

PLAN NEW BANKING SYSTEM FOR INDIA

British Government and Bankers Cooperate to Create Central Institution.

WOULD ISSUE ITS NOTES Control of Money Market Also Would Be in Power of Projected Bank.

Special Cable Despatch to THE SUN. Copyright, 1919, all rights reserved. LONDON, Nov. 3.—India's entire banking system will undergo complete re-organization in the immediate future if plans being laid by the British Govern-

ment and banking interests be carried out. The purpose of the plan will be the consolidation of the banking power of the Indian provinces, headed by a central institution of semi-governmental character like the United States Federal Reserve Bank.

A campaign would be started in India at once to popularize paper money, which the natives now refuse. India's currency is almost wholly silver, and the immense expansion of her trade during the war has called for a great quantity of silver.

The advantages of a central bank for India scarcely need to be disputed, considering the conditions prevailing there. There exists what is called an "independent treasury" system, analogous to the system in the United States before its present banking plan was adopted by the Government.

If India withdraws its funds from private institutions a shortage results because there is no adequate channel for the Government to put out that money for short loans until it is needed again.

A central bank would provide means for buying paper in the market and stabilizing rates in times of transfers from private to public banks. It would serve also to stabilize the bank rate which in the past has fluctuated seasonally from 3 to 5 per cent, while the rate of England has remained unchanged, even in such periods as the present except for increase or decrease of 1/2 per cent to 1 per cent, when occasion warrants.

It is agreed that a central bank would do the same thing for India and would be able to handle the business of the Government and business men. Steps for establishment of such a bank were revealed by the Secretary of State for India. He said legislation was under way to enable three of the present banks in India to amalgamate, which done, they would be charged with the custody of Government funds and clothed with note-issuing powers.

The Government's financial matters are handled through Consular offices, and the establishment of a central bank will put those matters in the hands of experienced bankers and commercial men, which is certain to be a great benefit.

TOLEDO, ST. LOUIS & W. REPORT Corporate Income Account for 1918 is Published. The corporate income account of the Toledo, St. Louis and Western Railroad Company for 1918 was published yesterday. It shows \$984,229 in income, dividend income, \$57,140; income from funded securities, \$12,320; income from unfunded securities, \$40,858.

Its expenditures, as shown in the report, include maintenance of investment organization, \$22,451; miscellaneous miscellaneous charges, \$1,107,559; making total deductions from income, \$1,467,523, and leaving a debit balance of \$483,066. The income account under Federal operation shows a \$435,662 increase in the net income compared with 1917 figures.

Superior Oil Corp. Bought—Sold—Quoted Circular on request C. Edward Connell Member N.Y. Curb Market Ass'n Specialist 39 Broad Street, N. Y. Phones: Broad 5938-9

The intrinsic values and future prospects of securities should determine the Investor's Choice in selecting investment issues. Write today for Bulletin "S."

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ATTACKS EDGE BILL King of Illinois Flays Export Financing Measure in House.

WASHINGTON, Nov. 3.—Charging that the "money making contingent" was behind the measure, Representative King (Ill.) attacked today the Edge bill for export financing in the House, characterizing it as "an admirable example of lobbying and bureaucratic legislation."

"If there is a wild rumor that oil had been discovered in Armenia," he said, "that will be sufficient to start the organization and promotion by these so-called investment bankers of hundreds of companies, the sale of whose stocks and bonds they will promote, for a craze for Siberian gold overcomes us those who are taken over in this bill will see to it that the stock of the Siberian Gold Company gets a fair chance in America."

"This bill means the threatened destruction of American industries, the paralyzation of American labor and the certain loss of a national organ of stock speculation."

VAIL REPLIES TO VENNEN CIRCULAR Head of American Telephone and Telegraph Sends Answer to Stockholders.

Theodore N. Vail of the American Telephone and Telegraph Company issued a letter to the 118,000 holders of the stock of the company as a reply to a circular entitled "A Chapter on American Telephone and Telegraph Company" which has been sent to stockholders by C. H. Vennen & Co. There is pending a suit brought by Mr. Vennen against the directors of the company, in which \$50,000,000 in convertible gold bonds issued as of August 1, 1918, are attacked as invalid.

Mr. Vennen sued as a stockholder and jointly situated were not given an opportunity to subscribe for bonds in proportion to their holdings of stock.

The statement contained in Mr. Vennen's circular that a promise given to him that certain information would be furnished to him was not fully performed, is not true, said Mr. Vail in his letter. "All the information promised, but no more, was promptly furnished. It is the policy of this company to give Mr. Vennen absolutely nothing in the way of information that is not what he is entitled to under a strict construction of the law."

"To give all the details of the transactions of the business of the company to each one of our stockholders would be a task of such enormous magnitude as to be practically impossible. The amount of information that is available, however, has been made available to the stockholders the fullest general information as to the company's affairs."

