities that arose upon the occupation of the southern part of the country. To this effect, and on the 19th of December, 1914, an interior debt was authorized for the sum of $130,000,000, with which to redeem the notes known as the "Monclava Issue" and the "Constitutionalist Army Issue," as well as to meet the expenditures that the revolution might have to incur, for it was at this time the struggle against "Villaism" began.

The printing of the bills for this issue was begun in Mexico City, where nearly $43,000,000 were printed, and which were later known as the "Issue of the Provisional Government of Mexico." The printing of the bills was continued in Vera Cruz, increasing the issue to $70,000,000, and until the authorized total of $200,000,000 was reached. It was later necessary to increase the issue to $250,000,000. The bills printed in Vera Cruz by virtue of this authorization were later known as "Vera Cruz paper." Counterfeit issues in millions also came into circulation, and finally the Carranza Government had engraved $450,000,000 of new non-counterfeitable currency in the United States. This is taking the place of the old issues outstanding so far as possible.

Disbursements of the government in connection with the revolution have, according to Carranza, aggregated $96,000,000 gold and $855,000,000 in paper currency. There now exists a considerable deficit between the receipts and disbursements of the revolution. At the present time the deficit is put at less than 5,000,000 pesos monthly.

Discussing the various methods employed in raising funds necessary to running the government, President Carranza says: "The government, in spite of the wishes of its enemies, had necessarily to live, and being compelled by necessity, and in order that it may continue to exist, it had to appropriate funds from the metallic reserves. The amounts taken to date from the banks reach a total of approximately 20,000,000 pesos."

A New York banker recently returned from Mexico City said last week to The Tribune that the government had taken 40,000,000 pesos, or $20,000,000 in gold, from two Mexico City banks.

President Carranza says, regarding the government's relation with the banks:

From the time of the Government of General Diaz the banking system in Mexico, based on concessions, implicated a system of privileges, the inconvenience of which had been felt for a long time. The banks of Mexico, through which the Government issued funds, loaned to the Huerta Government, so that it might fight the Constitutionalist Revolution, the approximate sum of $46,000,000. The Huerta Government, on the other hand, compelled the forcible circulation of its bills, which fact the Constitutionalist Government found upon its advent.

The Constitutionalist Government, engaged in other matters pertaining to the campaign, could not, therefore, attend to the banking question, even though the bankers, in fact, were powerful financial enemies of the Revolution. On the other hand, the same banks found themselves in the situation of being unable to reëstablish the voluntary circulation of their notes because, even if they still had their reserve funds intact, they would have been forced to liquidate if they had been compelled to redeem their notes at par.

The Government, however, not desiring the disappearance of the stores of metallic currency accumulated in the banks, took the necessary steps that would prevent the disposition of said funds. To this effect, instructions were issued to compel the institutions of credit to complete their reserves, and, failing in this, the Government had the necessity to order the taking over of the banks under receiverships, a measure that was carried into effect without the necessity of taking possession of the banks, but by handing their administration into the hands of a board of receivers.

The financial problem in Mexico remains unsolved, in the opinion of the head of the present government. When the metallic circulation was reëstablished a new difficulty was met, and it was the high price of silver in the foreign market which has caused our peso to now reach a price far above its legal par value, and which consequently has been lately withdrawn from circulation.

The Government is carrying on the coinage of half pesos, the value of which as regulated by law is lower, and which have been kept in circulation down to date, even though it is feared that if the price of silver continues to rise the elimination of these coins will again put the metallic circulation in danger.

A comparison between the paper and metallic circulation results in favor of the former regarding the necessities of the consuming class, because the prices of articles of first necessity, above all the national products, which apparently were priced higher in paper, were, however, priced considerably lower in metallic currency.

The Government is conscious of having done everything possible to maintain the circulation of the non-counterfeitable paper bills, but unfortunately there were a great number of causes, and many of them intentional, that contributed to make it depreciate and which obliged the Government to again return to the metallic system.

