

ANNOUNCE PLAN OF LOAN TO DOMINION

Canada's \$75,000,000 Issue to Be Secured by Long Term Bonds and Short Notes.

MORGAN GROUP IN CHARGE Distributing Syndicate Will Be Vast Machine Covering Whole Country.

Announcement that the new \$75,000,000 Dominion of Canada loan, which is to be handled by a large group of American bankers, will be secured by long term bonds and short term notes, which will be sold at prices to yield slightly better than 5.90 per cent. was made yesterday.

"We and our associates, consisting of Brown, Shipley & Company, First National Bank, National City Company, Guaranty Trust Company, Bankers Trust Company, William A. Read & Co. and the Bank of Montreal have purchased these securities from the Dominion Government and have taken steps to form a distributing syndicate, which will offer the securities for public subscription at a later date this week."

The group of bankers named in the Morgan statement is the same as the group which participated in the Canadian loan two years ago. The distributing syndicate through which the bonds will be disposed of will be a vast machine reaching over the entire country, it was declared.

It is understood that the proportion of the amount which goes into short term notes will be left to the discretion of the banking syndicate managers. It was declared yesterday that the subscription books for the securities will be opened at the office of J. P. Morgan & Co. at the beginning of business on July 8, and that the syndicate will be continued until such time as the securities are sold.

The issuance of the \$75,000,000 loan, it was said, is subject to the ratification by the Canadian Parliament. Its principal and interest are payable in gold dollars at the agency of the Bank of Montreal in this city without deduction for all Canadian taxes.

The two year notes are in coupon form, in denominations of \$1,000 and multiples of that amount. The long term bonds are in denominations of \$100 and in coupon form. It is probable that the two issues will be made interchangeable. The bankers handling the loan reserve the right to reject any or all applications and to award a smaller amount than applied for in any case.

Amounts due on the allotments will be payable at the office of J. P. Morgan & Co. in New York. These amounts and the date of their payment will be given in the final notices of allotments, it was declared. Temporary certificates will be delivered pending the engraving of the notes and the bonds.

LIKE SAVINGS CERTIFICATES. New United States Securities Are in Great Demand.

Special Dispatch to THE SUN. WASHINGTON, July 7.—Treasury savings certificates, the new form of Government security offered the public by the Treasury as a means of short time financing, are in big demand.

Although the new certificates were not offered until July 2, orders totalling \$78,420,000 had been received by the Treasury from the Federal Reserve banks at noon today. Treasury savings certificates are in effect large denomination war savings certificates.

They are issued on the same basis, have the same interest rate and are payable in five years. They have the same redemption features. The \$100 certificates may be purchased at practically all post offices, but the certificates of \$1,000 maturity value can be bought only from incorporated banks and trust companies acting as agents.

The \$100 certificates will increase 20 cents a month in price and the \$1,000 certificate \$2 a month. The New York reserve bank sent in one of the smallest orders, totalling \$200,000—\$100,000 in the larger and \$200,000 in the smaller certificates.

CALL IN EQUIPMENT TRUSTS.

U. S. Certificates to Be Redeemed on July 15. Special Dispatch to THE SUN. WASHINGTON, July 7.—All of the certificates of indebtedness issued by the Railroad Administration in payment on deliveries of equipment and materials during the year 1918 are to be called for redemption by Director-General Hines and principal and interest will be paid in full on July 15.

Written notice has been sent to every certificate holder that interest will cease to accrue on the redemption date, when the certificates will be payable only on their surrender of certificates.

By the time of the redemption date the administration will have available a deficiency appropriation made by Congress.

JOIN \$100,000,000 STEEL COMPANIES

New Corporation Will Include Several Large Producing Properties. By a merger of several important steel producing properties, official announcement of which will be made soon, the Steel and Tube Company of America, with a capitalization of probably \$100,000,000 will be formed.

