Wealth Markets and Commerce

Nathan Hale said—

"My only regret is that I have but one life to give for my country."

What have you given for your country?

What are you willing to give?

These are the questions that every American must ask himself today.

There can be no dodging, no evasion.

You must answer.

Before you answer, ask yourself—

What is it worth to me, to live in a free country?

What is it worth to me, to know that my loved ones have the protection of a flag and a government that stand for humanity, justice and democracy?

What will it be worth to me, when right has triumphed, and civilization has been saved from destruction, to know that I had my part in the battle?

What will it be worth to me to think that I, in the hour when every man was tested, did not shrink back from the thing that was mine to do?

Then answer.

Can there be any possible reply, save that you stand ready to serve in whatever way you can?

A way is open, today and at the moment you read these lines, for every man and woman in this land to show patriotism and loyalty.

Not as Nathan Hale did, by going bravely to execution.

Not as a million of your fellow-countrymen are doing, as they leave homes and families to take their places with the others who are battling for human liberty on the shell-raked wastes of France and Flanders.

You, indeed, are not called upon now to GIVE anything.

Only to put the fighting power of your dollars back of the guns and the men that Uncle Sam is sending across the ocean.

INVESTMENT is all that is asked of you—investment in the safest security your money could buy, in time of war or peace—a United States Bond.

The second Liberty Loan issue, of $3,000,000,000, is open to subscription. The United States is in this war to win it. It has the men, and the money.

Some of that money is yours. The promptness of your response to your country's call is the measure of your loyalty.

United States Government Bonds of the Second Liberty Loan are issued in denominations of $50 and multiples of that sum.

They bear interest at 4%—payable semi-annually.

You can buy Liberty Bonds at any bank and on the partial payment plan if you wish—Buy all you can.

Liberty Loan Committee

Second Federal Reserve District

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Finance - Economics

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Monday, October 15, 1917

Security market values continued their downward trend last week with scarcely an interruption. Stocks broke sharply at times as fresh liquidation made its appearance. Many old line railway shares, established dividend payers, sold at the lowest levels for many years. Industrial issues were greatly unsettled and heavy net losses were taken in most cases. United States Steel common was forced down to within a point of par. The movement in the bond market was more orderly, owing to the lighter offerings, but the tendency here was nevertheless toward substantially lower quotations. Explanations for the persistent weakness of all securities are profuse and all of them have their origin in the war and its effects. Derangement of the money market continues as the most conspicuous influence. This resolves itself into the argument repeated over and over again since the United States entered the war that billions of dollars of money cannot be diverted from the ordinary channels of commerce and industry without serious disturbance and extensive readjustment. The process is apparently now taking place at a rapid pace, and we are finding one reflex of it in the action of the security markets.

It was pointed out during the last week that the principal ailment of the security market has been an oversupply of securities. Flotation of new issues has reached huge proportions since the beginning of the European war. Billions of dollars of new capital has gone into new shipping concerns, new oil companies, mining enterprises and the like, most of them organized to take advantage of the great industrial boom that developed early in 1915. The public absorbed the great portion of these securities in the bull markets of 1915 and 1916. Now apparently the public has been forced to unload a portion of its holdings owing to the government's urgent need of funds and the heavy taxation programme adopted by Congress. On top of this all investments of long years' standing have been liquidated owing to the more attractive yields afforded by new issues. The whole result has been to produce a situation where every one has seemingly desired to sell. Few will deny the fact that many securities are selling below their intrinsic values, but this usually happens when liquidation is forced.