In answer to the charge of Mr. Vennen that the conversion of any of the new bonds would increase the stock to more than the \$50,000,000 limit set by an amendment to the certificate of incorporation, Mr. Vail said:

"Mr. Vennen's claim that stock of this company has been issued in excess of the charter limit is without any justification. The authorized authorized capital stock of this company has been increased from time to time by proceedings strictly in accordance with law to \$500,000,000. The amount of the authorized stock of this company has been increased from time to time by proceedings strictly in accordance with law to \$500,000,000. The amount of the authorized stock of this company has been increased from time to time by proceedings strictly in accordance with law to \$500,000,000."

After giving a list of thirty-nine suits against various corporations and individuals which are said to have been brought by or in the interest of Mr. Vennen or against him or companies dominated by him, Mr. Vail said that he had been advised by eminent counsel and is convinced that this suit of Mr. Vennen's is wholly without merit."

EXPECT KNIVES TO BE SCARCE Demand Increases, While Manufacture Does Not. Special Cable Despatch to THE SUN from the Copyright, 1919, all rights reserved.

STRENGTH, England, Nov. 3.—The demand for table knives continues to grow, and as their output does not improve a scarcity of them is expected. Stainless knives occupy the attention of workers to such an extent that very few of the ordinary kind can be obtained.

There is less pressure in pen and pocket knives, and call for razors, owing to universal use of safety razors, is extremely poor.

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REDISCOUNT RATES TO BANKS RAISED Federal Reserve Jumps Charge Schedule 1-4 Per Cent. to 3-4 Per Cent. EFFECTIVE IMMEDIATELY

Strong Says Result of Desire to Make Reductions in Bank and U. S. Loans Meet.

The Federal Reserve Bank of New York has increased its rates of rediscount from one-quarter of 1 per cent to three-quarters of 1 per cent, effective immediately. Announcement of this step was made yesterday afternoon by Governor Benjamin Strong. In making the announcement Governor Strong explained that it was the natural result of a desire to make a reduction in bank loans corresponding to the reduction in Government loans which is now in progress.

"The reason for the advance in rates announced today by the Federal Reserve Bank of New York," the Governor said, "is the realization that some part of the great volume of credit resulting from both Government and private borrowing which was financed, as it is released from time to time from Government bonds, is being diverted to speculative employment rather than to reduction of bank loans. As the total value of the Government's loans is now in course of reduction corresponding reductions in bank loans and deposits should be made in order to insure an orderly return to normal credit conditions."

The step is very important in the way of deflation. With the entrance of the Government into the money market on a very large scale to take care of its needs there was created a tremendous amount of credit which had not been in existence. Now, when the Government is reducing its borrowings, the surplus credit is finding its way back into commercial channels, and it is understood to be the desire of the banking interests to limit this surplus credit rather than have it applied to speculative enterprise.

The increases in rediscount rates run from one-quarter of 1 per cent to three-quarters of 1 per cent. The new schedule, in which yesterday's change is the first one of importance to be made since April, 1918, is as follows:

ADVANCES. For advances not exceeding fifty days to member banks on their promissory notes secured by—

United States certificates of indebtedness, Liberty Bonds, Victory Bonds, Government War Bonds, Eligible commercial paper—

Notes, drafts, bills of exchange including checks originating in this country, not more than 60 days, but not more than ninety days, but not more than six months—

COFFEE MARKET. The coffee market yesterday without special feature of any kind. On the call prices were 3 to 10 points higher at Saturday's close, working higher to appearance, buying orders from Wall Street, committing the market to trade firms, with little for sale. December touched 16.75, March 16.65, May 16.60, and closed within a point or two of their previous prices, or at net gains of 2 to 31 points.

REPORTED A HOLIDAY. The local market will not open until tomorrow. The market for coffee was few and those here were about unchanged. In the local spot market the demand was reported fair, but prices were unchanged at 17 cents for Rio.

Range of Open, High, Low, Close. November... 16.75 16.80 16.65 16.75 December... 16.65 16.70 16.50 16.65 January... 16.55 16.60 16.40 16.55 February... 16.45 16.50 16.30 16.45 March... 16.35 16.40 16.20 16.35 April... 16.25 16.30 16.10 16.25 May... 16.15 16.20 16.00 16.15 June... 16.05 16.10 15.90 16.05 July... 15.95 16.00 15.80 15.95 August... 15.85 15.90 15.70 15.85 September... 15.75 15.80 15.60 15.75 October... 15.65 15.70 15.50 15.65

BRASILIAN COFFEE STATISTICS. Year. Last week. Last month. New York deliveries, 10,600 12,500 13,500 Rio deliveries, 10,600 12,500 13,500 Total deliveries, 21,200 25,000 27,000

LONDON STOCK MARKETS. Volume of Trading Decreases and War Loan Is Firm. Special Cable Despatch to THE SUN from the Copyright, 1919, all rights reserved.

Mullins Body Asks More Capital. Directors of the Mullins Body Corporation unanimously adopted yesterday a resolution to call a meeting of stockholders to consider the increase of its common capital from 70,000 to 100,000 shares. The meeting will be held on November 18 and the privilege for subscribing to the new shares will be accorded to present stockholders.

