

# Wealth Markets and Commerce

## Income Tax Exempt and Safest

A new schedule of Income Taxes to be levied upon incomes in excess of \$1,000 and \$2,000 and increasing those already in force, is expected to be fixed by Congress in the near future.

When levying taxes upon incomes, the Government recognizes only two classes as exempt—its own and municipal obligations.

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**OCTOBER FIRST IS TAX DAY** Are you aware that the new Investment Tax Law of New York State permits you, upon payment of a nominal tax, to exempt your investments as defined in the Act from the Personal Property Tax, and that failure to comply with this Law makes your estate liable to a severe penalty?

If you care to send us a list of your investments, we shall be glad to advise you as to those which in our opinion come within the scope of this law, and to assist you in making such investments tax exempt for the period as specified.

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Is your money earning all it can?

New taxes, changed conditions, and higher interest rates make it advisable to watch your holdings.

Let us revise your list and make suggestions.

**E. H. Rollins & Sons**  
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## Investment Bonds

Gross railway earnings for the current month are showing substantial increases over the corresponding period of 1916. Figures on net will not be available until later. Continued heavy operating costs are, however, still cutting deeply into operating revenues.

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Members New York Stock Exchange  
31 Pine Street New York

## A Study of Your Investments

may prove that conditions affecting their status have materially changed since they were purchased.

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Branch Office—55 West 23d St.

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## Finance - Economics

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Mills Building, 18 Broad St.

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Tuesday, September 18, 1917

After early weakness stock prices rallied on the news that the banking community, under the leadership of the Federal Reserve Bank of New York, had taken definite steps toward relieving the stringency in the money situation. Whatever the form of the remedial measures, they are apparently working out satisfactorily and have resulted in a substantial increase in the volume of banking funds offering in the market. This has forced the rate for demand loans at the Stock Exchange from 6 down to 3 per cent. The rates on time loans secured by Stock Exchange collateral have not changed perceptibly, although the situation in that respect is also better as a result of the larger offerings. Since Monday something more than \$15,000,000 has been loaned on time in this market against Stock Exchange securities.

It is understood that the banks are now prepared to make greater use of the rediscount privilege at the Federal Reserve Bank than ever before, if the need arises. In fact, there has been considerable rediscounting during the last two weeks. Bankers are overcoming their prejudice against borrowing from the Reserve institution; they are coming to a fuller realization that liberal use of the facilities afforded there will go a long way toward relieving temporary squeezes in the money market, such as that in the last fortnight.

Delay on the part of the farmer in bringing his new crop of wheat to market continues to hamper the successful operation of the Food Administration machinery. Deliveries of wheat in the primary markets are still abnormally small, owing partly to the dissatisfaction among the farmers with the government's price of \$2.20 a bushel for wheat and partly to the fact that the grower may take all the time he chooses to dispose of his crop, since there is no possibility of a decline in the price. Appeals are now going forth from governmental and railroad officials urging the farmer to ship his wheat into market. Hale Holden, president of the Burlington and a member of the Railroads War Board, has issued a warning to shippers and buyers of the Central and Western states, in which he points out that the farmer can lose nothing by shipping his grain now, while by holding he will lose the interest on his money and the grain will deteriorate. "The best time to ship," Mr. Holden says, "is when the railroads have cars and the weather is good. The situation as to car supply is good now—better than at any time since the war began. Car shortage is so small that it really means that the railroads are able to supply all cars ordered."

In other years traffic congestion has usually begun about the middle of October, when the movement of freight normally becomes heaviest. The same conditions, intensified, are expected this year. By early marketing of his wheat the farmer will not only help the Food Administration Board, but at the same time assist in distributing the burden of crop moving over a long period and thereby relieve the railroads to a considerable extent.

"The Coal Trade Journal" observes that Dr. Garfield's statement advising the public not to buy coal freely at present prices, but to wait until the government's retail prices are announced before stocking up, seems to have fallen on deaf ears, so far as users of anthracite are concerned. "Retailers in this vicinity," it says, "have observed no falling off in the number or size of orders, but, on the contrary, the anxiety to have bins filled without further delay is increasing with the approach of cold weather. The seriousness of the outlook is mitigated to some extent by the fact that more householders now have a part of their winter's coal supply safely stored away in their bins than was ever the case before so early in the season. In other words, much of the tonnage which retailers received during the summer, and which under normal conditions they would not have taken until later, or would have stocked for fall delivery, has already been delivered to the ultimate purchasers." No improvement is noted in the soft coal situation. Bituminous

shipments to tidewater still continue on a reduced scale by reason of the priority order under which the railroads are diverting cars to the lake trade. This is causing apprehension, not only because of the temporary withholding of a substantial tonnage from Eastern markets, but because, with car supply in Central Pennsylvania cut down still further, miners are showing a greater tendency to seek employment in other industries, where they can work every day in the week, if they want to, thus earning more money.