Liquidation in the stock market last week resulted in a substantial contraction in brokers' loans. This probably was the principal reason why the call rate at the Stock Exchange declined to the lowest in nearly a month, at 2¾ per cent. Only recently the rate was very firm at 6 per cent, and the banks had their hands full in keeping it from going higher. Time money rates did not show any great change, presumably because of the unwillingness of the banks to increase their commitments over the end of the year, for the future is still full of uncertainties that make it imperative for the conservative banker to keep his funds as liquid as possible. Commercial paper was discounted somewhat more freely during the week at 5½ to 5¾ per cent. The banks are seeing to it that an adequate supply of funds is kept available for commercial and industrial purposes. In fact, the demand from this quarter is very properly given precedence over the demand of the stock market. The New York banks improved their position last week, according to the Clearing House statement, which disclosed an increase of $18,493,740 in the excess of reserves over legal requirements, which now stands at $102,483,290, the highest figure in more than a month. Loans and discounts increased $95,438,000. That the banks are continuing to make use of the rediscount privilege afforded under the Federal Reserve system was shown in the latest statement of the Federal Reserve Bank of New York, which disclosed bills discounted and bought from member banks aggregating $222,004,919. This compared with $185,000,000 a week ago. Commercial paper discounted aggregated $142,494,353, an increase of about $40,000,000 in the week. The increase is explained by the fact that member banks in this district rediscounted paper at the Reserve bank arising out of loans made to individuals in connection with the Liberty Loan issue.

Any man who takes a bearish position upon the future of the United States will be blown up through the explosion of his own ignorance, says William A. Law, president of the First National Bank of Philadelphia. Then he adds:

"A three billion dollar loan looks big, but this is a big country, with a terrific contract on its hands which the American people have underwritten in the interest of decency and fair play. Inasmuch as our national indebtedness is about 17 per cent of our annual income this loan represents as safe a war issue as any nation ever put out. The loan will go through with a rush, because the people realize that if it does not go, nothing else will go and our property rights will be lost forever. It is evident that this loan must have first claim upon our investment resources and that every citizen must go his financial limit in subscribing for these bonds. The situation clearly justifies one in borrowing from his bank to make the purchase, or in taking the bonds upon the instalment plan. This is by far the largest financial operation ever attempted in the United States and it must have an important bearing upon the money market. But the bank position of the country is so sound and the details of the loan offering have been so admirably handled as to indicate that the money market will not be unduly disturbed by this unique operation. There never was better coöperation in money market affairs than that which has developed of late under the impulse of war necessity.

"The country is gradually adjusting itself to the changed conditions imposed by the new scheme of war taxation. The burdens are great, but the people are prepared to shoulder them. A tax of 4 per cent upon relatively small incomes is such a novelty in the United States that its effect upon the many thousand small taxpayers will be quite as interesting as the adjustment of rich men to the 50 per cent exaction against incomes of more than $1,000,000. It is a great relief to eliminate the tax dispute from current discussion, as the agitation has been a source of disturbance for many weeks. The country's business is going ahead in spite of the war excitement. The "intellectual punch" of the American people in solving the recurring problems of these strenuous times is one of the most extraordinary phenomena that have yet developed in the game of war. You cannot think of it and realize what is being done to put the United States upon a war footing without becoming a tremendous optimist."

Current Comment

Not Enough Copper, and Why

The same inflation that affects price also affects costs and in doing so widens the spread among the costs of the several producers. Thus, if before the war one producer had a cost of 10c. and another a cost of 15c., their present costs might be 16 and 24c. respectively. The high-cost producer would be losing money at 23½c., just as formerly he lost money at 14½c., but the low-cost producer would be making 9c. per pound profit against 4½c. formerly. This illustrates how such companies as Anaconda and Utah, and the other porphyries can properly regard 23½c. as a reasonable, even generous, price, and how they may continue to show earnings not very much short of their stupendous returns in 1916, when they got 25c. for their copper, while a small producer who got 27.2c. in 1916 and made a moderate profit may lose money at 23½c., and even may be compelled to suspend production.

If there were a free market for copper and if production had begun to exceed demand, with the result that prices were declining, small producers would begin to be extinguished and production trimmed down to fit the demand at figures that would still leave very fine margins for the big producers. We mean, of course, margins expressed in dollars and distributed as such in dividends, not losing sight of the fact that the stockholders receiving those dividends would not be able to buy with them any more than with the smaller dividends of yore.