Plans for acquisition by the new company of important iron ore, finished steel and coke properties are progressing rapidly, according to bankers connected with the merger. Among the companies which will take over are the Northwestern Iron Company, the ore properties of the Newport Mining Company and the Belmont-Solvay Byproducts Coke plant at Indiana Harbor, Ind. Through the acquisition of these properties, it is asserted, the Steel and Tube Company of America will become an entirely self-contained and independent operating unit.

The present Steel and Tube Company of America will form the basis of the consolidation. It was formed a year ago in a merger of the Mark Manufacturing Company and the Ingot Iron Company. It is one of the three largest manufacturers of steel pipe and steel tubular goods in this country. It has six blast furnaces at the mouth of the Calumet River in South Chicago with an annual capacity of about 1,000,000 tons of pig iron. The company owns a steel plant said to have cost \$18,000,000, and a pipe mill at Indiana Harbor, Ind., and a pipe mill at Evansville, Ind., and Zanesville, Ohio, having 360,000 tons of pipe annual total capacity.

The Newport Mining Company, which will become a part of the consolidation, has a group of five mines at Ironwood and Bessemer, Mich., with an estimated content of 15,000,000 tons of iron ore. The mines are said to have a production capacity, operating on double shift basis, of 3,650,000 tons to 4,000,000 tons annually. The Belmont-Solvay Byproducts Coke plant, which is one of the largest in the country, has a capacity of 500,000 tons of coke a year. There is also a coke byproduct plant for the recovery of ammoniacal liquor, tar and light oil.

It was reported yesterday that William A. Read & Co. had purchased the cumulative preferred stock of the Steel and Tube Company of America. That money will be used in the company's consolidation plans. The stock, it is understood, is to be offered to the public and is preferred as to assets and dividends and is redeemable at 110 and accrued dividends on thirty days notice.

The total amount of preferred stock is \$22,000,000, and the purchase of the stock is expected to provide for the purchase of the issue up to redemption price.

Customs Receipts \$602,002. Receipts for duties at the Custom House yesterday were \$602,002, of which \$192,451.23 was for merchandise withdrawn from bonded warehouses and \$470,151.66 for recent importations.

FINANCIAL NOTES.

William Hurd Miller & Co. have moved to 30 Wall street. The company's output of copper for June was 1,913,350, against 1,914,440 in the immediately preceding month, and the production of silver was \$2,929 in June against \$3,187 in May.

New York City. The transfer agent for the American Writing Paper Company that sinking fund 3 per cent. bonds due on July 1, and has admitted to the list American Writing Paper first mortgage bonds on January 1, 1920.

The \$100 certificates will increase 20 cents a month in price and the \$1,000 certificate \$2 a month. The New York reserve bank sent in one of the smallest orders, totalling \$200,000—\$100,000 in the larger and \$200,000 in the smaller certificates.

At the annual meeting and prospectus of the American Writing Paper Company stockholders of the company were informed that the company had received a letter describing the development and prospectus of the American Writing Paper Company stock.

GREAT NORTHERN NET \$20,063,269

Annual Report Shows Earnings Are \$8.04 a Share in 1918 Against \$9.28 in 1917.

SURPLUS IS \$1,959,893 Federal Revenue Account Pays Administration Deficit at \$12,502,085.

The annual report of the Great Northern Railway Company, made public yesterday, shows that during 1918 its net income, including Federal compensation, other income, etc., totalled \$20,063,269, after deduction of charges for taxes, rentals, interest, etc., which was 10.7 per cent of the net income of the year.

The annual compensation received by the Great Northern and its subsidiary lines totalled \$28,771,369, according to the report. The amount actually paid the line after deductions for two subsidiaries during the year was \$28,856,572, added to which was \$1,071,527 other income, making the total income for the year \$30,728,499. Interest charges, taxes, rentals, amortization and other fixed charges totalled \$9,695,239, making the net income for the year \$21,033,260. Dividends paid were \$17,462,842, which, with sinking fund charges and investment in physical property, brought the surplus for the year down to \$1,959,893.

