

Business and Finances

By W. S. Cousins, Editor The American Banker

New York, June 24.—The rapid development of the war-like spirit in Mexico and its probable effect upon the American economic and financial situation have injected a new series of problems into the financial markets and, while on the surface they may appear to be somewhat complicated, there is not the slightest justification for a near-panic in investments. The natural tendency of timid investors is to rush for cover on the slightest indication of a storm, and at such times it is the business of unscrupulous stock traders to pound down the market and to create as many unfavorable market conditions as they possibly can. These elements are always present and must be reckoned with, no matter what the real fundamental conditions may be.

Aside from these, however, we must consider that there are thousands of investors and investment bankers who are members of the National Guard; and should they be called away to the border, they will naturally be desirous of clearing up many of their financial affairs pending the uncertainty of the length of their term of absence from business.

Then again, there is the larger problem of the financing of such an expedition as the occupation of any part of Mexico would entail. According to reports from Washington, the condition of the Federal Treasury is such that there seems to be little necessity for a resort to extraordinary measures in order to finance a considerable movement of troops to the southern boundary. Should extra borrowing become necessary, the Treasury now has authority to issue \$40,000,000 three per cent bonds, the only restriction being that these bonds must not be sold below par.

Bankers are of the opinion that the government would have no difficulty in disposing of \$100,000,000 to \$240,000,000 worth of three per cent bonds at this time, and that, should such an offering be made the call from public investment sources would be more than sufficient to absorb it in full. This is not wholly a patriotic consideration, for there are many investors in the United States who are always willing to sacrifice part of their yield in return for the absolute security offered by the United States bond. The United States credit is so good that its bonds sell well under prevailing interest rates for the highest class railroad or industrial issues, although they have an added and very important advantage in being free from all taxes.

Any general review of financial and investment conditions would therefore not be complete without full consideration of the fact that a world war is raging in Europe, war preparations are being made on the Mexican border, and a presidential campaign is in the course of construction. Any one of these factors taken singly are sufficient to cause unsteadiness, but when combined they offer a series of complications which are an unusual handicap to the business and financial situation. At such a time only the sterling dividend-paying and dividend-paying stocks can expect to advance or to hold their ground, while those whose technical position is weak are more liable to feel the effects of bearish influences. The point is well illustrated in the market position of the motor stocks, which, in rumors of mergers and consolidations and great money-making reports, sold up to point far beyond their real value, only to give way when the real situation was revealed. The railroads, prime industries, on the other hand, have steadily held their positions in spite of conditions which would naturally depress them.

Now that the subject of motor stocks is so prominently before the attention of American investors, the following concrete reasons for lower profits by motor companies will be of interest:

1. Increased production—estimated at 1,300,000 cars this year against 703,527 last year. This country will at the end of 1916, have about 3,400,000 cars, or more than one for every six families. At this rate the United States will soon be saturated with automobiles. By next year the supply of cars will almost surely exceed the demand for them. We will then have cut-throat competition and only the fittest will survive.

2. The cost of material for motor cars has increased enormously within about a year. Copper has doubled—14c to 28c; aluminum has tripled—20c to 61c; leather has doubled; vanadium steel has increased five times; ordinary steel more than eighty per cent—\$29 to \$54. Skilled labor has also increased from 20 per cent to 50 per cent. Altogether the cost of cars has increased from \$50 to \$300 apiece. In some cases this increase is partly overcome by larger-scale production.

3. Higher wages are not only increasing the cost of producing automobiles but are increasing their cost of operation and are, therefore, restricting their use. There are fewer jitneys now than there were one year ago. The demand for motor trucks is also much less than it would be with lower wages and cheaper cars.

4. A considerable proportion of the cars purchased in 1915 and 1916 were purchased by those who are financially unable to operate them or by those who will tire of them. Thousands of second-hand cars may soon be offered in the market when there are no jitney-bus proprietors to bid for them.