It may be suggested that the big producers, who find 23½c a satisfactory price, will produce all the copper that is needed, increasing their output if necessary. It is doubtful if they can. Early in this year it began to look as if they had reached the limit of their capacity. Their plants and personnels had both been strained to the utmost, and their ability was showing signs of deterioration. Nine months ago it was forecast accurately that consumers had overbought, but the other forecast of a further increase in production was early known to be wrong. Whatever be the contributory causes, and they are most complex, the plain fact remains that at the present time we do not possess enough copper, and domestic consumers have been officially told that during the next three months at least they must get along with a curtailed supply.—*Engineering and Mining Journal.*

The Complaining Millers

Many of these millers who complain that they are not getting their just supply of wheat have failed to comply with the rules and have neglected to follow instructions in making reports and requisitions. Some have not executed their agreements with the Food Administrator; only fifteen hundred complete agreements have thus far been filed with the chairman of the milling division, and not less than two thousand mills are yet to be heard from. Only five hundred mills have replied to the questionnaire, and until this information is forthcoming it is difficult to outline the work of the organization.

What is the matter with these neglectful millers? Are they unable to read plain English, or are they so stupid as to believe they can ignore the mandates of the United States government? It is absolutely imperative that every miller in the country, large or small, for his own interests as well as for those of the nation, should sign the agreement, furnish the required information, and comply in every respect with the food administration's requirements. Regarding requisitions for wheat, mills must follow the instructions laid down and use the prescribed forms, otherwise they cannot expect to receive their allotments.

It is amusing to learn that, in some instances, disgruntled millers, who are whining because they do not think they are being treated fairly, have intimated that, unless their demands are immediately granted, they will cancel their agreements with the Food Administrator. If this threat was not exasperating, it would be ludicrous. Having cancelled their agreements, what then? The only alternative of coöperation is coercion, and the United States government will not hesitate to exercise it, if necessary.

Although it is a branch of the government service, and as such has absolute power to force compliance with its regulations, the food administration, through the chairman of its milling division, does not propose to deal summarily with the recalcitrant and the neglectful. Instead, it makes a further appeal to the patriotism of those who are roaring and protesting, asking them to be patient for only two weeks longer, by which time there should be ample wheat supplies, and promising that when the movement occurs it will not be unmindful of the sacrifices made, and will see that those who have made them have added facilities to make up for the inconveniences they have suffered.—*Northwestern Miller.*

Causes of Liquidation

The fundamental causes of the recent heavy liquidation of stocks are not altogether certain. There is much of mystery about it. More than three years ago there was several weeks of mysterious selling, just before the great war began. The present selling may have something to do with the prospective ending of this same war. Our guess as to the causes of the present great wave of liquidation is as follows:

1.—Dear capital—high money rates resulting from war's great destruction and demands.

2.—Decreased earnings—present or prospective. Present as to most gas, street railway and interurban electric companies, and prospective as to most railroad and industrial corporations. Net earnings are decreasing because of rapidly rising operating costs—for labor, coal, etc.—and the inability to raise rates and selling prices.

3.—Selling because of prospective peace. The heavy declines of the last few days in such stocks as those of Midvale Steel, Bethlehem Steel, Central Leather and Savage Arms, as well as in most copper and metal stocks, suggest the end of the war. Also, the sharp declines in the prices of grain, meats and provisions are hardly accounted for by the last crop report, which showed a yield of only 2½ per cent above the ten-year average for all crops. The course of events on the battle fronts and in Germany and Austria-Hungary indicates that the Central Powers face disaster and that a breakup is probably near.

4.—Readjustment because of the war revenue bill. Some corporations will, in order to have the cash in hand with which to pay their excess profits and other taxes, have to reduce dividends. Individuals will have to save and prepare to meet their income and other taxes.

5.—Selling to buy war bonds. Institutions and individuals cannot buy billions of new war bonds without selling some of their present holdings of securities.

6.—Industrial and political uncertainty because the government is fixing prices, placing embargoes, requisitioning ships and generally taking over or controlling industry. Admitting that a bureaucratic and socialistic government may be necessary in war time, it cannot but be disturbing to those who own capital.

7.—Uneasiness over the wage and labor situation. With an almost unprecedented number of strikes for higher wages and shorter hours, with the big corporations making almost monthly advances of 10 per cent in wages paid, with wage earners generally getting from $4 to $10 a day, with labor becoming less and less efficient, more self-assertive, industrially and politically, the holders of stocks are naturally becoming anxious about the future.

8.—Forced selling because of margin calls, etc.