## Australian Zinc Situation

On several occasions recently we have referred in our mining columns to the difficulties experienced by Australian base-metal producing companies in connection with the smelting of their semi-refined products, which before the war were mainly shipped to Germany. In regard to copper and lead, the existing works in Australia have been so greatly extended that at the present time their capacity is sufficient to meet practically all requirements. While, however, there is good reason to be satisfied on this score, it is to be regretted that after nearly three years of war the bulk of the zinc concentrate production of Australian mines still has to be marketed in foreign countries. What is the explanation of the great delay that has occurred in establishing the zinc smelting industry within the empire? It appears to be due primarily to the lack of early support from the home government, but partly also to the dilatory attitude lately adopted by the producers themselves. Not until nearly two years of war had elapsed did the British government give any material assistance, and then only after vigorous representations had been made by the Australian Prime Minister. Moreover, the help thus afforded has been confined to guaranteeing a minimum price of £23 per ton for a comparatively small annual production of refined metal. Apart from this, the establishment of a zinc smelting industry in this country has been left to private enterprise. Capital has been raised for at least two schemes for the extension of existing small smelter plants, but so far very little actual progress appears to have been made. One of the principal drawbacks, if we may judge from the public utterances of the chairman of the Zinc Corporation, is that the zinc concentrate producers are disinclined to take the risk of erecting large smelting works in this country without the assurance of protection against outside competition after the war. Whatever be the reason, despite all the boastful talk of capturing German trade, one of the greatest opportunities is quickly slipping by.—*London Statist.*

## Whiskey and Corn

With corn nearing two dollars and a half a bushel, farmers in the West are rapidly marketing their stock, and unless some change is brought about, or some action taken to restore coarse grains to something resembling a normal relation with wheat, not only will the country's meat cattle reserves be seriously reduced, but there will be a great wastage of wheat through its use for animal feeding. No farmer can be expected to sell wheat and buy back corn at equal or higher price. An immediate influence on the price of cash corn, and for several weeks past an undoubted factor in the stimulation of prices, is the abnormal buying by distillers. Just how great this is cannot be determined, but grain men agree that its volume, in connection with the extremely limited supply, has been sufficient not only to divert corn in great quantity from its legitimate use, but also to add most substantially to the enhancement of prices. This is, of course, wholly due to the delay in Congress. The distillers, faced with early prohibition of the use of grain for whiskey making, are naturally desirous of accumulating a maximum amount of raw spirits beforehand. In this they run no risk, for, in the absence of the improbable absolute prohibition action, the worst they would have to look forward to would be government commandeering of their supplies; and this would naturally be accomplished by allowing them reimbursement on the basis of the present cost of grain.—*Northwestern Miller.*


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## Relevant Facts

**Air Reduction Merger.**—Reports yesterday of the terms under which the Union Carbide Company is to absorb the Air Reduction Company stated that shareholders of the latter will get one share of Union Carbide for slightly less than two shares of stock they now hold. The Air Reduction Company, it was said, will retain certain nitrate processes on which a value of approximately $1,200,000 has been placed. Originally it was proposed to give one share of Union Carbide for two of Air Reduction, but it became necessary to change these terms by reason of the fact that Union Carbide has issued new stock in the meantime, the rights now selling at around 18.

**Texas Power & Light.**—The company has sold $1,000,000 two-year 6 per cent secured gold notes to Harris, Forbes & Co. and Coffin & Burr, Inc. The notes are dated September 1 and are secured by pledge of $1,389,000 face value of first mortgage 5 per cent bonds of the company. They are offered at a price to yield about 6¾ per cent.

**Fisk Rubber Company.**—For the half year to June 30 last, total sales amounted to $15,714,971, only $4,000,000 less than for the entire 1916 year. Net earnings for the six months were $1,983,627, compared with $1,836,829 in the corresponding period of 1916.

**General Motors Corporation.**—Concerning rumors of new financing it was stated at the New York office yesterday that the company was not considering new financing in the form of an issue of short term notes. The statement of the Controller as of July 25 showed $16,500,000 cash in the treasury.

**Missouri Pacific.**—The syndicate which underwrote the $46,000,000 cash requirements of the reorganization plan has been closed with the mailing of checks to syndicate members by Kuhn, Loeb & Co. The profit was 3 per cent, representing a distribution of $1,380,000 to the subscribers. This transaction finally cleans up practically all matters connected with the reorganization, except that further opportunity will be given to a few stockholders, mostly residing abroad, to come in under the terms of the plan when the war situation permits them to deposit their securities.