5. The demand for cars and trucks for war purposes will slacken at, if not before the end of the war.

Gold, Money and Business
According to reliable estimates, the amount of gold imported into this country on the current movement has

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been in excess of \$60,000,000. Last year New York received from all sources, including London, Paris and other European centers, almost \$440,000,000 worth of the precious metal. This makes a total of \$500,000,000 and is especially interesting as being the exact amount of the Anglo-French loan negotiated through an American banking syndicate. Expectations are that further large amounts of gold will be sent to New York from Ottawa, estimates placing the ultimate total at from \$100,000,000 to \$150,000,000.

Coincident upon the raising of loaning rates in New York, offers for the depositing of reserve funds have come from the banks in the interior points; and the plethora of funds in many such points will still operate against higher rates. From now until crop moving time, however, a gradual firming up of rates may be expected. Deposits at the banks in the South and Middle West are showing considerable depreciation, not only from the increased demand of a general character, but as a result of reported and contemplated mergers in several in-

dustry lines. Merchants are beginning to plan for borrowing to some extent in meeting their fall obligations promptly, in anticipation of an enormous increase in all mercantile lines. Such activities are being carried on for the purpose of increased foreign trade pending the possible termination of the war, or possibly meeting requirements of neutral countries which are unable to obtain their requirements at the larger centers, not as yet feeling the necessity for making any perceptible withdrawals, owing to the surplus on hand, as well as the results which are available as the benefit of the instituting of the Federal Reserve System.

Bond and note issues of the leading railroad and industrial corporations maturing in July, according to the regular compilation of the Journal of Commerce aggregate \$54,198,999. This shows a decided falling off when compared with \$85,374,000, the amount of securities maturing in 1915. A decline is also noted when compared with the July maturities in 1915, which totaled \$64,099,000. The maturing indebtedness of railroad companies for July represents \$40,068,000, leaving a balance of \$14,130,000 for industrial concerns to liquidate. The maturities for July compare with similar figures for the preceding month and for July of last year as follows:

	July, 1916	June, 1916	July, 1915
Railroad Bonds	\$7,270,000	\$22,329,000	\$11,340,000
Railroad Notes	\$2,798,000	\$5,135,000	\$2,763,000
Industrial Bonds	2,674,000	475,000	11,390,000
Industrial Notes	11,456,000	17,437,000	14,606,000

Featuring the issues maturing in July is the \$14,000,000 two-year notes of the Chicago Elevated Railway. A \$6,000,000 note issue of the Chicago & East Illinois becomes due in July. The \$5,000,000 notes of the Kansas City Terminal must also be paid off in July. A first mortgage for \$12,000,000 of the Kansas City Belt Line is due next month.

Other maturing issues in large amounts are \$3,500,000 three-year notes of the Public Service company of Northern Illinois, \$325,000 first mortgage, Hilton, Dodge Lumber company, \$3,000,000 American Paper & Light notes, \$2,603,000 Chesapeake & Delaware Canal notes.

possession of Mexico, the sentiment at home among our own people would not sustain our own government long enough to produce results.

We have a strange people in the United States; they are emotional and at times are without a purpose. We prefer that the United States should invade Mexico and clean it up. We endorse the president's action in calling out the national guard to the several states. The national guard will be needed on the border, even if we have no war with the Mexican people. It would take an army of 150,000 men to guard the border during the next five years.

We sympathize deeply with President Wilson. He is between two fires. Factions are pulling and hauling at him, suggesting this and demanding that, and he permits himself to be left in doubt. His greatest mistake has been in decision.

He can withdraw every American soldier from Mexico. He can ask the Mexican people for a time to take all the Americans out of their country, then by guarding the border he can have the appearance of peace. He can call for half a million men; drill them all summer and all next winter and next spring; he can invade Mexico, inaugurate a military government, stop all murdering and stealing and start Mexico on a new career. Getting out of Mexico would not exactly end all our troubles because the American people, under the Monroe doctrine, are responsible for Mexico. The invasion of Mexico would offend all the South and Central American states. But we cannot wait forever to satisfy everybody. Fate may decide these matters for the president. The Mexicans may assassinate General Pershing's command, then there will be nothing to decide; it will be war.