9.—Short selling, mostly by those who foresee coming events.—*Goodbody & Co.*

Nitrogen From the Air

The remarkable development of the nitrogen industry from the air is shown by the following figures, based on data given by Mr. W. H. Landis, and quoted by Professor Wilkinson, president of the Chemical, Metallurgical and Mining Society of South Africa. They represent the installed capacity for nitrogen fixation of the different end products expressed in British tons:

	1913. Tons.	1916. Tons.
Nitrolim or cyanimide..	294,000	935,000
Nitrate of lime (arc process)	132,000	208,000
Sulphate of ammonia (Haber process)	35,700	267,800

It should be stated that Mr. W. H. Landis gave his figures in "short tons" (2,000 pounds) of nitrogen, instead of our British 2,240 pounds. The figures given above are calculated into British tons.

There is no doubt that the year 1917 will show a still further increased production, especially of cyanimide and synthetic ammonia. It is a fact worth noting that the United States some time ago allocated $20,000,000 to the development of the nitrogen from the air industry in America.—The London Statist.

Bank of Brazil Note Issue

A project has been drawn up for restoring to the Bank of Brazil the privilege of issuing notes, which has been in abeyance for many years. The object of the scheme is to enable the bank to grant loans on favorable terms, against security, for the purpose of encouraging the development of commerce and industry. It is understood that out of the issue of inconvertible currency which the Brazilian Congress is expected to sanction a portion of it will be lent to the bank without interest. The loans made by the bank will be in the form of notes, and the bank, of course, will be under the necessity of arranging for their redemption. The project has been well received in business circles in Brazil.

Money in Free Circulation More Important Than Savings

That Is Why Misdirected Economy Would Clog the Wheels of Commerce and Halt Industrial Development—What Happens When People Hoard Too Much

By Archer Wall Douglas

There is a popular saying nowadays among writers on economics that new capital can be had only by the accumulation of savings. Now, savings are generally understood to be money deposited in a savings bank, or possibly paid out on life insurance premiums, and so on the whole are as much hoarded as though put away in a stocking. There is thus constant endeavor to impress the average man that consequently the only means whereby new capital can be created is by saving after one of these fashions. Like many a textbook theory, this statement is at best but a half truth—and consequently most misleading—as any intelligent analysis will demonstrate.

In the broad and real sense, capital is whatever enables a man to conduct his business or pursue his avocation. The study and experience of the professional man, the land, buildings and equipment of the farmer, the tools and skill of the mechanic, and the good will and fortunate location of the retail dealer are all capital. In a financial way, capital is money and credit, especially money. Now, it is a matter of common knowledge that of the money deposited in savings banks or accumulated by life insurance companies only a small percentage goes to furnishing capital for new, creative enterprises. The first requisite of the investment of such money is that of safety, and the new productive enterprises are often those of development and exploitation and involve a certain amount of risk. The concern of those lending such money is rather for safe, well known securities of established organizations than those of new ventures.

French Peasants Often Cited as Examples

The part, while important, which the savings thus loaned play in the creation of new capital, is, none the less, much overstated and overrated. We have constantly held up to us the example of the French peasants, whose savings (often hoarded rather than saved) floated French and Russian loans time and again before the present war. In so doing they may have come to the rescue of needy governments, overburdened with preparations for feared and expected conflict, but they certainly did not furnish any direct impulse to the economic development of the nation. The savings invested in Russian banks may now only serve to keep the investors walking the floor at nights. The truth is, as every one knows, that the great new development enterprises are financed largely by funds from the checking accounts of banks and from the credits thus created and extended, and not from their savings deposits. These checking accounts are not made with any primary intent of saving, but as a matter of safety and convenience and to get the temporary advantage of the small interest sometimes paid. As a matter of cold-blooded fact, it is very likely, if the savings deposits were all changed into checking accounts, that there would be more money available for capital enterprises because of the greater freedom of lending thus made possible. The real, primary and essential purpose of saving deposits is for the benefit of the individual depositors, as an anchor cast to windward in times of trouble. Their all-important relation to the necessity of new capital creations is a little modern fiction of bankers and textbook economists.