"Charges for the year on account of construction of new lines," says Louis W. Hill, chairman of the Great Northern, in his report to the stockholders, "aggregated \$32,705,142, consisting principally of interest on construction charges made in previous years on lines not yet completed and on new lines. This amount has been charged to investment in road."

"There was expended for additions and betterments the sum of \$6,728,654.09, which was charged to investment in road. Of the total, cost of betterments, \$2,557,711.99, was paid from and debited to the Calumet Capital Bldg., 43 1/2 per cent. invested and was credited to additions to property through income and surplus. The account appropriated surplus not specifically invested was credited with \$130,190.68 net profit from sale of town lots, timber and lands not forming a portion of the railway property or land grant."

"The company's investment in Canadian companies, on account of advances made to pay for property, construction, additions and betterments, has been increased during the year, as follows: Brandon, Saskatchewan & Hudson Bay Ry. Co., \$1,274,226; Canadian Northern Ry. Co., \$1,848,445; Red Mountain Ry. Co., \$28,744. Total, \$3,151,415.

"The property investment of the Minneapolis Western Railway Company was increased \$4,979.32 by expenditures for additions and betterments. That of the Duluth Terminal Railway Company was decreased \$4.87.

"The four story eighth room annex to the hotel at Many Glacier in Glacier National Park was completed by the Glacier Park Hotel Company and opened to the public during the 1918 tourist season.

"The Northern Steamship Company sold its steamship Northland on November 27, 1918, and having disposed of all its physical property is no longer in business.

WORKING ON FEDERAL VALUATION.

The St. Paul Union Depot Company, for the purpose of paying its outstanding notes and of obtaining moneys for acquisitions and construction required for the union station and improvement of its existing station and terminal facilities at St. Paul, Minn., authorized the issue and disposition of its five year 5 1/2 per cent. guaranteed gold notes for \$3,000,000.

These notes are issued under a trust indenture dated December 15, 1918, and are jointly and severally guaranteed as to principal and interest by the Great Northern Railway Company and the other eight owning companies.

"The work in connection with Federal valuation of this company's property will continue. It is expected that during the coming year the tentative report of the Bureau of Valuation will be served upon the company. Conferences and hearings will then be necessary to consider the company's claims with respect to the results reflected in the report, so that considerable time will elapse before the final figures are determined.

"The company subscribed for \$2,500,000 of the Fourth Liberty bonds. All of the company's available cash having been on January 1, 1918, impounded by the Railroad Administration, it was necessary to make arrangements with bankers in New York to advance the funds to pay for these bonds, holding the bonds as security for the loan.

BROWN BROTHERS & CO. Philadelphia NEW YORK Boston 1818 1825 1844

INVESTMENT BONDS July circular on request

BROWN, SHIPLEY & COMPANY Established 1839 Office for Travelers 113 Pall Mall, LONDON, E. W.

Municipal Bonds Exempt from Federal Income Tax

Table of Tax Exempt in New York State bonds including Buffalo, N. Y., Reg. Water 4 1/2%, etc.

Table of Tax Exempt in New Jersey bonds including Jersey City, N. J., Reg. 4 1/2%, etc.

Table of General Market Municipals including St. Louis, Mo., School Dist. 4%, etc.

A. B. Leach & Co., Inc. Investment Securities 62 Cedar St., New York

RESERVE BANK'S EARNINGS. Net of New York Institution is 60 Per Cent. of Paid in Capital.

The New York Federal Reserve Bank's net earnings for six months ended on June 30 were approximately 60 per cent. of paid in capital, against net earnings for the year ended on December 31 at the rate of 113.8 per cent. of average paid in capital.

At the close of the half year, after paying dividends, etc., the Federal Reserve Bank added \$1,804,797 to its surplus account, bringing the same up to \$22,922,031, which is equivalent to 113 per cent. of its paid in capital of \$20,249,700.