WILLOW CREEK

Mr. Frank Crockett is fixing up his binder and getting it in shape for the early harvest.

Mr. Cleve Murphy is walking the Sam Newman ditch.

Mr. Horace Smith has gone to the Mountains for a while.

The people in this vicinity are rushing the hay in as it looks like more rain.

The water has been turned out of the Newman ditch while some new headgates are being put in.

Mr. and Mrs. Ed Koppe of Succor Creek, Ore., are visiting at Mrs. Kopp's brother, Milt McIntyre of Willow Creek. They report every thing coming out in fine shape after the freeze.

Postmaster Frank Mullynx of Rock Ville, Oregon, nephew of Milt McIntyre and Mrs. Ellen Cook came over to Boise where he will be operated on for kidney trouble.

Mr. Oatis Kirks of Willow Creek was visiting at the home of Mrs. Haver of Middleton, Saturday.

Mr. Arrow Newman and several friends went over to Lake Lowell on a fishing trip last Friday.

Mr. Carpenter died at the Box Spring on Willow Creek Saturday. No particulars have been received at this writing.

Attorney W. A. Stone was in Boise Saturday looking after professional business.

Germany, with the great German army, could take hold of Mexico and produce such development as would astonish the world. If Germany took possession, her own German people would not be making a fuss about it. If the American people take possession of Mexico fully one-half of the American people would denounce our proceedings as criminal. If we took

YEAR 1816 WAS A YEAR OF TWO WINTERS AND NO SUMMER

The season of 1916 is different from any season within the memory of the people living today. Thus far there has been no summer weather although there have been a few hot days. The spring was late; late frosts destroyed the fruit crop and have even injured the alfalfa; and in other respects the weather has been different from what people are accustomed to expect in these parts.

The season is different from the ordinary season in all parts of the country. This fact has led people to look up the weather bureau records, old newspaper files, personal diaries and other sources of history. The result of the investigation, or at least one result it, the discovery that one hundred years ago, in 1816, occurred the year without a summer.

The following account of the year 1816 was kindly furnished The Tribune by Mr. G. D. Stafford, the well known citizen of Lower Boise, and a pioneer of Idaho. Mr. Stafford has a clipping from the Keokuk County News at Signonry, Iowa. The account tells of the very unusual weather conditions throughout the United States a century ago. It follows:

Year 1816 Was Summerless
"The year 1816 was known throughout the United States and Europe as the coldest ever experienced by any person then living. There are persons in northern New York who have been in the habit of keeping diaries for years, and it is from the pages of an old diary begun in 1816 that the following information regarding this year without a summer has been taken.
"January was so mild that most people allowed their fires to go out and did not use wood except for cooking. There were a few cool days, but they were few. Most of the time the air was warm and spring-like. February was not cold. Some days were colder than in January, but the weather was the same. March, from the 1st to the 6th, was inclined to be windy. It came in like a small lion and went out like a very innocent sheep.
"April came in warm, but as the days grew longer the air cooled and by the first of May there was a temperature like that of winter, with plenty of snow and ice. In May the young buds were frozen dead, ice formed half an inch thick on the ponds and rivers, corn was killed and the cornfields were planted again, until it became too late to raise a crop. By the last of May the trees are usually in full leaf. When the last of May arrived in 1816, everything had been killed by the cold.
"June was the coldest month of roses ever experienced in this latitude. Frost and ice were as common as butterflies usually are. Almost every green thing was killed; all fruits were destroyed. Snow fell ten inches deep in Vermont. There was a 7-inch fall in the interior of New York state and the same in Massachusetts. There was only a few moderately warm days. Everybody looked, longed and waited for warm weather, but warm weather did not come.
"It was also dry; very little rain fell. All summer long the wind blew steadily from the north in blasts, laden with snow and ice. Mothers knit socks of double thickness for their children and made thick mittens, and planting and shivering done together, and the farmers who worked out their taxes on the county roads wore overcoats and mittens.
"On June 17 there was a heavy fall of snow. A Vermont farmer sent a flock of sheep to pasture June 16. The morning of the 17th dawned with the thermometer below the freezing point. About nine o'clock in the morning the owner of the sheep started to look after his flock. Before leaving home he turned to his wife and said jokingly:
"Better start the neighbors out soon, it's the middle of June and I may get lost in the snow."
"An hour after he had left home a terrible snow storm came up. The snow fell thick and fast, and as there was so much wind, the fleecy masses piled in great drifts along the windward side of the fences and out buildings. Night came and the farmer had not been heard of.
"His wife became frightened and alarmed the neighborhood. All the party searched. On the third day they found him. He was lying in a hollow on the side hill with feet frozen; he was half covered with snow, but alive. Most of the sheep were lost.
"A farmer near Tewksbury, Vt., owned a large field of corn. He built fires. Nearly every night he and his men took turns in keeping up the fires and watching that the corn did not freeze. The farmer was rewarded for his tireless labors by having the only crop of corn in the region.
"July came in with ice and snow. On the fourth of July ice as thick as window glass formed throughout New York. In some parts of the state of Pennsylvania, Indian corn, which in some parts of the east has struggled through May and June, gave up, froze and died.
"To the surprise of everybody, August proved the worst month of all. Almost every green thing in this country and Europe was blasted with frost. Snow fell at Barnes, 30 miles from London, England, on August 30.
"Newspapers received from England stated that 1816 would be remembered by the existing generation as the year in which there was no summer. Very little corn ripened in New England. There was a great privation, and thousands of persons would have perished in this country had it not been for the abundance of fish and wild game."

presidential record in the early days of the Republic, while the hold of the church of England was still strong.

Garfield was ordained as a preacher in the Church of Disciples.

Hughes would make the twentieth lawyer to occupy the White House. Only eight Presidents so far have not been members of the bar.

Eighteen of our Presidents out of the twenty-seven were college men, and as Hughes went to two colleges he will strengthen the forces of the sheepskin holders.

Hughes is a member of the Delta Upsilon Greek letter fraternity, as was Garfield.

The average at which men have been elected President was fifty-eight. Mr. Hughes is only fifty-four. Roosevelt was forty-three when he succeeded McKinley, and he was our youngest president. "Tippecanoe" Harrison was sixty-seven.

Hughes is just ten years younger than his running mate, Charles W. Fairbanks.

All our Presidents except two—Van Buren and Roosevelt—were of British extraction. Jefferson, however, was the only Welshman, and Hughes' ancestry also goes back to Wales.

The father of Justice Hughes was a clergyman. Three other Presidents—Wilson, Cleveland, and Arthur—were sons of preachers.

If you want your son to be President you had better buy a farm. An even dozen presidents were sons of farmers, and farmer boys beat all others in the race to the White House.

Lincoln was the first President to wear a full beard, but since his day, Grant, Hayes, Garfield, Arthur and Harrison have worn extensive facial adornments. Hughes has plenty of precedents in his aversion to patronizing a razor.

The nomination of Hughes proves once more that the best stepping stone to the presidency is a governorship.

Wilson, Roosevelt, McKinley, Cleveland, Hayes and Johnson were State governors.

W. F. Schnabel returned Friday evening from Jordan Valley, where he had been for some little time. Saturday Mr. Schnabel enlisted in Company G, I. N. G. Mr. Schnabel has had experience in the army, but his experience gathered on the range as a scout will be of much more value.

Mrs. W. S. Gore and daughter, wife and daughter of the new manager of the lumber yards, arrived from Parma Friday afternoon, and will make their future home here, says the Midvale Reporter.

Ellis Bates of Company G was in the city from Boise Sunday.

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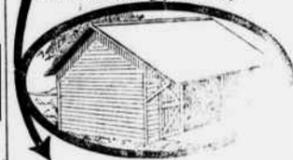
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If Charles Evans Hughes is elected President he will be the first Baptist to hold that office.
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The Episcopalians made their big

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