Unequal Distribution Makes Taxes Burdensome

So far as their relation to government needs at the present time is concerned, it ought to be obvious that whatever money the government takes in the way of taxes will very promptly come back into circulation again through government disbursements—that is, all save that which goes abroad for expenses on the other side. The real burden of government taxes is not so much their size and amount as their unequal distribution, both in collecting and spending, and the extent to which they are returned to the people of their own country. This fact resolves the whole problem into its simple elements. The essential matter is that there be enough money in circulation, with resultant credit, to finance new enterprises, since it inevitably finds its way to the banks for their uses.

It seems to be forgotten that the greater portion of the capital of a manufacturing concern, for instance, is represented in buildings, land and machinery and that the money, or liquid capital, which made possible this equipment went into circulation again, and has done the same thing for other organizations. It also seems to be overlooked that the money constantly in circulation furnishes a very large amount of the capital actually in use. A concern which collects promptly and pays promptly, and thus turns its stock of merchandise over often, needs but a comparatively small idle capital. The withdrawal of any considerable amount of this money from circulation by sudden savings or drastic economy would clog the wheels of commerce and halt development and new enterprise. A panic such as was experienced in 1907 is the saving habit gone mad because of loss of confidence in the future, and economy carried to the limit, with deposits piled up until banks had 50 per cent and more of reserves, with currency at a premium and all business and new enterprises down in the Valley of the Shadow of Death.

Reflexes of War

In excess of 12 per cent of the purchases of the Japanese imperial railways in 1916-'17 were made in foreign countries, according to a compilation just made in Tokio. Purchases made at home during the year aggregated $18,955,858, compared with $2,595,214 made abroad. In 1915-'16 8½ per cent of the railway purchases were made in foreign countries. It is of interest that the expansion in foreign purchases occurred despite the statement put out by the imperial government railways of Japan in 1914-'15, which said:

"The attention of the authorities had long been directed to the importance of superseding imports by home products. Apart from the growth of domestic industry, which has gradually come to meet the multifarious requirements of the railways, the policy of self-sufficiency had recently begun to recommend itself with greater urgency than ever, in view of the conditions surrounding Japanese finance and economy in general. The best endeavors have, therefore, been used in this particular direction, with the result that the amount of foreign purchases has shown a marked decrease."

Fiduciary circulation in France is practically of one kind, the note of the Bank of France. Banknotes circulate everywhere, from the 1,000-franc note to the 5-franc coupure or fractional note. This paper money is the universal form of legal tender. The check system of money transfer is mainly confined to trade and capitalists having deposits or current accounts in the banks. The issue of paper money is always considerable, but is especially so now after three years of war. There are about $4,200,000,000 worth of banknotes in circulation or hoarded in private hands, but a decree lately empowered the Bank of France to enlarge the issue to the equivalent of $5,000,000,000. The result of this considerable and intense circulation of fiduciary money is that the small banknotes of 20 francs, 10 francs, and especially 5 francs, deteriorate in quality by constant use. This applies still more to small 1-franc notes, used in some departments. Certain public administrations have authorized their officials to exchange new banknotes for those tendered soiled.

The Japan "Times" publishes a report from the Department of Agriculture and Commerce showing that in July the insurance companies of Japan held 3,629,955 policies, amounting to $2,818,344,992. The numbers and amounts in gold dollars in each class were: Life insurance, 1,948,815 policies, $608,852,930; conscription insurance, 306,402, $25,331,716; accident insurance, 14,762, $13,113,066; fire insurance, 1,252,117, $1,736,559,669; marine insurance, 61,603, $415,095,416; freight insurance, 6,850, $9,255,212; miscellaneous, 39,406, $9,736,983; total, 3,629,955 policies, $2,818,344,992.

The authorities of the Peking-Hankow Railway, in China, are now considering the question of rebuilding the bridge which carries the railway from Peking to Hankow, over the Yellow River. The bridge was originally built as a temporary structure, and the time has come when serious attention must be given to it. Extensive repair work will have to be undertaken immediately, and it is stated that a sum of $11,000,000 will be required for this purpose. The erection of a permanent structure will be a large undertaking, and if it is decided to replace the present bridge it is possible that a site will be selected some distance upstream, which will mean a deviation of the track from the existing route.