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

District	Over 15 days	Over 30 days	Over 60 days
Boston	3 1/2	4	4
New York	3 1/2	4	4
Philadelphia	3 1/2	4	4
Richmond	3 1/2	4	4
Atlanta	3 1/2	4	4 1/2
Chicago	3 1/2	4	4 1/2
St. Louis	3 1/2	4	4 1/2
Minneapolis	3 1/2	4	4 1/2
Kansas City	3 1/2	4	4 1/2
Dallas	3 1/2	4	4 1/2
San Francisco	3 1/2	4	4 1/2

**Canadian Finance Minister To Confer With Lord Reading**  
OTTAWA, Sept. 18.—Sir Thomas White, Minister of Finance, expects to leave this week for Washington to confer with Viscount Reading, who is in the United States on a special financial mission for Great Britain. Sir Thomas has been specifically invited to consult with Lord Reading, though no details as to what financial issues will be discussed are given out here.

## Japan Places Gold Exports Under Restraint

**Aims to Check Shipments to China—U. S. Embargo Prompts Action**

Cable advices from Tokio yesterday announcing that the Japanese government had taken steps to restrict the exportation of gold from that country were confirmed by Akira Den, financial commissioner of Japan, who has just arrived in New York from London. In discussing this latest development in Japanese finance, Mr. Den declared that his government from now on will regulate all outward shipments of gold in the same way the United States is now regulating such exports. Banking interests desirous of exporting gold from Japan will as a result be required to obtain licenses for such shipments from the Treasury authorities in Tokio.

The action of the Japanese government in restricting gold exports, it is understood, is a direct result of the embargo laid on gold exports from the United States last week. The Japanese Finance Department, it is asserted, feared a large loss in the gold supply of the country if shipments were continued, and the American embargo, as is considered likely, should check the movement from the United States to Japan. Since the embargo went into effect here, on September 10, the Federal Reserve Board at Washington has granted only one license to ship gold to Japan, and that involved a consignment of only \$50,000. Applications for similar licenses now pending are said to involve \$5,000,000. The delay in granting these licenses has thus far acted as a check on the export movement from the United States to Japan.

**Japan Ships Much Gold**  
According to Mr. Den, who has opened permanent offices here, there has been a heavy outflow of gold from Japan since the first of the year. The Japanese government's latest commerce report, covering the first six months of the current year, shows gold exports to China amounting to \$14,000,000, and shipments of \$18,000,000 to India. Total gold exports from Japan in this period were about \$32,000,000, and the Japanese commissioner said yesterday that the new restrictions were aimed particularly at the exports to China and Hong Kong. The movement to India is looked upon as necessary, as it is the only way in which Japan can obtain cotton for their cotton purchases in India.

**Another Mission Coming**  
Mr. Den has also received information from his government that a second mission of Japanese financial and commercial men, headed by Baron Megata, member of the House of Peers and economic adviser of the Korean government, is to visit the United States. The mission will include four officers of the Japanese finance, agriculture and commerce departments and four Japanese business men. They will leave on October 15 and will investigate the financial and economic situation in the United States.

**Investments in Japanese Enterprises Increase**  
A compilation made by the Mitsui Bank of Japan shows that the total amount of capital utilized in the establishment of new enterprises and expansion of already established firms in Japan in 1916-17 was 250,000,000 yen (\$375,000,000). This was an increase of 27,000,000 yen (\$40,500,000) over the preceding year.

**Rise in Silver Still Unchecked**

**Price Now \$1.03 1/2—Trade Watches Far Eastern Situation**

Commercial bar silver advanced another cent an ounce yesterday to \$1.03 1/2. This establishes a new high record for the current movement. Advances from Toronto stated that 50,000 ounces of the metal had been sold there on a basis of \$1.09.

In the local silver trade the developments in the Far Eastern markets are being watched with much interest. Advances from London state that the action of the government of India, in prohibiting the export of silver coin and bullion from that country is the inevitable sequel to the rise in the metal to its present exceptionally high level. The silver content of the Indian rupee, normally worth a shilling and a penny, now, owing to the advance in silver, are worth about a shilling and six pence. Since rupees drafts can be purchased at a rate of 100 rupees for \$1, it is obvious that India has become one of the cheapest markets in which to purchase the metal.

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## Corn Products Co. Resumes Grinding

**Argo and Granite City Plants Obtain Fresh Supplies of Grain**

The Corn Products Refining Company, it was announced yesterday, has resumed operations at its Argo and Granite City plants in Illinois. All of the company's plants were shut down about a fortnight ago because of the scarcity of corn.

The Argo plant, it was announced, is grinding about 35,000 bushels a day. Its total capacity is 60,000 bushels. The Granite City plant, with 15,000 bushels capacity, is grinding about 10,000 bushels a day. The operations of both plants represent about one-third of the company's total capacity, which has been followed by a slump in the price of old corn, has made it possible for the company to go into the market for supplies on a more advantageous basis. A sufficient supply, it is said, has been obtained to make the continued operation of the Argo and Granite City plants at about the present rate of output reasonably sure.