After July 14 and up to July 21, 1918, the net earnings of the Federal Reserve act of March 3 last, a Federal reserve bank is permitted to build up a surplus of 100 per cent. of subscribed capital—out in capital—after which 10 per cent. of net earnings is to be added to surplus, the remainder being paid to the Government as a franchise tax. If the New York Federal Reserve Bank continues to show net earnings at its rate of the last six months it should pay a franchise tax to the Government after the close of this year.

BID AND ASKED QUOTATIONS. UNITED STATES GOVERNMENT BONDS.

Table of Bid and Asked quotations for various government bonds.

Closing prices of stocks in which there were no transactions yesterday:

Table of closing prices for various stocks including A. B. C. Co., Am. B. Co., etc.

THE CHATHAM AND PHENIX NATIONAL BANK OF THE CITY OF NEW YORK. CONDENSED STATEMENT OF THE CONDITION AT THE CLOSE OF BUSINESS JUNE 30th, 1919. RESOURCES: Loans and Discounts \$89,371,004.67, United States Bonds (Par) 7,674,000.00, U. S. Certificates of Indebtedness 11,803,000.00, Other Stocks and Bonds 5,634,499.49, Customers' Liability 2,638,570.46, CASH & EXCHANGES 34,064,279.66. LIABILITIES: Capital \$3,500,000.00, Surplus and Undivided Profits 3,646,474.02, Circulation 2,910,770.00, Other Liabilities 18,492,814.87, DEPOSITS 122,635,295.39. Total Resources \$151,185,354.28. Total Liabilities \$151,185,354.28. Main Office, 149 Broadway, corner Liberty St. Branches: Battery to Bronx, Canal and Thompson Sts., Bowery and Grand St., Ninth Ave. and 14th St., Broadway and 18th St., 57th Ave. and 33d St., 57th St. and 3d Ave., Broadway and 61st St., 86th St. and Lexington Ave., Broadway and 105th St., Lenox Ave. and 116th St., 125th St. at Lenox Ave., Broadway and 144th St. One Hundred Years of Commercial Banking. We Invite Your Account.

NEW GENERAL CIGARS ISSUE. Stockholders Authorized Increase of Capital to \$35,000,000.

Stockholders of the General Cigar Company have authorized an increase in capitalization from \$25,000,000 to \$35,000,000. The \$10,000,000 increase will be made by the issuance of 50,000 additional shares of the present common stock, par \$100, and 50,000 shares of 7 per cent. cumulative sinking fund debenture preferred stock, par \$100.

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Pennsylvania Crude Oil Market. Oil City, July 7.—Credit balances, \$4,700,000; average, 62.25¢. Shipments, 166,152; average, 62.25¢. Receipts, 16,000; average, 29.25¢.

EX DIVIDEND TABLE. To-day: Jones Brothers Tea, 50c; National Cigar & Cigarette, 1.00; Nat. Carbon Co. pf. q., 2 1/2; Marine common, 1.00; New York Central, 1.00; etc.

The Sweets Company of America Bought—Sold—Quoted LOW BROS. 44 Broad Street, New York. Tel. Broad 6683-4-5

Heavy late liquidation, which came in the wake of substantial early covering by shorts, brought material declines throughout the list during an excited and active final hour on the Commodities Stock Exchange yesterday. Steel common, after gaining 2 points, to 115 1/2, fell back to 112 and ended at 112 1/2, while Crucible moved down from 119 1/2 to 115, Bethlehem B from 99 1/2 to 95 1/2, and Republic Iron and Steel from 100 1/2 to 98 1/2.

CONSOLIDATED EXCHANGE. Heavy late liquidation, which came in the wake of substantial early covering by shorts, brought material declines throughout the list during an excited and active final hour on the Commodities Stock Exchange yesterday. Steel common, after gaining 2 points, to 115 1/2, fell back to 112 and ended at 112 1/2, while Crucible moved down from 119 1/2 to 115, Bethlehem B from 99 1/2 to 95 1/2, and Republic Iron and Steel from 100 1/2 to 98 1/2.