Owing to war conditions Jamaica staple products, especially sugar and rum, have sold for good prices, and the exports for the last year were more than $12,000,000 in value, or an increase of $3,000,000 over those for the previous year. Over 28,000 tons of sugar, valued at over $2,500,000, were exported.

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FINANCIAL MEETINGS

THE NEW YORK, NEW HAVEN AND HARTFORD RAILROAD COMPANY.

To the Stockholders of The New York, New Haven and Hartford Railroad Company:

Notice is hereby given that the Annual Meeting of the Stockholders of The New York, New Haven and Hartford Railroad Company will be held in Harmonie Hall, No. 9 Elm Street, in the City of New Haven, Connecticut, on Wednesday, the 24th day of October, 1917, at 12:00 o'clock noon, for the following purposes:

1. To consider and take appropriate action upon the Statement of the affairs of The New York, New Haven and Hartford Railroad Company for the year ending December 31, 1916, and all acts described therein or reported at said meeting.

2. To elect a Board of Directors to serve until the next annual meeting and until their successors shall have been elected and qualified.

3. To act upon proposed amendments to the Stockholders' by-laws as follows:

Amend Article III by changing the date for the Annual Meeting of the Stockholders from the fourth Wednesday of October in each year to the third Wednesday of April in each year, and by striking out the words "Chairman of the Board" and inserting in lieu thereof the word "President," so that said article as amended shall read as follows:

"III. The annual meeting of this corporation at which directors shall be chosen, shall be held in the City of New Haven, Connecticut, on the third Wednesday of April in each year at 12 o'clock M., at such place as shall be fixed by the President or Directors."

Amend Articles IV, VII, and IX by striking out the words "Chairman of the Board" whenever they occur and inserting in lieu thereof the word "President" so that said articles as amended shall read as follows:

"IV. A special meeting of this corporation may be called at any time by order of the Board of Directors and shall be held in the City of New Haven at such hour and place as shall be fixed by the President or Directors."

"VII. For each annual and special meeting of the Stockholders the Board of Directors shall appoint two tellers to receive and count the votes cast thereat. In case of the failure of the Board of Directors to make such appointment, or in case of the failure or inability of either or both of the tellers to serve at such meeting, the President shall appoint another teller, or tellers, in his, or their, places."

"IX. All the meetings of this Corporation shall be presided over by the President, when he shall be present."

4. To transact any other business which may properly come before said meeting.

For the purpose of this meeting the transfer books of the Company will be closed from October 10th to October 24th, 1917, both days inclusive.

Dated at New Haven, Connecticut, this first day of October, 1917.

By order of the Board of Directors,
ARTHUR E. CLARK, Secretary.

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS.

Notice is hereby given that a Special Meeting of the Stockholders of The New York, New Haven and Hartford Railroad Company will be held in Harmonie Hall, No. 9 Elm Street, in the City of New Haven, Connecticut, at three o'clock in the afternoon of the twenty-fourth day of October, 1917, if the Annual Meeting shall have adjourned at that hour; if not, then immediately upon the adjournment of said Annual Meeting, for the following purposes:

1. To act upon the acceptance of the amendment to the charter of this corporation contained in an Act of the General Assembly of the State of Connecticut, approved May 15th, 1917, entitled: "An Act Amending the Charter of The New York, New Haven and Hartford Railroad Company," in reference to the issue of shares of preferred stock.

2. To act upon the acceptance of the amendment to the charter of this corporation contained in an Act passed by the Commonwealth of Massachusetts, approved May 25th, 1917, entitled: "An Act Relative to the Issue of Preferred Stock by The New York, New Haven and Hartford Railroad Company."

3. To act upon a proposition to authorize the issue of not exceeding four hundred and fifty thousand (450,000) shares of cumulative preferred stock of the par value of one hundred dollars ($100) each, the holders of which shall be entitled to receive out of the annual net income of the Company, dividends of not exceeding seven per centum per annum.

For the purpose of this meeting the transfer books of the Company will be closed from October 10th to October 24th, 1917, both days inclusive.

Dated at New Haven, Connecticut, this first day of October, 1917.