## News Digest

### Corporation Returns

**St. Louis Southwestern**

| | 1917. | 1916. |
|---|---|---|
| June gross | $1,317,574 | $959,429 |
| Net after taxes | 371,197 | 166,033 |
| Surplus after charges | 210,531 | 28,632 |

### Dividends

**General Cigar.**—Regular quarterly dividend of $1.75 a share on the preferred stock, payable September 1 to stockholders of record August 24.

**Southwestern Power & Light.**—Regular quarterly dividend of 1¾ per cent on the preferred stock, payable September 1 to stockholders of record August 21.

**American La France Fire Engine.**—Regular quarterly dividend of 1 per cent on the common stock, payable August 15 to stockholders of record August 8.

**Colorado Power.**—Regular quarterly dividend of 1¾ per cent on the preferred stock, payable September 15 to stockholders of record August 31.

**New York Transit.**—Quarterly dividend of $4 a share and an extra dividend of $2 a share, payable October 15 to stockholders of record September 22.

**Silversmiths Company.**—Quarterly dividend of 1½ per cent on the preferred stock, payable August 15 to stockholders of record August 8.

**F. W. Woolworth.**—Regular quarterly dividend of 1¾ per cent on the preferred stock, payable October 1 to stockholders of record September 10.

## New Norse Steel Plant

A new rolling mill will be added to the plant of the Stavanger Electro-Steel Works, Stavanger, Norway, and an American expert has been employed to design it. Since January 1, 1917, the company, established in 1913, has increased its capital from $300,000 to over $1,000,000. Most of the product sold so far has been raw steel. The plan is to double the output by installing electricity and to turn out a finished rolling mill product. The American expert has advised that work be pushed on the project as soon as possible in spite of the increased cost of materials and wages. It is thought that countries previously supplying the world with much of its steel will, after the war, be first employed in replacing and renewing their own supply.

## Significant Relations

| | | | |
|---|---|---|---|
| **Money and Prices:** | | | |
| Stock of money gold in the country | Now $3,086,218,498 | | A year ago $2,500,229,564 |
| | June 30, 1917. | | Nearest period previous year. |
| Loans of all national banks | $8,816,000,000 | | $7,677,000,000 |
| Their surplus reserve | 842,000,000 | | 801,000,000 |
| | Yesterday. | The day before. | A year ago. |
| Average price of 15 railroad stocks | 108.37 | 108.44 | 118.96 |
| Average price of 12 industrial stocks | 97.34 | 97.06 | 92.56 |
| | Last week. | The week before. | A year ago. |
| Food cost of living (Annalist index number) | 262.429 | 261.254 | 170.935 |
| **Production:** | | | |
| | Aug. 1. | July 1. | A year ago. |
| Unfilled U. S. Steel orders, tons | 10,844,164 | 11,383,287 | 9,593,592 |
| | July. | June. | A year ago. |
| Pig iron (daily average), tons | 107,820 | 109,002 | 104,017 |
| | June. | May. | A year ago. |
| Active cotton spindles | 33,463,946 | 33,459,169 | 32,261,694 |
| | 1917 yield estimated. | | The 1916 crop. |
| Wheat crop, bushels | 653,000,000 | | 639,898,000 |
| Corn crop, bushels | 3,191,000,000 | | 2,593,241,000 |
| Cotton crop, bales (exc. linters) | 11,949,000 | | 11,356,944 |
| **Distribution:** | | | |
| | June 1. | May 1. | A year ago. |
| Net shortage of freight cars | 105,127 | 148,627 | — |
| Net surplus of freight cars | — | — | 33,361 |
| | —Increase or— Third week of July (26 roads) | decrease from Month of June (184 roads). | last year.— Jan. 1 to June 30 (164 roads). |
| Gross railroad earnings | +16.9% | +16.1% | +11.7% |
| | —Increase or— Last week | decrease from The week before. | last year.— Year to date. |
| Bank clearings | +17.5% | +28.7% | +24.9% |
| | July. | June. | A year ago. |
| Commercial failures | 1,137 | 1,186 | 1,207 |