**Relevant Facts**  
Southern Railway.—A letter to stockholders, signed by the president of the company, Fairfax Harrison, giving notice of the annual meeting to be held in Richmond, Va., October 9, states that the "cooperation of the stockholders is earnestly invited to continue the successful practice established three years ago of making the annual meeting not merely a conventional routine, but a forum for the expression of the views of individual stockholders upon the policies and problems of the company."

**Dividend Increases**—Directors of the American Agricultural Chemical Company have declared a quarterly dividend of 1 1/2 per cent on the common stock, an increase of 1/4 of 1 per cent over the preceding quarter; also the regular quarterly dividend of 1 1/2 per cent on the preferred stock, payable October 15 to stockholders of record September 24.

**News Digest**  
**Foreign**  
London Stock Market Featureless.—LONDON, Sept. 18.—The stock market was quietly steady with few features to-day. Most of the business was in rubber, oil and shipping shares at firm prices. Russian and gilt edge securities were maintained at 6 per cent, which gave their attention to Chinese and Japanese bonds, but Argentine rails were depressed by strike news.

**Paris Bourse**—PARIS, Sept. 18.—Prices were easy on the Bourse to-day. Three per cent rentes, 91 francs 40 centimes for cash. Exchange on London, 27 francs 18 centimes. Five per cent bond, 88 francs 15 centimes.

**New York**  
To Settle Through Reserve Bank.—Arrangements have been concluded by the Federal Reserve Bank to settle its New York Clearing House balances. The bank has made an initial deposit of \$400,000 in gold for this purpose.

**Elections**  
Directors of the Colorado & Southern Railway Company yesterday elected B. B. Greer vice-president and general manager, with headquarters at Denver, to succeed the late E. S. Koller. Howard Elliott and O. M. Spencer were elected directors, to succeed Harry Bronner and H. E. Byram, resigned.

Directors of the American Agricultural Chemical Company yesterday elected Helen L. Stone, of Hayden, Stone & Co., a member of the executive committee, in place of F. L. Ames, resigned.

George McCall has been elected vice-president of the Westmoreland Coal Company, to succeed the late Harry C. Adams.

## Significant Relations

Money and Prices:	Now	A Year Ago
Stock of money gold in the country..	\$3,060,991,378	\$2,548,241,473
Loans of all national banks.....	\$8,818,312,000	\$7,679,657,000
Their surplus reserve.....	841,931,000	801,000,000
Bills discounted and bought by Federal Reserve Banks.....	1,374,949,000	1,101,322,000
Federal Reserve notes in circulation.....	644,567,000	179,409,000
Total gold reserve.....	1,374,949,000	\$506,838,000
Average price of 15 railroad stocks..	101.27	101.53
Average price of 12 industrial stocks..	87.75	87.65
Food cost of living (Annalist index number).....	273.006	268.458
Production:		
Unfilled U. S. Steel orders, tons.....	10,407,049	10,844,164
Pig iron (daily average), tons.....	104,772	107,820
Active cotton spindles.....	33,430,016	33,396,635
Wheat crop, bushels.....	668,000,000	639,886,000
Corn crop, bushels.....	3,248,000,000	2,593,241,000
Cotton crop, bales.....	12,499,000	11,356,914
Distribution:		
Net unfilled freight car requisitions.....	31,591	33,776
Gross railroad earnings.....	9.7%	14.9%
Bank clearings.....	7.7%	27.7%
Commercial failures.....	1,159	1,137

## Bankers Act in Time to Relieve Money Market

**Time Loans to Stock Exchange Firms Reach Large Total**

Between \$15,000,000 and \$20,000,000 has been placed with Stock Exchange firms this week in the form of time loans as a result of the action of the special money committee of the Liberty Loan Committee in recommending freer extension of credits. Industrial securities have been accepted as collateral for most of these loans, and what, it is declared, threatened to become an awkward situation in money has been relieved in time to facilitate plans for financing the next Liberty Loan.

**Committee Issues Statement**  
In making formal announcement yesterday that it had already begun to use the data furnished by the banks and trust companies to aid in working out its plan the money committee stated that as a result of the discussions at meetings held Monday and yesterday "certain of the larger New York banks and trust companies have put out a considerable amount of time money, the loans being made by each institution for its own individual account on such terms and collateral as it may determine for itself."

Freer lending of funds on industrial collateral was reflected yesterday in a slight stiffening of prices in this class of securities on the Stock Exchange. The volume of trading, however, was not great enough to make the changes of any importance. Money brokers said that the time loans had pretty well satisfied the demand for that kind of money. Most of the transactions were maintained at 6 per cent, which gave their attention to Chinese and Japanese bonds, but Argentine rails were depressed by strike news.

In banking circles the opinion was expressed that the Liberty Loan committee has "hooverized" the money market to the extent that every effort will be made to prevent rates from going above 6 per cent.

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WE WILL BUY WE WILL SELL  
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25 Ohio Oil  
30 Prairie O. & G.  
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