By order of the Board of Directors,
ARTHUR E. CLARK, Secretary.

THE CHESAPEAKE AND OHIO RAILWAY COMPANY.

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

New York, September 28, 1917.

Notice is hereby given that the annual meeting of the Stockholders of THE CHESAPEAKE AND OHIO RAILWAY COMPANY will be held at the general office of the Company in the City of Richmond, Virginia, on Tuesday, October 23, 1917, at eleven o'clock a. m., (a) for the election of Directors, (b) for the purpose of considering all action heretofore taken or authorized by the Board of Directors or by the Executive Committee of the Company which may be submitted to the meeting, and (c) for the transaction of such other business as may lawfully come before the meeting, including the amendment of the first sentence of Section 1 of Article I of the by-laws of the Company so as to read as follows:

"Regular annual meetings of the stockholders for the election of directors from among their number and the transaction of such other business as may properly come before the meeting for action shall be held on the Tuesday preceding the last Tuesday of April in each year at 11 o'clock A. M. at the general office of the Company in the City of Richmond, Va."

The stock transfer books will be closed at the office of the Company, No. 71 Broadway, New York City, on Friday, September 28, 1917, at three o'clock p. m., and will be reopened on Wednesday, October 24, 1917, at ten o'clock a. m.

By order of the Board of Directors.
CARL REMINGTON, Secretary.

DIVIDEND NOTICES

NORFOLK & WESTERN RAILWAY CO.

The Board of Directors has declared a quarterly dividend of $1.00 per share upon the Adjustment Preferred Stock of the Company, payable at the office of the Company, Commercial Trust Building, Philadelphia, Pa., on and after November 19, 1917, to the Adjustment Preferred Stockholders as registered at the close of business October 31, 1917.

E. H. ALDEN, Secretary.

FINANCIAL

STATE OF NEW YORK, INSURANCE DEPARTMENT, Albany, August 15, 1917.—Whereas, North American Accident Insurance Company, located at Chicago, in the State of Illinois, has filed in this office a sworn statement by the proper officers thereof showing its condition and business and has complied in all respects with the laws of this State relating to Accident Insurance Companies incorporated by other States of the United States; Now, therefore, in pursuance of law, I, Jesse S. Phillips, Superintendent of Insurance of the State of New York, do hereby certify that said Company is hereby authorized to transact the business of Accident Insurance in this State in accordance with law, during the current year. The condition and business of said Company at the date of such statement (December 31, 1916) is shown as follows:

Aggregate amount of admitted Assets	$877,821.62
Aggregate amount of Liabilities (except Capital and Surplus), including reinsurance	444,793.28
Amount of actual paid up Capital	200,000.00
Surplus over all liabilities	233,024.34
Amount of Income for the year	1,644,337.51
Amount of Disbursements for the year	1,572,269.82

In Witness Whereof, I have hereunto subscribed my name and caused the seal of my office to be affixed the day and year above written. [Seal]

JESSE S. PHILLIPS,
Superintendent of Insurance.

FINANCIAL

NOTICE.

TO THE BONDHOLDERS OF THE FIRST MORTGAGE BONDS OF NORTHERN CAMBRIA STREET RAILWAY COMPANY.

You are hereby notified that Columbia Trust Company, formerly known as the Knickerbocker Trust Company, has resigned as Trustee of the trust estate created by mortgage of Northern Cambria Street Railway Company, dated May 1, 1906, and recorded in Cambria County, Pennsylvania, in Mortgage Book Vol. 47 at page 103, and as supplemented by supplemental mortgage dated April 2, 1912, and recorded in Cambria County, Pennsylvania, in Mortgage Book Vol. 65 at page 633, and that Cambria Title, Savings & Trust Company of Ebensburg, Pennsylvania, has been appointed as its successor in the trust. That there are outstanding $395,000.00 par value of bonds secured by said mortgage and that bondholders representing $391,000.00 par value of said bonds have joined in said appointment.

That said appointment shall be effective January 10, 1918, by the terms of the above mentioned mortgages.

NORTHERN CAMBRIA STREET RAILWAY COMPANY,
Per W. H. DENLINGER, President.
Attest: JAMES H. ALLPORT, Secretary.