EQUIPMENT TRUSTS. (The following are quoted on a percentage basis.) Baltimore & Ohio... 100-20-20 45-5-5 50-5-5 Buffalo & Erie... 100-20-20 45-5-5 50-5-5 Chesapeake & Ohio... 100-20-20 45-5-5 50-5-5 Chicago & North Western... 100-20-20 45-5-5 50-5-5

River Flood Costs \$1,000,000. GREENSBORO, Ky., Nov. 3.—Green River swollen to flood stage by heavy rains, came to a stand today after inundating a large area and driving scores of families from low lying sections of the valley. Damage has been buoyant. The turnover of credit increased late in the afternoon, and money was obtainable at 3 per cent.

Paris Bourse Trading. Paris, Nov. 3.—Trading on the Bourse today was quiet. The price of Government bonds were quoted at 85 francs 15 centimes for cash, exchange on London at 37 francs and the 3 per cent loan at 89 francs 75 centimes. The quotation on the dollar was 8 francs 85 centimes.

Plan Canada's Largest Theatre. Announcement that through arrangements just consummated Loew's, Inc. had acquired two additional theatres, one in Montreal and the other in Brooklyn, was made yesterday. Toronto had been purchased and on it building of a new theatre to seat 3,500 persons was announced, with the first hands. It was said that it would be Canada's largest theatre.

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BID AND ASKED QUOTATIONS. N. Y. STOCK EXCHANGE QUOTATIONS. To the following prices accrued interest to be added in every case. Bonds in default denoted as such in italics.

UNITED STATES GOVERNMENT BONDS. Bid. Ask. 2s, registered... 100 100 2s, coupon... 100 100 4s, coupon... 100 100

FOREIGN BONDS. Anglo-French 4 1/2... 100 100 Canada, Dominion of... 100 100

FOREIGN BONDS DEALT IN FLAT. Mexico External... 100 100

Closing prices of stocks in which there were no changes yesterday. Bid. Ask. Adams Exp... 100 100

ADVANCES. For advances not exceeding fifty days to member banks on their promissory notes secured by—

UNITED STATES CERTIFICATES OF INDEBTEDNESS, LIBERTY BONDS, VICTORY BONDS, GOVERNMENT WAR BONDS, ELIGIBLE COMMERCIAL PAPER—

NOTES, DRAFTS, BILLS OF EXCHANGE INCLUDING CHECKS ORIGINATING IN THIS COUNTRY, NOT MORE THAN 60 DAYS, BUT NOT MORE THAN NINETY DAYS, BUT NOT MORE THAN SIX MONTHS—

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Increase in Your Saving

DURING these days of greater wage—avail yourself of the opportunity to lay money aside for the time when productive power is less. For the past 60 years we have kept in just as close touch with the small depositor as with the general development of Commerce Industry, and Manufacture. An account with this old representative Brooklyn bank is a guarantee of credit.

NASSAU NATIONAL BANK of BROOKLYN

Established 1859 Resources \$20,000,000

MANCHESTER NEEDS COTTON. Secretary of Good Grades of American Staple Is Feit. Special Cable Despatch to THE SUN from the Copyright, 1919, all rights reserved.

The trade is faced with a corner in good grades, although it is not the creation of speculators. Representatives of Lancashire of the cotton exporting houses in the Southern States of America have received instructions not to quote at present for cotton over low to middling, which is a pretty clear indication that better qualities are not ready to be had in anything like the usual quantity from the crop coming in. It is possible that the unfortunate scarcity may be mollified as picking proceeds.

Some relief may be found by substituting Egyptian and other growths for absent American grades, but there are practical objections to such a course not easily overcome.

Pennsylvania Crude Oil Market. OIL CITY, Nov. 3.—Credit balances, \$4,215,762; 75,612; average, 77,242. Shipments, 15,856; average, 47,801; runs, November 1, 9,755; shipments, November 1 and 2, 22,970.

FINANCIAL NOTES. Anaconda Copper Company reports its October production at 13,900,000 pounds, against 13,800,000 in October, 1918, a decrease of \$455,000 pounds. United States Reports its October production at 14,875,000 in October, 1918, a decrease of \$1,000,000 pounds.

AMERICAN TYPE FOUNDERS COMPANY reports that its 1918 net profit was \$146,271 in the previous year. The company reports for nine months ended on September 30 shows net profit, after charges and Federal taxes, of \$1,427,874.

Investors read The Wall Street Journal

THE UNITED TRUST COMPANY OF PITTSBURGH, PA. OFFICE OF THE UNITED TRUST COMPANY OF PITTSBURGH, PA. OFFICE OF THE UNITED TRUST COMPANY OF PITTSBURGH, PA.

THE TIMKEN-DETROIT AXLE COMPANY. NOTICE IS HEREBY GIVEN that pursuant to Article 3 of the Agreement entered into by THE TIMKEN-DETROIT AXLE COMPANY and THE FAIRMOUNT LOAN AND TRUST COMPANY, dated December 1, 1918, the undersigned will deliver to the latter company, on or before November 1, 1919, the undersigned will deliver to the latter company, on or before November 1, 1919, the undersigned will deliver to the latter company, on or before November 1, 1919.

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